Customer-Oriented Product Development

An Empirical Analysis of the Market and Competition

“There is only one boss. The customer. And he can fire everybody in the company from the chairman down, simply by spending his money elsewhere.” (Sam Walton)

Saxon University of Applied Sciences

Ellen Punte

August 18th, 2014
Customer–Oriented Product Development

An Empirical Analysis of the Market and Competition

Name: Elisabeth Maria (Ellen) Punte
Student Number: 134438
Exam Code: T.HBS.5240

Organization: Hotel Modelo
First Examiner: Euphemia Laturake
Second Examiner: Almudena Gonzalez

Quetzaltenango, August 18th 2014
Preface
As a student Tourism and Leisure Management at Saxion University of Applies Sciences, the last years I have gained a lot of insight in the tourism world. The final assignment of this study is carrying out this thesis, a problem solving research project. In previous years of this study, I conducted my first traineeship and management traineeship in Quetzaltenango, Guatemala. In this beautiful country I discovered many differences, not only in culture, nature and people, but also in the tourism world. Guatemala is a beautiful country for tourism, but lacks in infrastructure and development. The business culture in Guatemala is also very different as many companies do not manage their business based upon plans or strategies; they make their decisions upon proceedings. This country gave me many thoughts and made me enthusiastic about my final assignment: conducting my thesis in this beautiful country and mean something for a tourism company in Guatemala.

Jose del Busto, Administrative manager of Hotel Modelo in Quetzaltenango, was immediately enthusiastic and grateful about the idea of conducting my thesis for his hotel. He told me everything about the hotel and the difficulties he was facing; a very low occupancy rate in the restaurant of the hotel which caused major losses. This was an interesting topic, it though it was interesting to find out why the problem occurred and most important how it could be solved. I was enthusiastic about the company and the topic right from the beginning, and I put together the main idea of the thesis: an empirical research on the market and competition in order to provide a customer-oriented product development plan for the restaurant of Hotel Modelo.

I would like to thank those people that helped me through the process of conducting this thesis, and guarded me to the successful fulfilment of the project. First of all, I would like to thank my client, Jose del Busto, to give me the opportunity of conducting my thesis for his hotel. I would like to thank him for his help, openness, flexibility and all information. Second, I would like to thank my first examiner and supervisor, Euphemia Laturake, for her flexibility, time and supervising. Furthermore, my family that was all the time supporting and stimulating me, and always backed me up in any decision in regards to my studies. Finally, the foreword would not be complete if I would not thank Anna Lisa Peste for her great support and great time together in Quetzaltenango, Guatemala.

Ellen Punte
Quetzaltenango, August 2014
Management Summary

In front of you, you have the thesis 'customer-oriented product development', a tool created for Hotel Modelo as a solution for their management problem. The hotel is located in Quetzaltenango, Guatemala. The family owned hotel encounters problems with their restaurant; the occupancy rate fell down and is currently very low due to changes in type of customer with different needs and demands. Because of the low occupancy rate, the restaurant experiences losses, which affects the overall profit of the hotel. The central research question of this project is: **CRQ: How can hotel Modelo increase the occupancy rate of the restaurant by focusing on their (new) target market?**

This thesis project provides a **customer-oriented product development plan** with a focus on the two desired target groups: **tourists** and **local business guests in Quetzaltenango**. The project provides a theoretical framework elaborating on three main components for customer-oriented product development: **customer needs & wants**, **customer behavior** and **competitive advantage**. A field and desk research are conducted in order to get insight into those components. The field research is performed by means of a qualitative and quantitative research. Questionnaires are distributed amongst tourists, and interviews conducted on business guests. Both methods brought up interesting information. Literature states in the theoretical framework the importance of several aspects in regards to the success of a restaurant. Those aspects were evaluated and investigated by the market and competition and the most important aspects that came up combining literature and research are: **service**, **price-value**, **access**, **setting** and **differentiation**. For those areas different alternative solutions were set up and evaluated based on criteria. The best solutions per area turned out to be: **offering excellent service by training staff**, **offering good price value by offering high quality food**, **increase access by offering convenient free parking**, **increase setting by improving decorations** ,**create a kids area** and **differentiate the product by implementing the Spanish concept**.

The implementation plan provides an advice on how to implement the advice (the best solutions) in a proper way. The advice is based on this mission: **"Develop the restaurant product of Hotel Modelo into the number one Spanish restaurant in Xela and belong to the top ten best restaurants in Xela within the upcoming three years"**. In order to make sure the mission will be reached, objectives and goals are set up. Those objectives and goals make sure that the advice can be implemented in a controlled way.

By implementing this customer-oriented development plan, the goals and objectives should be reached. In this way hotel Modelo can benefit of a solution for their management problem. The restaurant product becomes **more attractive**, which benefits into an **increase in the occupancy rate**. This increase in occupancy rate will make the **losses disappear** due to **increasing sales**, which **benefits the profit of the restaurant** and therewith the **overall profit of Hotel Modelo**.
# Table of Content

1. Introduction 8  
   1.1 Background Information 8  
   1.2 Reason and Relevance 8  
   1.3 Project Objective 10  
   1.4 Central Research Question and Sub–Questions 10  
   1.5 Outline of Project Structure 11  

2. Theoretical Framework 11  
   2.1 Definitions of Concepts 11  
   2.2 Literature Review 12  
      2.2.1 Customer Oriented Product Development 12  
      2.2.2 Customer Needs and Wants 13  
      2.2.3 Customer Buying Behavior 14  
      2.2.4 Competitive Advantages 14  
   2.3 Relationships of Topics and Concepts 16  

3. Methodology 16  
   3.1 Introduction 17  
   3.2 Research Objectives 17  
   3.3 Research Design 17  
   3.4 Data Collection Methods 19  
   3.5 Sampling 20  
   3.6 Operationalization 21  

4. Results 22  
   4.1 Survey Research Results 22  
   4.2 Case Study Research Results 25  
   4.3 Desk Research Results 30  

5. Analysis Results 32  

6. Discussion 35  
   5.1 Validity 35  
   5.2 Reliability 36  

7. Conclusion 36
8. Advice

8.1 Objective 38
8.2 Evaluation of Alternative Solutions 38

8.2.1 Overview of Options 38
8.2.2 Overview of Criteria 39
8.2.3 Assessment of Alternatives 41

8.3 Final Recommendations 42
8.4 Suggestions for Implementation of Advice 43
8.5 Financial Implications of Advice 47

8.5.1 Cost 47
8.5.2 Benefits 48

Afterword 49

Reference List 51

Appendixes 54

Appendix I Menu: Breakfast, Lunch & Dinner
Appendix II Global Work Break Down Structure
Appendix III Analysis of Topics & Concepts
Appendix IV Questionnaire
Appendix V Operationalization
Appendix VI Questionnaire
Appendix VII Interview Guide
Appendix VIII Frequency Tables Questionnaire Results
Appendix IX Code Trees
Appendix X Visualization Implementation Plan, PDCA Cycle
List of Tables and Figures

List of Figures

Figure 2.1 Relationship Blender 16
Figure 8.1 Step 1: PDCA Cycle 43
Figure 8.2 Step 2: PDCA Cycle 43
Figure 8.3 Step 2: PDCA Cycle, part 2 45
Figure 8.4 Step 2: PDCA Cycle, Sales & Distribution Process 46
Figure 8.5 Step 3: PDCA Cycle, Check 46
Figure 8.6 Step 4: PDCA Cycle, Act 47
Figure A.1 Global Work-Breakdown Structure 56
Figure A.2 Operationalization 62
Figure A.3 Code A,B,C 76
Figure A.4 Code Tree Service 76
Figure A.5 Code Tree Setting 76
Figure A.6 Code Tree Price-Value 76
Figure A.7 Code Tree Marketing 77
Figure A.8 Code Tree Dietary Considerations 77
Figure A.9 Code Tree Accessibility 77
Figure A.10 Code Tree Promotions 77
Figure A.11 Code Tree Reasons of going to a Restaurant 77
Figure A.12 Code Tree Times to go Out 77
Figure A.13 Code Tree Where to look for Information 78
Figure A.14 Code Comparison Factors 78
Figure A.15 Code Restaurant Management 78
Figure A.16 Visualization Implementation Plan 79

List of Tables

Table 4.1 Competitor Analysis 31
Table 8.1 Performance Matrix 41
Table 8.2 Table of Objectives 44
Table 8.3 Table of Costs 48
Table A.1 Breakfast Menu 55
Table A.2 Dinner Menu 55
Table A.3 Analysis of Topics and Concepts 57
Table A.4 Frequency Table Restaurant Choice 71
Table A.5 Frequency Table Service 71
Table A.6 Frequency Table Setting 71
Table A.7 Frequency Table Marketing 72
<table>
<thead>
<tr>
<th>Table A.8 Frequency Table Price–Value</th>
<th>72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table A.9 Frequency Table Dietary Considerations</td>
<td>72</td>
</tr>
<tr>
<td>Table A.10 Frequency Table Access</td>
<td>73</td>
</tr>
<tr>
<td>Table A.11 Frequency Table Frequency of going to a Restaurant</td>
<td>73</td>
</tr>
<tr>
<td>Table A.12 Frequency Table Where to Look for Information</td>
<td>73</td>
</tr>
<tr>
<td>Table A.13 Frequency Table Comparing Factors</td>
<td>74</td>
</tr>
<tr>
<td>Table A.14 Frequency Table Satisfaction Actions</td>
<td>74</td>
</tr>
<tr>
<td>Table A.15 Frequency Table Concepts</td>
<td>74</td>
</tr>
<tr>
<td>Table A.16 Frequency Table Spanish Restaurant Xela</td>
<td>75</td>
</tr>
<tr>
<td>Table A.17 Frequency Table Budget</td>
<td>75</td>
</tr>
</tbody>
</table>
1. Introduction

During the years, more and more businesses and industries begin to recognize the importance of the needs of customers in product conceptualization, no matter the product is tangible or intangible, such as services (Chen, 2006). In the customer–service top 10 trend watch of Gao (2014) the importance of going pro–active is stated. You can no longer wait for customers to reach out when they need help. Communicating with customers, and knowing their needs and wants is essential (Gao, 2014). The essence of customer knowledge and orientation is also the central theme of this thesis project.

The thesis project started in February 2014 in Quetzaltenango, Guatemala. The project is conducted for Jose Manuel del Busto, Administrative Manager of Hotel Modelo. Hotel Modelo is facing difficulties within the restaurant area, and the restaurant occupancy of the hotel is critical low. This causes losses for the entire hotel. The alarming decrease of the occupancy rate asks for information and insight about the market and competition. The underlying reason of the problem needs to be discovered. This introduction chapter provides a base for the project; it starts with background information about Hotel Modelo, than a description of the reason and relevance of the project is provided, and finally the management problem and research questions are stated.

1.1 Background Information

Hotel Modelo is located in Quetzaltenango, Guatemala. Quetzaltenango, also called Xela, is the second biggest city of Guatemala. The heart of Xela is its rectangular–shaped Central Park, locally known as Parque Central, home to many cultural events and entertainment options. The central park is located in Zone 1 of the city, where also the hotel is located. Guatemala welcomed 1,951,173 visitors to its country in 2012, in 2013 this number increased with 2.5% according to INGUAT (2013). Unfortunately, the amount of visitors to the city of Quetzaltenango has not been recorded. Hotel Modelo is a family–owned hotel, currently owned by Maria Eugenia Miralbes Reina. It has 19 rooms in which it can occupy 42 guests. The hotel has been welcoming guests in Quetzaltenango since 1892 and the owners are inspired by giving the best experience towards its guests and letting them feel like home. This focus and importance is also stated in the mission of the hotel: “Your home, far away from home” (Hotel Modelo, 2014). The vision of hotel Modelo is: “Through continuous improvement and attention to the needs of today’s travelers, we offer a place to relax with charm, history, comfort and safety through the lessons we have learned from 1892 and by new trends in the world tourism” (del Busto, 2014). During the years hotel Modelo has been trying to understand its customer needs and wants in order to improve their services (del Busto, 2014). The hotel has a restaurant in which it can occupy 42 guests. The restaurant offers breakfast, lunch and dinner daily. Breakfast is served from 7:00AM till 10:30AM, lunch from 12.30PM till 3:00PM and dinner from 7:00PM to 9:00PM. The menus for breakfast, lunch and dinner are stated in appendix I.

1.2 Reason and Relevance

The reason behind this project is concentrated in the restaurant area of the hotel. According to Mr. del Busto (2014) the problem occurred a couple of years ago, due to a drastic change in the type of clients the hotel was receiving. A couple years ago hotel Modelo mostly welcomed Guatemalan business guests, who
mostly ate their three meals in the restaurant of the hotel. The hotel wanted to let their guests feel like home and therefore offered home-style cooking. This type of food was appealing to the guests and the restaurant occupancy rate was average with 70%/80%, similar to the hotel occupancy by then (del Busto, 2014). However, the type of guests of the hotel has changed. The Guatemalan business guests stopped coming to the hotel due to two reasons. First off all, the hotel increased its prices due to investments made in the amenities of the rooms. Secondly, at the same time the behavior of the Guatemalan business guests was changing; those guests wanted lower prices and a lot of value for this price. The higher prices of the hotel did not meet the needs and wishes of the guests anymore, which resulted in a decrease in visitors (del Busto, 2014).

Hotel Modelo noticed this big decrease in visitors and decided to focus on a different target market: tourists. This target group was willing to pay their prices, and the occupancy rate of the hotel raised again. But even though the hotel occupancy rate returned to 70% again, the change in the type of guests affected the restaurant drastically. The restaurant occupancy did not keep up with the raise of the hotel occupancy. Mr. del Busto (2014) mentioned that the new type of guests, the tourists, did not like the concept, and had a different buying behavior. By that time Mr. del Busto realized that a problem occurred; the type of visitors for the hotel had changed but the restaurant had not adapted accordingly. Even though Mr. del Busto did recognize the importance of a change in the restaurant, he mentioned that due to lack of insight and knowledge about this (new) market, he did not know where to start (del Busto, 2014). Literature supports Mr. del Busto’s (2014) opinion about the importance of information about the customer. “Only effective customer-oriented strategies are able to assist a company to gain a prominent competitive edge over its competitors” (Chen, 2006). The importance of customer knowledge in successful business recognized in literature as well as by Mr. del Busto himself, is the central theme of this project.

Furthermore, Mr. del Busto (2014) mentioned that due to an increase in tourism also the competition within the area had increased. “The ideal situation for the hotel is a full house in the restaurant” (del Busto, 2014). “Or at least have like 15 people for every meal per day, that would be great” (del Busto, 2014). Ms. Mirables Reina (2014) mentioned that the problem of the restaurant only exists for lunch and dinner, as the hotel guests do enjoy breakfast in the hotel. Breakfast is included in the hotel price. She also mentioned something else about the current situation of the restaurant. Ms. Mirables Reina (2014) “We don’t have specific numbers, but I can say that if we are lucky we receive 15 guests per week for lunch, and a maximum of 20 per week for dinner” (Reina, 2014).

To create this ideal situation mentioned by Mr. del Busto, Ms. Reina (2014) mentions that she likes to keep the employees, but is willing to change the product. She also noticed that the offer of the restaurant is not attractive anymore and would like to change the product into a Spanish restaurant, because of her families background (Reina, 2014). Mr. del Busto (2014) also mentions this as a competitive advantage, as there is no real Spanish restaurant yet within the area. Ms. Reina (2014) wants to attract two specific markets: the tourists and the local Guatemalan business guests in Xela.
The knowledge this thesis project provides is insight into the two (new) desired target markets, as well as the competition. With this knowledge a customer–oriented product development plan is created, which can be used as a tool to increase the occupancy rate of the restaurant in Hotel Modelo. Therefore, the relevance of the project can be seen as rather high, as it supports the management of the hotel in creating a solution to their management problem.

The management question of the project is based on the main problem, and states the question that is answered with the new customer–oriented product development plan. The management question for this project is: How can hotel Modelo increase the occupancy rate of the restaurant while focusing on their (new) desired target market?

1.3 Project Objective
The objective of the project is to give an advice on customer–oriented product development which can be used as a tool to increase the restaurant occupancy of Hotel Modelo. This advice arises from an empirical research on the market and competition. The research provides insight on the needs and wants of the customer, customer behaviour and competitive advantage by means of a field and desk research.

1.4 Research Questions
In order to get an answer on the management question, a central research question and sub–questions are set up. CRQ1: How can customer–oriented product development increase the occupancy rate of the restaurant of hotel Modelo?

The main concept of the project is customer–oriented product development, the sub–research questions for the research are based on the break–down of this concept into: customer needs & wishes, customer behavior and competitive advantage. This break–down is stated in the theoretical framework.

Field Research
   SQ1: What are the needs and wishes of the (desired) target market?
      SSQ2.1: What are important factors that influence customer restaurant choices and how?
      SSQ2.2: Is the target market of Hotel Modelo interested in a Spanish restaurant in Xela?

   SQ2: What is the customer behavior of the (desired) target market?
      SSQ2: What are important factors in the customer buying decision process and how does factors influence the buying decision?

Desk Research
   SQ3: What is/are the competitive advantage(s) of hotel Modelo’s competitors?
      SQ1: What is the competitors product?
      SQ2: What is the customer experience at competitor restaurants?
1.5 Outline of Project Structure

The outline of this thesis structure is based on a global work breakdown structure, visualized in appendix II. Several projects are stated here and the main project is broken down into: theoretical framework, field research and advice. The structure of this report is similar and based on this break-down structure. First, the theoretical framework elaborates on core concepts, discusses relationships and discovers aspects which support the operationalization. The next chapter, the methodology, provides a deeper insight into the different research strategies that are used, as well as data collection methods and analysis methods. The following chapter states and analyzes the results of the field and desk research. Next, validity and reliability are discussed, and the chapter is followed up by the conclusion. After the conclusion the third part of the project is stated: the advice. The advice provides an overview of alternatives that are evaluated by means of criteria, this turns into best solutions that are then elaborated on in the implementation plan. The implementation plan ends with a short part about costs and benefits. Finally, the afterword states a day-to-day reflection and provides a reflection on the value of the project for the industry.

2. Theoretical Framework

“The conceptual framework is a structure that seeks to identify and present, in a logical format, the key factors relating to the phenomena under investigation” (Brotherton, 2008, p.77). The framework of this project defines concepts and topics and reviews literature in relation to customer oriented product development. It creates a clear understanding of the key concepts, defines the most important topics and provides a solid framework for the research. The theoretical framework defines concepts and measurable aspects used for operationalization, which creates the base of the research.

2.1 Definitions of Concepts

The definitions of concepts given in this section are based on an analysis of different sources, this analysis can be found in appendix III. The most suitable definitions in regard to this project are stated below. Those definitions can be seen as appropriate for the project and need to be interpreted accordingly.

Customer-Oriented Product Development
The creation of products with new or different characteristics that offer new or additional benefits to the customer. The product development is perquisite for satisfying tourists’ and local business guests demands and insuring the long-term profitability of the industry.

Customer Buying Behavior
The behavior that consumers display in searching for, purchasing, using, evaluating and disposing of the services that they expect will satisfy their needs. It includes how people buy, where, when and why people buy.

Customer Needs and Wants
Many business marketing departments pay close attention to the needs and wants of their target market since both drive consumer purchases. The starting point of marketing is human needs.
Needs are based on biological necessities like foods, clothes, air, shelter, water, and sex. Wants make life more pleasant; is a desire for something, like education, entertainment, security, relationship.

Competitive Advantage
Competitive advantage is the condition which enables a company to operate in a more efficient or otherwise higher quality manner than its competitor, and which results in benefits accruing.

2.2 Literature Review
The literature review focuses on the different concepts, starting with the main topic: customer oriented product development. This main topic is then broken down into three sub-concepts, on which an in-depth elaboration is provided below. This information functions to get a clear view on the concepts, and dives into measurable aspects, which creates the base for the operationalization of the project. Besides the creation of the operationalization it is the starting point of the research as it provides information on what is important for customer oriented product development, what to research and where to focus on.

2.2.1 Customer–Oriented Product Development
Product development is defined in the Business Dictionary (2014) as “The creation of products with new or different characteristics that offer new or additional benefits to the customer. Product development may involve modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche”. The importance of customers in the product development was recognized by many researchers. Ulrich and Eppinger (2012) mention that a company’s economic success depends on their ability to identify customer needs and quickly. A throughout understanding of customer needs is an obvious condition for product development (Mello, 2002). The key to product success is pretty simple: “delight the customer by creating a product that fills a specific need in the market better than competing solutions” (Mello, 2002). Fontela (2006) mentions “one of the first steps in product development is a demand analysis”. Therefore it is of great importance to discover needs, wants and customer behavior. Market research, like survey and focus groups will help to discover those needs (Info entrepreneurs, 2014). Customer oriented product development also benefits the economic sustainability in the company UN (2013). “Developing products that meet customer expectations with a high precision is particularly important in economic sustainability, which means not wasting human and material resources in the long term. If products are developed to better satisfy the end user, less waste is needed since better and potentially fewer yet more expensive products can be produced” (UN, 2013). Besides the importance of your customer in product development, also the importance of a competitive advantage was recognized. “Not only you must meet your customers’ needs, you have to do so in a way that is better than the alternatives offered by the competition" (Info entrepreneurs, 2014). Similarly Lager (2005) mentions “Nor is it enough anymore to develop a product that pleases the customer, it much also be better than competing products in the global area”. It is of great importance to discover your competition, your new product needs a unique selling proposition. What makes you stand out in the market place? The recognizing of the importance of the customer in product development, creates the base of this project, and the project is customer oriented. Concluded can be that
most important aspects to research for a customer-oriented product development are: **customer needs & wants**, **customer behavior** and **competitive advantage**. Those three concepts are defined as the sub-concepts/ main topics of the project and translated into research questions. The next section breaks down those concepts into topics and measurable aspects.

### 2.2.2 Costumer Needs and Wants

Literature brought up the importance of **customer focus**: “The orientation of an organization toward serving its client’s needs (Business Dictionary, 2014). It important to find out the client’s needs and wishes so the firm can adapt accordingly. In order to find out the needs of customer previous studies on consumer behavior in regards to restaurants identified different factors which consumer consider as important in regards to their restaurant selection. One of the factors that is determined as important in the customer decision making process and therefore an important need for the customer is **service**. Gupta (2007) mentions that attentive service is one of the critical factors determining restaurants customers’ repeat visits. Smith (1999) already discovered the importance of service in an early stage and mentioned: ‘Consumers also value a lot the service they receive, in regards to service employee cares that affect their customer satisfaction”. Also chef/owner of Craft Restaurants and Collicchio & Sons, Tom Colicchio (2014) mentions that service is extremely important in a restaurant. “I always say that people will come to the restaurant for food, but they will come back for service” (Colicchio, 2014). **Dietary considerations** also get a bigger importance nowadays. The dietary characteristics are particularly important given about 30% of adults will acquire an allergy in their lifetime to food such as peanuts, milk or shellfish, and it is suggested that this number is increasing (Towers and Pratten, 2003). Sulek & Hensley (2004) mention that when people evaluate food quality they also take into account dietary accessibility. Over 70% of individuals managing gluten and allergen free diets indicate that eating out at restaurants is one of their top concerns (Glutenfreepasport, 2014). **Access** is another important aspects in the decision of consumers for a restaurant. Monschis et al., (2003) mentioned that besides the availability of discounts, comfortable place to socialize, close travel distance and peer recommendations are the most important considerations for elderly people (Monschis et al., 2003). Here also the importance of **promotions**, availability of discounts appeared. ‘**Selling value** is more important than ever” (Ruff, 2011). Therefore **price-value** was seen as another aspect in the customer needs and wants. “In major sales, while customers may be more price conscious than in the past, value remains the cornerstone to successful selling” (Ruff, 2011). Gupta et al., (2007) also mention that appropriate cost of the restaurant product is a critical factor determining restaurant customer’ repeat. The last important aspect that need to be measured is restaurant **marketing**. Restaurant marketing is more important than ever. Restaurants today are successful largely due to the marketing initiatives taken to popularize them (Marketing Business Consulting, 2014). For example the Marketing Business Consulting sees a marketing message that include hygiene and freshness as a need and top priority for the customer.

Harrington, Ottenbacher and Way (2008) did an **research to the key restaurant attributes that influence the customer on restaurant choice**. They operationalized in their research the previous mentioned concepts: **marketing, promotions, price value, access, dietary considerations and service** for their study. This
theoretical framework and operationalization is used in this project as well. The study mentions the following key attributes in relation with service quality: Cleanliness, quality of food, food safety, quality of service, friendliness of staff. Setting was divided into the following key attributes: Atmosphere, interior design, privacy and noise level. Marketing include: reputation, ratings in food guides, recent reviews and advertisement. Price Value include: value of menu, innovative items, speed of service, value of food and drink, value of experience and price. Dietary considerations include: authentic food, flexibility, healthy alternatives. Access include: close travel distance and convenient parking. And finally promotions include only special promos (Harrington, Ottenbacher, Way, 2008). The operationalization of those key attributes in relation to needs and wants in this prior research are used in this project as well.

2.2.3. Customer Buying Behavior

Literature also brought up the importance of customer behavior which is highly connected to customer focus. Many different models regarding customer decision-making process are available today. In 1910 (Dewey) came up with the first model on examining consumer purchasing behavior toward goods and services, which involved a five-stage decision process. The process included: problem recognition, search, and evaluation of alternatives, choice and outcome. This model was adopted in 1973 by Engel, Kollat and Blackwell, and again by Block and Roering in 1976. In regards to Dewey’s (1910) model for goods, Zetihaml and Bitner (2003) suggested that the decision-making process could also be applied to services. The five stages operationalized by Zetihaml & Bitner (2003) are; need recognition, information search, evaluation of alternatives, purchases and consumption, and post-purchase evaluation. In the decision-making process for services those stages do not occur in a linear sequence as they usually do in the purchase of goods (Celmes, Weng, 2005). Needs may be triggered by the unconscious mind (impulse buying), internal conditions (hunger), or external conditions (marketing mix). It is suggested that impulse buying occurs less frequently by services than goods (Scharma et al. 2009). Many customer search for information from multiple sources, to save money, reduce risk, to develop performance expectations of service offers and to explore alternative options (Konus et al. 2008). Consumers use a variety of methods to search for information: they seek information from personal sources, they use the internet for independent ratings and reviews, they rely on a firm with a good reputation, or they look for warranties and guarantees. For the evaluation of alternatives consumer use service attributes like service, price and convenience. Finally service encounter processes are complex processes where consumer interactions and surrounding environmental factors shape consumers’ expectations (Coye, 2004), satisfaction, loyalty, repurchase intentions, and worth of mouth behavior (Bitner et al. 2000).

2.2.4. Competitive Advantage

In today’s competitive world, companies do not only compete anymore on price or delivery. The introduction of new products or product features has become a main source of competitive advantage (Kotillo, 2008). “A competitive advantage is defined as a condition which enables a country or firm to operate in a more efficient or otherwise higher quality manner than its competitors, and which results in benefits accruing”(Berdine, Parrish, Cassill, Oxenham, 2008). Companies can use different strategies in
order to build competitive advantage. “The aim though is always the same, to create a clear difference that is important to your customers, and is something your competitor cannot match” (Linton, 2014).

Competitive advantage can be created by means of cost, quality, innovation and customer experience (Linton, 2014). Cost, quality and innovation are all part of the product. Walder, Weiermair, Perez (2006) agrees with the importance of innovation and mentions: “Innovation is seen as one of the most important factors of economic growth and competitive advantage”. Kotillo (2008) mentions that a strategy of innovation gives a competitive advantage by developing products that differentiate your company and met customer needs more effectively than competitors. “Focus your product development on features that offer customers exceptional value or unique benefits” (Kotillo, 2008). Grotsch y Walder (2004) also repeat the importance of customer experience and state: “Especially the creation of memorable tourism experiences seems to promise today sustainable competitive advantage for tourism companies (Grotsch/Walder, 2004). Not only Grotisch & Walder (2004) recognize the importance of the customer experience, Weiermair (2001) mentions that the tourism industry has changed during the past decades from a seller to a buyers’ market (Weiermair, 2001), attention has to be paid to the needs and wants of the customer. The reason why the integration of customers in the development of innovations in the service industry is so important lies on the fact that they play an active role in the service production process. Without their presence a service cannot be produced in the first place. Therefore, it is natural to involve customers in the development of a product as one of the essential external factors. “An innovation can be successful only if the aims of the innovations are compatible with the aims of the customer (Feisher and Klinker, 2003)”. Here again the importance of the customer experience was stated. Forrester (2013) identifies the customer experience pyramid with three aspects. Those three aspects of the pyramid are: Useful, Easy, Enjoyable. Useful means that the experience offers value, easy means that it is easy to assess the value and enjoyable means that the experience is emotionally engaging (Forrester, 2013). Building competitive advantage requires the organization to do thing different than its rivals. When competitors in any industry all offer the same products to the same group of customers, profitability disappears. Instead, organizations must continue to find ways to prevent rivals from imitating their efforts to become distinctive (Thomson, 2004). Porter (1985) also stated this: “To gain competitive advantage over its rivals, a firm must either provide comparable buyer value but perform activities more efficiently than its competitors (lower cost), or provide activities in a unique way that creates greater buyer value and commands a premium price (differentiation)” (Porter, 1985).

Porter (1985) identified four different strategies on how to be different than your competitor. Those strategies are currently still used in order to differentiate themselves. The strategies are: Cost Leadership, Cost Focus, Differentiation Focus, Differentiating. Cost Leadership means the company wants to become the low–cost producer in its industry. In the differentiating strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. Differentiation can be based on the product itself, the delivery system by which it is sold, the marketing approach, and a broad range of her factors. Focus, the third strategy, is quite different than the others because it rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailor its strategy to serving them to the exclusion of others. Focus has two strategies:
differentiation focus and costs focus. In cost focus the firm is seeking a cost advantage in its target segment, with differentiation focus the firm seeks differentiation in its target segment (Porter, 1985). Concluded can be that the most important aspects to create competitive advantages are: **product, customer experience** and **competitor advantage strategy**.

The information above provides a clear overview of the main concept and the three sub-concepts of the project. The framework is used to make sure the main concepts and topics are clear. Every concept was elaborated on separately in order to provide a solid and understandable base for the operationalization. The aspects stated in literature are used in the research, by means of an investigation whether the literature shows similar or different results than the research.

2.3 Relationships of Topics and Concepts

The three main concepts: **customer behavior, needs and wants, and competitive advantage** all relate towards each other as well as to the final outcome of the process **(customer oriented) product development**. All concepts are in direct relation with each other, as the process would not be successful without those connections. As you can see in figure 2.1 the three concepts are visualized in a blender, and create together the process of product development.

![Figure 2.1. Relationship Blender (source: own construction)](image)

In order to create a successful product development plan, customer needs & wants need to be discovered. Although needs & wants without knowing when and why those needs and wants occur (the customer behavior) is not enough and vice versa. If one of those concepts is not present, the product development fails. But something else is missing in the circle; knowledge about customer behavior and customer needs & wants, without knowledge about competitive advantage does not add value to the product development either. All your competitors might also analyze needs and wants and customer behavior, which results in a similar product. Why would customers then pick you, if you offer the same product? In order to be successful you need to differentiate your product and know your own and your competitors competitive advantage. Overall, one can say that the three different aspects need each other in order to create a successful customer oriented product development plan. The blender visualized in figure 2.1 shows the importance and relationships of all concepts together. A full elaboration on the different mutual relationship between the separate concepts is stated in appendix IV.

3. Methodology

This project consist of different research methods: **qualitative, quantitative** and **desk research**. The three different methods were chosen in order to get detailed information, and a complete view on the topic. Altinay & Alexandor (2008) mention that a combination of the two methodologies (either quantitative or qualitative) offers the best of both worlds.
3.1 Introduction
Qualitative research was used to get insight into the local business guests in Xela. Qualitative research aims to develop an understanding of the context in which phenomena and behaviors take place (Altinay & Alexandros, 2008). “Qualitative research is about exploring issues, understanding phenomena, and answering questions by analyzing and making sense of unstructured data” (Gr's International, 2014). This method was chosen in order to obtain in-depth information from a small group of people; issues about behavior, needs and wants could be discovered. Also underlying reasons and additional information could be discovered with this method. In regards to the second research among the tourists in Xela, a quantitative research method was preferred. “Quantitative research is about asking people for their opinions in a structured way so that you can produce hard facts and statistics to guide you” (Marketing Donut, 2014). Quantitative research was chosen so that a big group of people could be researched and a big amount of data could be collected. Besides the combination of those two research methods, also a desk research was conducted. “A type of market research that involves collecting and examining information that already exists and is easy to get, such as company records, published government reports, and information in newspapers, magazines, and on the internet” (Cambridge Dictionary, 2014). This method was used in order to investigate competitors and create a competitor analysis.

3.2 Research Objectives
The project has two research objectives due its design involving both field research and desk research.

The objective of the field research is: to gain insight into the two (desired) target groups of the restaurant of hotel Modelo in order to give an advice on customer-oriented product development. The objective of the field research, the knowledge the field research should yield, is the insight into the two (desired) target groups of the restaurant of Hotel Modelo. The objective within the field research, the relevance and motivation of the field research, is to advice the restaurant of hotel Modelo on customer-oriented product development. The field research provides a market analysis.

The objective of the desk research is: to gain insight into the competitors of the restaurant of hotel Modelo in order to give an advice on customer-oriented product development. The objective of the desk research, the knowledge the desk research should yield, is the insight into the competitors of the restaurant of Hotel Modelo. The objective within the desk research, the relevance and motivation of the desk research, is to create a competitor analysis in order to advice the restaurant on competitive advantages and differentiating in the customer-oriented product development plan. The desk research provides a competitor analysis.

3.3 Research Design
Conducting research can be done in different manners, by means of a survey research, experimental research, observational research, action research, comparative research or a case study (Brotherton, 2008). In this project three strategies are applied in order to obtain all necessary information for both cases. The two appropriated research strategies for the market analysis are the survey research and the case study. In regards to the competitor analysis a document analysis was preferred.
The survey method was used in order to get insight in the first target group: tourists. This method is a popular strategy among hospitality and tourism researchers. In this strategy, closely associated with the deductive approach, the researcher selects a sample of informants from population and administers standardized questions to them (Altiney & Alexandros, 2008). The survey research was chosen as it is a relatively quick method, and easy to design and implement compared to other empirical design options (Brotherton, 2008, p.113). Not only the ease of this method was beneficial, the method is also cost-efficient. Furthermore, the survey method was preferred to investigate the tourists because with this method a big group of people could be questioned. The main disadvantage of the survey questionnaire is the contrived and artificial situation (Brotherton, 2008, p.114). The survey respondents could only respond to the questions they were asked and only in the format prescribed in the questionnaire, this placed parameters on the nature and type of response that could be given (Brotherton, 2008, p.114). Even though this was a disadvantage of the survey, this disadvantage decreased due to a conducted test-survey. This test-survey made sure all important aspects were covered. The survey has a descriptive purpose, the descriptive surveys are concerned with particular characteristics of a specific population, and are used to gather information largely on what people do and think (Altiney & Alexandros, 2008). The survey was implemented directly; there was direct contact between the researcher and the responded (Brotherton, 2008, p.114). This decreased the risk of unclear questions, as the respondents could ask for clarification. The survey was set up by means of the operationalization of the concepts, and was carefully planned and constructed in order to reach the highest credibility (Brotherton, 2008, p.115).

The case study research was chosen to investigate the second target group: local business people. The case study research is seen a design that is most appropriate for initial, exploratory research, often of a qualitative nature (Brotherton, 2008, p.123). “Case studies are generally seen as valuable for exploring an issue in-depth within a specific context, using qualitative data to assist in the development of insights and theory” (Brotherton, 2008, p.124). As it is difficult to find many respondents in this target group, the most appropriate choice is the case study, as in this case valuable in-depth information could be obtained by investigating a relatively small scope. Disadvantage is that the sample is not representative for generalization. Although, this disadvantage was balanced by the fact that valuable information could be gathered about feelings, opinions and underlying reasons. The topic was explored in-depth by questioning those respondents. Even though in first instance the case study research was only conducted on one case, the outcomes in the end were compared with others by means of a competitor analysis. Besides questions about competitors were visible in both the questionnaire and survey. Therefore this study can be seen as a multiple case study.

The document analysis method was chosen to investigate the restaurant competitors and therewith provide a competitor analysis. According to the Cambridge Dictionary (2014) desk research is: “A type of market research that involves collecting and examining information that already exists and is easy to get, such as company records, published government reports and information in newspapers, magazines and on the internet”. Phillips (2014) states that businesses need to spend more time watching their backs and looking at what their competitors are up to. “Competitor intelligence is something few firms do well,
whether big or small” (Phillips, 2014). A lot of valuable intelligence can be gathered without leaving your desk. “First of all you can visit their website and see how and where they are positioned, and just googling their name will bring up blogs and reviews” (Phillips, 2014). Therefore, the desk research method by means of a document analysis is an appropriate technique for an competitor analysis. The observational research was also considered as a research method amongst the competitors. Although, due to time–limitations, access, observer skills and reliability issues (Brotherton, 2008, p.126) the desk research turned out to be the most appropriate method.

3.4 Data Collection Methods

Due to the variety of research designs there are also different data collection methods present in this project. Data collection methods such as: asking questions, observation and reading documents can be used (Brotherton, 2008, p.131). This project includes asking questions and reading documents.

The survey research is conducted by means of a questionnaire. “The main purpose of a questionnaire is to provide a vehicle for obtaining accurate information from a respondent” (Brotherton, 2008, 109). The questionnaire yields accurate information and provides insight into the target group. A questionnaire is only a means to achieving empirical data requirements of the research questions, aims and objectives (Brotherton, 2008, p.109). In this case the questionnaire collected data about the target group in regards to the customer needs, wants and behavior. The questionnaire was directive in nature as the contained questions dictate what is to be asked (Brotherton, 2008,p.132). This questionnaire collected quantitative data, in order to get quickly, structured data. Before the questionnaire was implemented, a test–questionnaire was conducted in order to make sure all important aspects were covered and no important options were left out. The questions and answers in the questionnaire were formulated clearly and distributed face–to–face, which was beneficial in regards to any ambiguities that the responded could have, as in this case they could ask for clarification. The questionnaires provided a mass of data to analyze, therefore first the data was cleaned up and raw data edited. As the questionnaires were distributed face to face, only 3 questionnaires were incomplete. Those were simply left out, as the response rate was high, and the 100 questionnaires were already reached. The questionnaire was beforehand coded in SPSS, data was filled out in the system and analysis were made. The results were evaluated with descriptive statistics, as this analysis was seen as most valuable. It indeed gave very useful information that is implemented in the advice.

The case study preferred the interview method to obtain the required information from the respondents. “The interview shares the same characteristics as the other types of data collection, in that it is a means to an end, with the end being defined by the information required to answer the research question, achieve the aim or objectives of the research” (Brotherton, 2008, p.152). Interviews are a useful approach in order to collect qualitative data. The interview method was chosen because the results of the interviews are very closely to the actual experience of the respondent. For example, when you look at the sub–question: What are the needs and wishes of the target market? The interview provided in–depth information about experiences, opinions and underlying reasons. The interviews took place face–to–face in hotel Modelo.
The purpose of the interviews was to find out the ‘what’, but also the ‘how and why’. Explanations were very important in order to obtain the in-depth information. The interviews were semi-structured, this ensured partly standardization of the interview process but still kept space for interaction and additional information. The structure helped to in the end compare the answers. As the data of a case study is quite challenging to analyze, firstly the obtained data was converted into some quantitative format, which helped to identify patterns within data (Bortherton, 2008, p.154). The interview guide was set up by means of operationalization, so the operationalization was used for unitizing and coding the data. In the coding process operational and conceptual identities were attached to the data in order to organize and categorize (Bortherton, 2008, p.155).

The **desk research** was conducted by means of a document analysis on both online and offline sources. The online sources that were used are: Trip Advisor, Lonely Planet, Google Maps, Xela Pages, VIVA Travel Guides, Wiki Travel, Trav Buddy, Guia Local, Virtual Tourist, Yahoo Travel, Paginas Amarillas, Frommers, GogoBot, Google, Blogs. The offline sources that were used are magazines and newspapers like: Xela Map, Xela Who, Quetzalteco, Entremundos. The collected data was analyzed and different aspects of the competitors were compared and stored in a competitor analysis. The analyzed aspects were based on the operationalization in order keep structure in the entire project. The most important goal in this analysis was to find out what most competitors offer, and even more important what they don’t offer, as this was interesting for the competitive advantage of the restaurant of hotel Modelo.

### 3.5 Sampling

The different types of selection of data sources can be distinguished between quantitative (probability-based sampling) and qualitative data sampling (non-probability-based sampling) (Brotherton, 2008, p.163). Due to the two different research designs, the sampling strategy also differs in the survey research, the case study and the desk research.

The **survey research** needed a quantitative data sampling, and probability based sampling was used. “Probability-based sampling strategies are known as simple random, systematic random, stratified random and cluster” (Brotherton, 2008,p.163). In this case cluster sampling was used, due to the fact that no prior knowledge of the population or a sampling frame was present. The cluster was based on the geographical area, zone 1 in the city of Quetzaltenango. The cluster contains the same variability as the population (as the target market is also based in zone 1, Quetzaltenango). The sample consists of 100 participants, the numbers of participants are not based on statistical data (as those date are not available) and may therefore be less representative. Even though the number is not based on statistical data, the number is chosen because of professional opinions. Ferguson and Cox (1993) suggest 100 respondents as the minimum number for a sample (when sample frame is not existing), the questionnaire should be administrated to a sample of sufficient size, in order to be able to undertake an analysis (Ferguson and Cox, 1993). Niles (2006) mentions that in order to have a confidence that your survey results are representative, it is critically important that you have a large number of randomly-selected participants in survey. He measures confidence level with the following formula: $1 / \sqrt{N}$, where $N$ is the number of
participants or sample size (Niles, 2006). In this formula 100 participants appeared to be reliable and representative (Niles, 2006). Therefore 100 tourists were questioned based on the following characteristics: tourists living in zone 1 in Xela and staying in the city for at least one night.

The case study preferred a qualitative data sampling, non-probability-based sampling was used. “Non-probability based sampling strategies are known as convenience sampling, purposive sampling and quota sampling” (Brotherton, 2008, p.163). For this target group also statistics and numbers are lacking so the purposive sampling was used; the sample was chosen based on important characteristics. Those characteristics are as follows: local business guests, having a company or work within 2 km of the restaurant, have a limited lunch time, with a mid/high income (6000–8000Q per month). The administrative manager of hotel Modelo, Jose del Busto, provided a list of 50 representatives based on those characteristics. Based on this list, 10 representatives were randomly chosen by the researcher. Out of those 10 people, 7 of them were willing/available for an interview. Those 7 representatives were used in order to gather insight information about the topic. The interviews had a duration of minimum 32 minutes and maximum an hour. Due to time limitations, only 7 interviews were feasible.

Finally, in regards to the desk research the purposive sampling was also preferred. Competitors were chosen based on important characteristics. Xela has many inexpensive restaurants, “comedors” in the outdoor markets as well as around town (Xelapages, 2014). Those “comedors” are not included in the competitor analysis as those restaurants belong to a different type/range of restaurants targeting a different market. Xela Pages (2014) mentions that Xela also boasts of many fine restaurants featuring cuisine from around the world. Those fine restaurants are included in the competitor analysis as those restaurants fit better to the concept and target market in regards to the restaurant of Hotel Modelo. The competitors that are used for the analysis are located in the same city (Xela) in zone 1. Popular competitors were used, based on ratings in trip advisor and restaurant rating guides. Besides the interviews brought up important competitors, that were used in the analysis as well. The 10 most important restaurants were analyzed.

3.6 Operationalization
“For research there is a need for abstract and intangible constructs and concepts to be converted or translated into something more concrete and tangible to help collect empirical data in order to measure it” (Brotherton, 2008, p.95). This is known as operationalization, the concept or variable will be measured or expressed quantitatively. The operationalization of those concept then form the base for the interview guide, questionnaire and desk research. The main concept of this project is customer oriented product development, the concept was broken down into aspects, sub-aspects and indicators which led to questions and specific knowledge that needed to be obtained during the interviews, questionnaires and desk research. The visualization of this operationalization is stated in appendix IV. The core concept of the research, customer oriented product development, is broken down into three sub-concepts: customer needs & wants, customer buying behavior, and competitive advantage.
4. Results

An overview of the results of the survey, case study and desk research are stated now. The three different methods provide a big picture with facts and opinions. The results provide a complete view with additional, as well as new information. Those results are analyzed and discussed in the next chapter.

4.1 Survey Research Results

Below the results of the survey are stated. Note that those are only the most important outcomes. The frequency tables that belong to this analysis are visualized in appendix VII.

Respondents Profile

Most respondents are female, (67 out of 100) 33 are male. The ages vary greatly; half of the respondents are between 21–25. 6 respondents are younger than 20, 27 respondents are between 26 and 30.8 between 31–40 and 9 of them are above the 40. Also the nationalities are diverse; most respondents are American (44 out of 100), 14 German, 11 Dutch, 2 Canadian and 2 French, the other 27 have other nationalities. The duration of the stay also differs: 21 respondents stay only a week or less. 27 stay 1 to 4 weeks, 26 stay 5 weeks till 3 months and 26 stay more than 3 months. Most of the respondents are in Xela to Study Spanish (40 out of 100), 21 just for holiday, 19 to volunteer, 9 to work and 11 have a different reason.

Customer Needs and wants

Customer needs and wants were investigated by means of scoring the importance of the following factors: service, setting, marketing, price–value, dietary–considerations, access and promotions. The importance was measured by indicating their actions when the (specified) factor was poor: 1. Not go, 2. They would go and spread bad word of mouth advertisement, 3. They would still go.

Noticeable is the importance of price–value. 87% mentioned to stay away from a restaurant when the price–value is poor, and 10% of those respondents would even spread around bad worth of mouth advertisement. This is an important focus point for a restaurant. Besides the questionnaire brought up the importance of focusing on service. 73% of the respondents mentioned to stay away from a restaurant when the service is bad, and 11% of those respondents would even spread around bad worth of mouth advertisement. Service is therefore also something that needs to be excellent in order to attract people to the restaurant. Access and setting, respectively 48% and 42% of the respondents mentioned to stay away when this is poor in a restaurant. Even though this number is less than half of the respondents, those two aspects are still important points of attention. The dietary options scored less importance, and surprisingly marketing and even promotions do not influence respondents restaurant choices much. Those three aspects need to be taken into account, but extra in–depth attention is not necessary.

The previous factors were broken down in order to measure the importance per aspect specifically. The aspects could be rated on importance by means of those different options: not important, important and very important. Next, you can find the analysis of those aspects per factor.
Service was broken down into: cleanliness, food safety, food quality, quality of service and friendliness of staff. None of the respondents do not value any importance on either cleanliness and food quality. 53% mentioned cleanliness as important, and 48% even as very important. Food quality was rated as important by 43% and as very important by 57%. Food safety scored very high: 68% very important, 25% important, and 7% not important. Furthermore, quality of service was rated by 79% as important, by 4% as very important and by 4% as not important. Finally, friendliness of staff scored respectively 54%, 37%, 11%.

Setting was broken down into: atmosphere, interior design, privacy and noise level. Results show that respondents barely value importance on privacy, no one find it very important, 69% rate is as not important and 31% marked it as important. Also interior design was rated by 50% as not important. 43% find it important, and only 8% find it very important. The noise level scored a bit more importance, 69% find it important, 18% find it very important and only 14% does not value any importance on it. Finally atmosphere scored 61% on important, 34% on very important and only 5% as not important.

The following factors were rated in relation to the marketing: reputation, ratings in food guides, recent reviews, advertisement. Marketing in general did not score high, only 25% would not go if the marketing is bad. Reputation was only seen as not important by 16%, 51% find it important and 33% mentioned it even as very important. Ratings in food guides were seen as less important, 54% does not find it important, 35% find it important, and only 11% find it very important. On recent reviews also not many respondents valued importance, 49% rate the reviews as not important, 35% find it important and only 16% find it very important. The importance of advertisement was even lower, 74% of the respondents assessed it as not important, 11% as important and 15% as very important.

Price value can be seen as very important as 84.1% would not go to the restaurant if the price value is poor. Price value was broken down in the following aspects: variety of menu, innovative items, speed of service, value of food and drinks, experience during visit, price. The most important factor is the value of food and drinks, 56% find it very important, 40% find it important and only 4% do not find it important. Innovative items can be seen as less important, 57% of the respondents asses it as not important, 39% as important and only 4% as very important. The experience of the visit was also seen as quite important, only 2% mentioned not important, 57% find it important and 41% find it very important. Variety of the menu and speed of service scored similar on the importance, 33% do not find speed important, 54% find it important and only 13% find it very important. Finally the variety of the menu scored as follows: 37% not important, 51% important, 12% very important.

The next factor rated was dietary-considerations. The following factors were assessed in relation to dietary considerations: authentic food, flexibility for dietary requests, healthy alternatives. Authentic food is rated as quit important, only 7% said it is not important, 71% find it important and 22% even find it very important. Flexibility of dietary requests: 52% not important, 40% important, 8% very important. And Healthy Alternatives were rated as follows: 39% not important. 22% important. 22% very important.
Access was broken down into the aspects: close travel distance and convenient parking. The importance of parking scored very low: 83% assessed it as not important, 15% as important, and 2% as very important. Close travel distance was seen as a bit important and was assessed as follows: 15% not important, 48% important, 37% very important.

The last factor assessed in regards to needs & wants was special promotions. Almost no importance was mentioned in relation to this aspect: 70% mentioned not important, 26% important, and 4% very important.

Customer Buying Behavior
Customer buying behavior was investigated by means of the following points: reasons of people going to a restaurant, where people find information on restaurants, which are important factors when people compare restaurants, what do people do when they are satisfied in a restaurant, which types of restaurants are attractive for the respondents, budget, and opinion about a Spanish restaurant in Xela.

Why do customers go to a restaurant? The main reason of people going to restaurants are internal conditions. 88% of the respondents see this as their main reason. Afterwards they mention events (23%), following with unconscious mind (19%), only 2% of the respondents mention external conditions as a reason. The times when customers are most likely to go out to a restaurant were assessed as follows: 17% choose for breakfast, 54% for lunch and 74% for dinner (more answers were possible here).

Where customers look for information was assessed by means of the following answers: personal research, the internet, and rely on reputation. More answer possibilities were possible here. The answers state that the most important source for information are other people, 59% of the respondents do rely on reputation, 51% does personal research and 37% uses the internet to find a place to eat.

The most important factors when customers are comparing similar restaurants is quality. 76% of the respondents find quality the most important factor when comparing restaurants. Next the factor price was also seen as important, more than half of the respondents 68% used this factor in their comparison process. Lastly convenience was mentioned by 47% of the respondents. (more answer possibilities)

Furthermore, the actions of customers by satisfaction were analyzed. Those actions were assessed as follows: 4% does not do anything when they are satisfied, 83% shows loyalty and comes back, and 78% spread good things about the restaurant, a small percentage of 16% writes reviews.

The attractiveness of the different restaurant concepts were accessed by rate of interest. All concepts were rated pretty similar, the only big difference can be seen in European concept, which scored the highest (32%) in not interested. The Guatemalan concept was rated as the most interested with 40% interested and 48% very interested. The Mexican concept was also pretty popular, only 12% rated is as not interested, afterwards the Spanish and Italian concept were rated similar, the Spanish had 18% not interested, 61% interested and 21% very interested. The Italian scored respectively 16%, 66%, 18%. 
The opinion about a Spanish restaurant in Xela was rated as follows: only 9% of the respondents are not interested in a Spanish restaurant in Xela. 15% would go, and 53% would be interested if the food is of great quality. Furthermore 23% is interested when the restaurant offers affordable prices.

The last question was related to budget. How much are the customer willing to pay for breakfast, lunch and dinner. Most people 74% are not willing to pay more than $5 for breakfast. although some people 19% are willing to pay between $5-$9 and even some people more than $9. For lunch the opinions are different, 52% are willing to pay $5 – $9. For dinner people are willing to spend even more, 41% is willing to pay between $5 and $9, 41% is willing to pay between $9 and $15 and even 16% is willing to spend more than $15 for a meal.

4.2 Case Study Research Results
The results of the case study are based on deductive coding with the help of the operationalization process. The three main topics that were analyzed are: Customer Needs and Wants, Customer Behavior, Competition and Spanish Concept. The most important findings are stated below.

Needs and Wants
Interests/preferences
The interests and preferences of the respondents are very diverse. All the respondents like to go out for dinner, but everyone has other preferences. Interesting is that most business guests like to eat something different than the typical Guatemalan food. Vercoutere (2014) mentioned: “we eat whatever can be found in Xela, as long as it is no traditional food”. Favorite foods that were mentioned are Italian, Spanish, French among others. The only contradictory respondent was Lausch (2014) she mentioned that when she has groups (foreigners) she likes to take her groups to Guatemalan restaurants (Lausch, 2014).

Important factors influencing choice of restaurant
For most respondents the food quality is a very important aspect in the decision making process of a restaurant. when deciding which restaurant to go. Guttierez, Recinos and Herrera (2014) all mention that they have to like the food and think about flavor and food quality first. Besides service came forward as a great importance, by all respondents. Guttierez (2014) mentioned: “There are some restaurants in Xela that have great food, but the service is very bad, than I prefer to not go”. Some additional information in regards to service was brought by Herrera (2014). Herrera (2014) mentioned the importunateness of personalized service for her in an example about her favorite restaurant. “The moment I enter the restaurant, they are ready with the newspaper for me, that’s what I like”. Recinos and Guttierez (2014) mentioned something else that is of great importance for them. “A place needs to be comfortable for the kids” (Guttierez, 2014). “The restaurant needs to have special food for the kids, as well as a place for the kids to play” (Recinos, 2014). Furthermore, parking was mentioned: “I am not going to look for a place where I can park my car for like half an hour” (Vercoutere, 2014). For his tourist groups Vercoutere (2014) he mentioned: important factors like cleanliness, big portions, and first impression. Finally Zuniga (2014) mentions her importance of the place: “Place is an important factor in my choice”. She likes to feel comfortable and likes a place where she can sit outside.
Service
As already mentioned, results showed the importance of service for the respondents in relation to restaurants. Gutierrez (2014) mentioned: “service is more important than the food”. And also Herrera (2014) already stated her importance of personalized service. The most important about service according to Gutierrez (2014) is professionalism “they need to know how to take orders and have knowledge about the food” (Gutierrez, 2014). The importance of service became pretty clear, but even more useful information about service was brought up. Vercoutere (2014) stated service as one of the weakest factors in the Guatemalan culture. “Yes they are friendly, but that is because they are hiding their limits” (Vercoutere, 2014). Also Garcia (2014) mentioned the weak service in restaurants in Xela: “Xela has this problem that waiters don’t have the skills to provide excellent service” (Garcia, 2014). He mentions that it is hard to find excellent service in Xela (Garcia, 2014).

Setting
Setting was not seen as one of the most important factors for the respondents, although still valued. Gutierrez (2014) mentions his importance: “I like to go to restaurants with nice installations, like Tertolianos, they have beautiful installations”. He also mentioned: “The food looks better when its serviced nicely with nice cutlery and plates” (Gutierrez, 2014). Something interesting that was brought up in the interviews through opinions of business guests with a family and young kids, is a kids area. Gutierrez & Ronaldo (2014) mention the importunateness for them as a family with kids. “A place need to be comfortable with kids” (Gutierrez, 2014). “The restaurant need to have special food for the kids, as well as a place for the kids to play” (Recinos, 2014). Important here again is that both of them mention, that it is not easy to find restaurants in Xela which are comfortable to visit with the whole family (Gutierrez & Ronaldo, 2014).

Price Value
Most respondents do not mind paying more if the quality of food is in relation with food. Recinos (2014) mentioned: “It is important that there is a good relation between price and quality, if the quality is good, I don’t mind paying more” (Recinos, 2014). Zuniga (2014) adds to that: “But if the food is not that good, it’s annoying to pay more (Zuniga, 2014). Something important that came up in the interviews is that Fierres (2014) mentioned: “Yes price is important, but in Xela in general prices are pretty decent and have an average market price, in general prices in Xela are not a big factor” (Fierres, 2014). The variety of the menu was also stated by Zuniga & Herrera as very important. “At least a variety of wine is important, not only the wine of the house but also other wines, that would influence my choice” (Zuniga, 2014). Vercoutere (2014) mentions that for his groups big portions are of importance.

Marketing
The factor marketing brought up some interesting information. According to all respondents marketing doesn’t really influence decisions on where to eat. The respondents mentioned the importance of worth of mouth in terms of marketing for a restaurants as the best way to go. Recinos (2014) mentioned: Marketing is not useful for nothing, in a city like Quetzaltenango the most important marketing method is worth of mouth” (Recinos, 2014). “Herrera (2014) also mentions that word of mouth would influence her, she says
that reputation influences her restaurant choice, when someone talks good about the restaurant, she would go and check it out. Food guides, magazines or similar marketing methods are according to the respondents a waste of time. "I don’t use any of that here in Xela, when I go on a trip to another city, I might use it but no, here in Xela not" (Guttierez, 2014). Vercoutere (2014) mentioned another interesting point, he says that this is how it works in Xela. There is a group of people that always go to the same restaurants, I don’t have to call them I just know they are in a certain restaurant, and I always see them there. “I see those same people on meetings and before the meeting we have some small talk about restaurants indeed, and then you tell each other recommendations and see each other again in those restaurants” (Vercoutere, 2014).

**Special Promotions**

Special promos are overall seen as a nice extra but do not influence greatly in restaurant choice. Guttierez (2014) mentions that for him special promos do have some effect on his choice for a restaurant, but other factors are more important. Herrera (2014) mentions that advertisement does not have a great effect in whether she would go or not to a certain restaurant, although she mentions it’s nice to have some special offers sometimes. Recinos (2014) mentions that special promos do not attract him. Vercoutere (2014) mentions that he has a special card with discounts for specific restaurants. “Yes for me promotions do play a roll” (Vercoutere 2014). Lausch mentions that promotions would play a roll if she would come more often in Xela, but either when she is alone or with a group, the promos don’t influence her (Lausch, 2014).

**Dietary Considerations**

In regards to the factor dietary considerations most respondents do not care a lot about specific vegetarian or gluten free options. Although important information that came forward here is related to the quality of food again. "Authentic food is important" (Zuniga, 2014). “I don’t like the sauce that comes from a package and only need to be heated up, I like natural ingredients” (Zuniga, 2014). Also Garcia (2014) mentioned: “When I go to a restaurant that is not fast food, than the food should be fresh and good prepared” (Garcia, 2014). So even though, dietary considerations were not seen as big importance, the importance of food quality again came forward. Only Vertoure (2014) mentions that for his foreign clients, vegetarian and gluten free becomes more and more important, but he also mentions that many Guatemalan business don’t understand that concept as it is not important for the locals.

**Access**

Most respondents see access as an important factor, distance though is no problem for anyone, but parking is very important. Zuniga (2014) mentions: “access is important, I do not live close to the center, so for me it is important to have parking”. All respondents found parking important, all due to different reasons like: convenience, safety, family etc. “If I go at night alone to meet my friends, I need to feel comfortable and secure with a close by parking” (Zuniga, 2014). Francisco (2014) mentions that when he goes out with his family the access if of great importance, such as parking, although for lunch he goes walking and so it’s only important that its close by. According to Guttierez (2014) in the stage of his live now with the kids it’s very important to have a place to put the car, and somewhere where he can take out the kids. Herrera and Garcia (2014) also mentions the importance of a parking lot. Vercoutere (2014)
adds something interesting about the parking, it needs to be free. “Not to have a parking spot for half an hour, which is common for restaurants in Xela; to have like half an hour free parking” (Vercoutere, 2014).

**Customer Behavior**

**Frequency of going out to restaurants**

All of the respondents go at least ones a week out and eat to a restaurant. Interesting information is that Gutierrez (2014) for example decreased actually his frequency of going out to restaurants, due to the fact that he has little kids now. “It is very uncomfortable to go out to restaurants with kids, you need to order specific food for them. And others are enjoying the ambience and I feel bad that my kids than are crying, are screaming and need to change their diapers” (Gutierrez, 2014). Zuniga (2014) mentions she likes to go out to restaurants often. “We like to go out a lot to restaurants, especially when new restaurants open so I am going to try it out” “I like to go out at least ones a week”. Vercoutere and Herrera (2014) also go at least ones a week mostly on Saturday or Sunday. Recinos (2014) mentions to even go at least 2 or 3 times per week. And Garcia (2014) 3 to 4 times. Lausch (2014) mentions when she is alone or with a group she stays in a hotel and so they look every evening for a place to eat.

**Reasons to go out to a restaurant**

The reasons to go out eat in a restaurant were quite striking. Herrera (2014) simply mentioned “So I don’t have to cook”. “Well the reason is probably the same as many Guatemalan, our cleaning/cooking lady doesn’t work on Sunday, so we go out to a restaurant” (Vercoutere, 2014). Recinos (2014) mentions to go for business meetings, to hang out with friends or not to cook in the house with the family, so to rest. Garcia (2014) mentions that it’s kind of a habit.

**Places to look for information about a restaurant**

Interesting related to this question is that most people relate it to the marketing again. Most people don’t actually look for information, they listen to recommendations. Recinos (2014) mentioned: “Only the people influence me, if I go to a different city or country I would look at internet, trip advisor and such, but not here in Xela”. Lausch (2014) “I already know a lot of places, so don’t need to look for it, and from friends, they tell me about new places”. Also Vercoutere (2014) agrees again and mentioned again that he usually gets recommendations before and after meetings, “you know during the small talk we talk about restaurants” (Vercoutere, 2014). Although Zuniga (2014) does look something for information: “my husband and I look for new restaurants and information about restaurant on internet, but also via Cable X and some” (Zuniga, 2014).

**Important factors when comparing restaurants**

Most people that are comparing restaurants value the same important factors as those that are important in their choice. Recinos (2014) mentions very strong “service”, just like Gutierrez (2014). Lausch (2014) mentions she evaluates the choice of the menu as well as the portions. Zuniga (2014) again goes for the place, “If it’s a comfortable place and nice I pick the place with the nicest place”. Again the most interesting finding was the comment of Recinos (2014). He needs a place for his kids, it’s the most important.
What do they do if they are satisfied?
Almost all the respondents would go back to a restaurant, loyalty, and also tell their friends about it. It can be noticed that the worth of mouth is very important here. Almost no-one would write reviews about the restaurant. Garcia (2014) mentions that Xela doesn’t really have the culture for doing that. “I would absolutely go back, that’s why I go to some restaurants on regular base, I know that I can trust them” (Lausch, 2014). Vercoutere (2014) also mentions: “We give an extra tip, and of course we go back, we actually do go a lot to the same restaurants as we meet the same people there”. He also mentioned to recommend it to his business partners and friends. Zuniga (2014) “I go and try it out, and if its good I invite friends”. She mentioned that her husband is pretty active on the internet, and would also write a good review about the restaurant. Recinos (2014) mentions, “yes I would recommend the restaurant as well as I would give a tip”. Garcia (2014) also mentions to go back with friends and recommend the restaurant.

Competition
Types of Restaurants and Competitors
Noticeable is that many of the respondents mentioned the restaurant Mediterianno as a great restaurant, and this can be seen as competition for Hotel Modelo. Most respondents also mentioned to like restaurants that offer something else than typical Guatemalan food, with the exception of Rachel, who likes to let her groups taste the typical food, but also not all the time. Zuniga (2014) “Here in Xela I like to eat in the Pasaje Enrieuq in Mediteranno, I like the tapas, they have great variety, nice prices good access, you can also share some plates because they are tapas”. “Here you can drink a nice wine with some good quality food” (Mishel, 2014). Besides Zuniga (2014) also mentions she like El Jardino and Fuendos Largos. Vercoutere (2014) also like Mediterianno a lot, “they offer tapas, something different, a little bit of all”. Also Recinos (2014) mentioned he likes Mediteriano en el Pasaje, he likes to go there with friends. He also Don Carlos as they have quality food, and he mentioned Cardinalli, es his wife likes Italian food. Lausch (2014) mentions some of her favorite restaurants to take her groups: namely Albamar, Sabe Delis, and Gisueppes. In Albamar she likes because of the nice variety on the menu, the price is decent and she likes the atmosphere. Also in Sabe Delis she likes the difference in food and reasonable prices. In Gisuepes also the selection and price again is good according to Lausch (2014). Garcia (2014) mentions El Jardino, Cardinalli, Tonys and Tertallianos. He prefers those restaurant per type of food, in relation to the preparation.

Limits and weaknesses of restaurants in Xela
Very important results that came to the light in the interviews were the limits and weaknesses of restaurant in Xela, which can be very useful for this project. Excellent service quality, a factor that the city of Xela fails in. Zuniga (2014) mentioned that the quality of the attendance of the employees is sometimes very low. “This happens a lot actually, there are lot of employees in the restaurant, although there is no one close to you to ask when you need something, because they are talking and hanging out, that is something that irritates me” (Zuniga, 2014). According to Vercoutere (2014), the service is one of the most weak points here in the Guatemalan culture. “They are all pretty nice, but that is how they cover their limited capacity, they need to be friendly in order to cover their defects in the service” (Vercoutere, 2014).
Vercoutere (2014) talked about his own experience in the kitchen of Carinalli (an Italian restaurant), he runt the restaurant and mentioned, when errors where made there, the employees were just laughing, it’s pretty normal. Patrick mentions it is a lack of education and also under payment. Besides the variety of restaurants in Quetzaltenango is limited. “Xela does not have many good restaurants, so it is hard when making a choice where to go, because many times the restaurants are very similar” (Zuniga, 2014). “Because there is almost no variety” (Mishel, 2014). Furthermore, the wine choices in Quetzaltenango are very limited. “The wine choice is a limit here in Xela, in every place there are almost no wine choices” (Fransisco, 2014). Garcia (2014) agrees with that statement.

Spanish Concept
Spanish Restaurant in Xela
All respondents reacted positively on the a Spanish restaurant in Xela. Interesting information came to the light in regards to this Spanish restaurant concept. According to the respondents a Spanish restaurant in Xela would be interested for them when they have certain factors. Vercoutere (2014) mentioned the quantity of food portions is important, as well as some good wines. He also mentioned that good wines are hard to find in restaurants in Xela. Lausch (2014) thinks a Spanish restaurant can be successful in Xela “the local people love seafood”. She also mentions she would be interested in going, depending on price and accessibility. Recinos (2014) mentions to absolutely be interested in a Spanish restaurant, but they need to have seafood. Zuniga (2014) loves Spanish food and mentioned the importance of good wines and variety in wines. It is also important that the quality is good in relation with a good price. Finally Garcia (2014) mentions his importance in a Spanish restaurant of good quality food with good ingredients.

4.3 Desk Research Results
The analyzed competitors based on the sampling are: Panorama, Sabor de La India, Tertollianos, Royal Paris, Cardinalli, Sabe Delis, UTZ Hua, La Esquina Asiática, El Pasaje Mediterriano, Giardino II. Those are seen as the main competitors for the restaurant of Hotel Modelo and were analyzed on the different aspect like: product, service, marketing, image, setting, access, price-value, and dietary considerations, As well as the customer experience. Below you can find the competitor analysis table based on the following sources: Trip Advisor, Lonely Planet, Google Maps, Xela Pages, VIVA Travel Guides, Wiki Travel, Trav Buddy, Guia Local, Virtual Tourist, Yahoo Travel, Paginas Amarillas, Frommers, GogoBot, Google, Blogs. Xela Map, Xela Who, Quetzalteco, and Entremundos.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Concept/Offer</th>
<th>Important/striking characteristics</th>
<th>Former guests appreciate restaurant because</th>
</tr>
</thead>
</table>
| Panorama           | Swiss & International Food      | -Differentiating: romantic.  
- Marketing: Facebook, website, blog  
- A 10–minute hike up the hill – makes a romantic spot for a special night out. | - amazing views, quality and different food in combination with reasonable prices. |
| Sabor de La India  | Indian Food                     | -Certificate of Excellence Trip Advisor.  
- Top Choice in Lonely Planet.  
- Disadvantage restaurant: ambience is | - service, friendly, helpful staff, quality food and affordable prices. |
<table>
<thead>
<tr>
<th><strong>Royal Paris</strong></th>
<th><strong>French Food</strong></th>
<th><strong>Benefits:</strong></th>
<th><strong>Description:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Reputation of <strong>being the fanciest dining option in town,</strong> but the pretense and prices are mellow enough to attract a good share of the local student crowd.</td>
<td>- During the weekend the restaurant always offers <strong>live music</strong> .</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Appreciation of different kind of food. <strong>A nice change</strong> from the Guatemalan Food.</td>
<td>- Cozy ambience, as well as a good quality of plates and price value.</td>
</tr>
<tr>
<td><strong>Gardino II</strong></td>
<td><strong>Italian Food</strong></td>
<td>- The restaurant offers the <strong>best pizza</strong> in town, made by the Italian–descended family who run this place.</td>
<td>- Excellent food quality, a great ambience and a variety of the menu.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- It's set around a big leafy indoor garden and offers pasta, steaks and good salads and sandwiches.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- <strong>Nice installations,</strong> and creates a <strong>Italian atmosphere</strong> with many wine bottles on the walls.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Rapidly growing reputation as best Italian food in Xela.</td>
<td></td>
</tr>
<tr>
<td><strong>Cardinalli</strong></td>
<td><strong>Italian Food</strong></td>
<td>- The restaurant has checked tablecloths and hundreds of wine bottles hanging from the rafters, it feels like it was lifted from the Mediterranean and indeed owner/chef Benito half from Parma, Italy.</td>
<td>- Great service, as well as the nice ambience, menu variety and large portions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- The Manicotti and ravioli are made in house.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Certificate of Excellence Trip Advisor 2014</td>
<td></td>
</tr>
<tr>
<td><strong>Sabe Delis</strong></td>
<td><strong>French Food</strong></td>
<td>- Certificate of Excellence + number 1 restaurant in Xela Trip Advisor 2014</td>
<td>- Excellent quality food, friendly service, ambience and menu variety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Located a block away from hotel Modelo, and has no parking.</td>
<td></td>
</tr>
<tr>
<td><strong>UTZ Hua</strong></td>
<td><strong>Guatemalan Food</strong></td>
<td>- “Toothsome authentic Guatemalan and Quetzalteco dishes are the draw at this kitschy decorated country hut”.</td>
<td>- Good Guatemalan food and affordable prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Authentic food</td>
<td></td>
</tr>
</tbody>
</table>
5. Analysis Results

The analysis of the results is based on the results that the research provided. The analysis and discussion are based on the pre–mentioned results and stated by topic/sub–concept. The most useful results are mentioned and analyzed in order to draw conclusions for the advice afterwards.

Needs and Wants Target Market

Price value was mentioned as an important need in both target groups. Price–value is important for the tourists, as well as the for the business guests. Although according to the business guests, price is not something to worry about in Xela, as most restaurants have reasonable prices. This means that price–value needs to be taken into account in order to satisfy guests, but does not need a big focus as long as prices stay in the reasonable price range of Xela. Price–value can be created by offering cheap prices, high quality or big portions. High quality was seen as very important for the business guests, the big portions were mentioned by the tourists as important, although in regards to the field research outcome there is no need for very cheap prices when the value is good. But, cheap prices might be financial better feasible than offering high quality and big portions.

Service was another factor that has a great influence on the decision of restaurant for both target groups. The interviews brought the valuable information about excellent service that is limited and seen as a weakness in restaurants in Xela. As both target markets do value importance on this factor, and competitors don’t offer it, it is a great focus opportunity for restaurant Modelo. In order to create this excellence service, the hotel can hire new staff or train their own staff.

<table>
<thead>
<tr>
<th>Mediterranean Food</th>
<th>Mediterranean Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Offer meat, tapas, seafood, salads.</td>
<td></td>
</tr>
<tr>
<td>-Use of imported ingredients, variety of wines and cocktails.</td>
<td></td>
</tr>
<tr>
<td>-Tables are spread over several floors in various nooks and crannies.</td>
<td></td>
</tr>
<tr>
<td>-New and hip restaurant inside the Pasaje Enriques.</td>
<td></td>
</tr>
<tr>
<td>-quality food, nice atmosphere, good price–value and diverse menu</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tertulianos International Food</th>
<th>Tertulianos International Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Certificate of Excellence Trip Advisor 2014</td>
<td></td>
</tr>
<tr>
<td>-Old building, great installations, paintings etc.</td>
<td></td>
</tr>
<tr>
<td>-Amazing atmosphere. Different areas.</td>
<td></td>
</tr>
<tr>
<td>-quality food, excellent service, nice installations and good price value</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>La Esquina Asiatica Asian Food</th>
<th>La Esquina Asiatica Asian Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Certificate of Excellence Trip Advisor 2014</td>
<td></td>
</tr>
<tr>
<td>-good flavors in Guatemala, quality food, friendly and helpful service, and good prices</td>
<td></td>
</tr>
</tbody>
</table>

*(Table 4.1. Competitor Analysis (source: own construction))*
For the market it does not make a difference, although financial feasibility might differ.

Most business guests choose a restaurant because of the quality of food, and also the tourists agreed upon this importance. The business guests mentioned that quality ingredients and also good wine is a great advantage. Offering quality food might be financial intense investment, but necessary. Offering quality of food can be a great advantage for the price-value. This can be reached by training cooks and the use of quality ingredients, a big financial investment but it comes along with great value.

In regards to the factor access a difference was noticeable in the two different target groups. Tourists add more value on distance to a restaurant, whether the business people showed their importance towards convenient parking. The restaurant is located in the hotel and therefore solid, nothing can be changed here. Although convenient parking should be reached as many business guests otherwise stay away from the restaurant. Convenient parking can be reached by building an own parking lot or closing a deal with a parking lot close by. Building an own parking lot might be more convenient for the guests, as it could be built under the hotel, although this might be financially impossible and therefore making a deal with another parking lot might financially better feasible.

Setting was noticed as another point of attention, a nice atmosphere and a convenient music level to have a conversation was noticed as most important. The field research brought up some importance towards decorations in the restaurant, while other preferred live music in a restaurant. Both options can be used to improve the setting of a restaurant. Another very important aspect for business guests with families is a kids area. Creating a kids area is not only a great plus for families, but also another factor lacking in many restaurant in Xela, and therefore this can turn out as a competitive advantage for restaurant Modelo.

Finally marketing and promotions do not influence people restaurant choices, not for tourists and neither for business guests. The main way of getting your product around in Xela is worth of mouth. A good reputation attracts many guests, whether a bad reputation absolutely causes people to stay away from the restaurant.

A Spanish restaurant is attractive for both tourists and business guests and can be seen an interesting concept for restaurant Modelo. Although it is also interest when it offers good price-value and quality food.

One can say that business guests and tourists do not have very different needs and wants, except for the kids area.
Customer Behavior Target Markets
Guatemalan business guests go out for dinner a lot, average 1 – 4 times a week, so they are absolute a good market to focus on. Although important findings were that people might decrease frequency of going to restaurants due to little kids. This is a behavior that needs attention, and can be a great opportunity to focus on. Tourists mostly go out for dinner and lunch, which is good for the restaurant, as for breakfast there is no problem. Another interesting fact brought up by the research was in relation to the search for information about restaurant. Most people from the target market don’t really look for the information themselves, they mostly rely on reputation. Something interesting for the hotel, although as the restaurant will introduce a new product they can’t rely on reputation, and the new product need to be somehow introduced to the market. Also in the buying behavior the important of service and food quality where brought up again, as factors that are mostly used to compare different restaurants. Another important point of attention that both tourists and business guests mentioned was their behavior in relation to loyalty and coming back to the restaurant, they both mentioned to do this when they are satisfied. The creation of satisfaction is therefore essential. Besides word on mouth advertisement will be created when customer are satisfied. So when the customers are satisfied, they will do the work for you. Word of mouth advertisement is the greatest free advertisement you can get. Advertising, marketing, announcement, promotions, yes they give a little extra but are not the most important aspect to attract the customer to the restaurant. Worth of mouth and reputation are the most important.

Competition
Xelapages (2014) mentioned that Xela offers quite a variety of restaurants, although according to the interviews variety is not existing in Xela. This difference became clear in the interviews, as there are ‘many’ restaurants, but they all offer the same. Differentiation in offer/product can be seen as a competitive advantage. The most successful common restaurants in Xela offer the following products: Swiss/International Restaurant, Italian Restaurant, Mediterranean Restaurant, French Restaurant, Indian Restaurant, Asian Restaurant, Gourmet/International Restaurant, Guatemalan Restaurant. Overall can be said that those are the most important types of restaurants. Some of the analyzed competitors are popular because of quality of food. Which was also seen in the rest of the research as an important factor. Other restaurants are visited a lot due to their good price-value, big portions and good prices. Besides guests had a good experience in the restaurants of the competitors because of a good menu variety and location. Those factors can be seen as success factors for competitors, and is very useful information for the hotel. The restaurant of the hotel needs to offer the success factors of the competitors plus the extra value. Differentiation is thereby of great importance here.
6. Discussion
An important part of the project is the quality assurance, measured by validity and reliability. A discussion of both measurements is described in this chapter.

6.1 Validity
Altinay & Paraskevas (2008) mention: “validity can be defined as the extent to which the data collection method accurately measures what it is intended to measure, and the extent to which the research findings are really about what they profess to be about”. In other words, the truthfulness of the results is vital for the validity of the data collected. Validity can be distinguished into three types: internal validity, external and construct validity. The validity of this study was threatened due to the fact that a questionnaire was conducted, which creates a contrived and artificial situation (Brotherton, 2008, p.101). The respondents had to answer what they were asked, there were not many answer possibilities and there was no space for individual responses. As this was a weakness of the research, the researcher made sure to investigate a big group of people so that lots of data could be analyzed. The amount of data increased the external validity again. Besides, also interviews were conducted to get extra information, and underlying reasons. The validity of the interviews was rather high, as the interviews were less structured and included open questions, this created a more natural situation (Bortherton, 2008, p.101).

The construct validity of this study “the confidence you can have that the operational definition faithfully represents the abstract construct it is supposed to” (Altermatt, 2007). The construct validity is rather high, and can be seen as a strong point of this research. The base of the research relied on theoretical findings from existing academic business literature and the measurements were based on the operationalization of the core concepts related to the central main concepts stated in theory. The operationalization created the base for the questionnaires; in this way the questionnaire measured what it was intended to measure. Equally for the interview guide and desk research, both are based on operationalization. The coding of the interview was performed deductively, the codes represented the core characteristics of the key concepts, which again supports the construct validity of the research.

“The external validity is the confidence you can have in generalizing your results or findings across people, situations, and times not included in your study” (Altermatt, 2007). The external validity can be seen as a weak point of the research and is therefore a discussion point. The sample amount for the questionnaires were 100 respondents. This numbers is not based on any statistical data and may therefore not be used to generalize the entire population. In order to limit this weakness, the number of 100 respondents was determined by means of professional opinions about the representative size. As the study is focusing on this specific company in a specific area, the 100 respondents can be seen as representatives according professionals; this balanced the weakness in regards to the external validity. The external validity of the interview was also quite low, as only seven interviews were conducted. This weaknesses of the project was dealt with in such a way that the obtained information about underlying reasoning and extra information (only possible to obtain in interviews) compensate the low number of respondents.
**Internal validity** is about the question whether is investigated that was said to be investigated (Klazinga & Mackenbach, 2007). It deals with the accuracy and truthfulness within the boundaries of the present project (Brotherton, 2008, p.102). The internal validity in this project is also a discussion point, as the ideal situation would have been to use the two different measurement instruments for research upon the two different target groups in order to increase validity. But, due to time-limitations it was not possible to create the perfect situation. This weakness of the research was dealt with in order to make sure it would not influence the results in a negative way. The different results obtained by the different instruments were analyzed separately, and used in the results as separate groups. Results and outcomes were not blended together. Another strong point that balanced this weakness was that the group of respondents in the interviews happened to have two people that are very active in the tourism sector, they are seen as professionals in the field. This provided extra in–depth information on the other target market, which was used as additional information on top of the questionnaires.

**6.2 Reliability of the Research**

**Reliability** is concerned with whether the research results can be replicated by another researcher using the same methods, so whether the results of a study can be duplicated (Schensul, leCompte, 1999). In this case the research can be replicated by another researcher quite well, due to the structure and clearness of the project. The researcher made sure that reliability increased by formulating questions correctly, short and to the point; as lack of reliability can be faced due to faulty or ambiguous wording or questions. The weakness of the case study in relation to reliability was the low amount of participants; to deal with this the researcher made sure that the interview was semi–structured which assured that similar general questions were asked and answered by the participants. Besides the questions were asked in a manner to not be leading in order to get truthful answers. The survey was distributed face–to–face, there was real–time contact between researcher and participant, which ensured any necessary explications or clarifications. In conclusion one can say that the survey research is easier to replicate than the interviews, but due to carefulness and clearness during the entire project, the entire study can be duplicated by another researcher.

**7. Conclusion**

The conclusion of the results and analysis of the field research and desk research are stated below, the research questions are now answered. First the sub–questions are answered, (the sub–sub research questions are blended within the answers of the sub–questions), and then the final central research question is answered.

**SQ1: What are the needs & wishes of the target market?**

The most important needs & wishes of the desired target market for the restaurant of hotel Modelo, and important factors in their decision for a restaurant are: **price–value, service, quality of food, access, and setting.** In order to create the desired **price–value**, the following different alternative solutions can be used: **cheap prices, high quality, big portions. Excellent service** can be reached through hiring new staff and train own staff. **Quality food** can be combined with **price–value**, and can be reached by **training cooks** and
the use of quality ingredients. Access is important in terms of convenient parking, this can be reached by building a new parking lot or making a deal with a parking lot close-by. Setting, the next point of attention, can be improved by: live music, decorations and a kids area. The target market does not have a certain need for marketing and promotions. Related to marketing worth of mouth advertisement needs to be stimulated, as it is the most important form of receiving information about the restaurant. Finally the target market is interested in a Spanish restaurant in Xela.

SQ2: What is the customer buying behavior of the target market?
The desired target market is willing to go out for dinner and do this quite often, they are a good market to focus on. Some business guests decreased their frequency of going out to restaurants due to difficulties in restaurants with kids. Most respondents from the market don’t really look for information about restaurants themselves, they mostly rely on reputation. Important factors the guests use to compare restaurants are service and food quality. Satisfaction in a restaurant creates loyalty, returning guests and most important free worth of mouth advertisement. The worth of mouth advertisement is not only a great free benefit for the restaurant, but it is also the main way of getting information towards potential customers in a city like Xela. Most important factors to focus on in the product development plan in regards to the customer behavior is: a comfortable place for families, reputation, satisfaction, worth of mouth advertisement and differentiation.

SQ3: What is the competitive advantage of hotel Modelo’s competitors?
Excellent service and a kids area are aspects that lack in restaurants of competitors in Xela and can be used as competitive advantage for the restaurant. The different restaurant concepts in Xela are: Swiss/International Restaurant, Italian Restaurant, Mediterranean Restaurant, French Restaurant, Indian Restaurant, Asian Restaurant, Gourmet/International Restaurant, Guatemalan Restaurant. A real Spanish restaurant does not exist yet in Xela. Some restaurants try to differentiate themselves with concept. Good customer experiences in the competitors restaurant were based on: food quality, good price-value, menu variety, and great location. Overall one can say that the most competitive advantages are based on those aspects: differentiation in offer, type of food, great food quality, price-value, menu variety and location.

With the support of the answers mentioned above, now the main research question is answered.

CRQ1: How can customer-oriented product development increase the occupancy rate of the restaurant of hotel Modelo?
The occupancy rate of the restaurant in Hotel Modelo can be increased by developing a customer-oriented product based on the following important aspects: excellent service, great food quality, great price-value, convenient parking, a good setting and differentiation. Differentiation can be reached by: excellent service, family-friendliness and a Spanish concept. The different aspects consists out of different alternative solutions, on how those can be reached the best. The following chapter rates those solutions and provides a best solution per aspect in order to provide a solid advice on customer oriented product development. Afterwards, suggestions for implementation are provided.
8. Advice
The advice for the restaurant of Hotel Modelo serves as the solution for the management problem. The advice is a **customer-oriented product development plan**, and has the goal to increase the attractiveness of the restaurant product and therewith increase the occupancy rate. The advice is tailor-made and based on literature and the results of the conducted research. The advice consist of an objective, an overview of alternative solutions that are evaluated based on a set of defined criteria, suggestions for the implementation of the advice, and finally costs and benefits.

8.1 Objective
The objective of the advisory part of this project is **to provide a customer-oriented product development plan for the restaurant of Hotel Modelo by means of concrete product advice based on research finding, in order to make the restaurant product more attractive and increase the occupancy rate**. The objective of the advisory part is to increase the occupancy rate of the restaurant. The objective within, (the knowledge the advice should yield), is a concrete product advice (on customer-oriented product development) based on research findings.

8.2 Overview of Alternative Solutions
Based on literature and the results of the research, the advice of the project is based on the following areas within the product development process: **price value, setting, access, service and concept**. Below you find an elaboration on why those areas where chosen, as well as more information on the aspect. Next, an overview about the different alternative solutions for each area are given and evaluated by means of proper criteria in order to give a final advice.

8.2.1 Overview of Options
Literature showed us the importance of the three concepts **customer needs & wants, customer behavior** and **competition**, within the customer-oriented product development process. The field research provided insight on those topics in relation to the market. Combining the literature, field and desk research, several options, or optional elements of the advice, are provided and discussed now. Those different elements of advice are input for the customer-oriented product development plan.

The importance of **price-value** was already mentioned in literature by Ruffel (2011). “Selling value is more important than ever” (Ruffel, 2011). Gupta et al., (2007) agreed and mentioned that appropriate price of the restaurant product is a critical factor determining restaurant customer’ repeat. The field research into the desired target market also confirmed the importance within the market, as well as the desk research. Therefore **good price-value** is the first area for advice. Good price-value can be reached through the following manners: **offering big portions, offering excellent quality food, or offering cheap prices**.

The next area of advice is **service**, Gupta (2007) mentions that attentive service is one of the critical factors determining restaurants customers’ repeat visits. Also Colicchio (2014) mentioned: “I always say that people will come to the restaurant for food, but they will come back for service”. The importance of service was again supported by the field and desk research and is therefore the next area of advice.
Personnel needs to be friendly, knowledgeable, professional and helpful. This excellent service can be reached through the following manners: train & teach current staff providing excellent service or fire current employees and hire professional high educated staff.

Access, the next area of advice was also mentioned as a point of attention in both literature and research. Close travel distance and parking and are the most important considerations for elderly people (Monschis et al., 2003). In this aspect the field research brought up a difference in opinion amongst tourists and business guests. For the tourists close travel distance is important, although this is something that cannot be changed, as the restaurant is located in Hotel Modelo. The business guests on the other hand, value a lot of importance to the parking. Hotel Modelo only has limited parking for their hotel guests, and not for the restaurant. The options of access improvement here are: invest in parking lot and build one or make a deal with a parking lot close by.

Finally, the restaurant needs to make a change in relation to the concept. the concept is not attractive for the guests and so people stay away from the restaurant. This was already recognized by the management of Hotel Modelo, who mentioned to be enthusiastic about a Spanish concept. Besides literature mentioned the importance of differentiation: “To gain competitive advantage over its rivals, a firm must either provide comparable buyer value but perform activities more efficiently than its competitors (lower cost), or provide activities in a unique way that creates greater buyer value and commands a premium price (differentiation)” (Porter, 1985). In order to differentiate the product the restaurant can make use of one of the following concepts: Stick to the Guatemalan concept, or change towards a Spanish concept, Italian concept.

8.2.2. Overview of Criteria
As the different alternative solutions mentioned below all have its advantages and disadvantages, proper criteria are set up in order to assess and evaluate the solutions. In this way the best solution can be determined and used in the implementation. Below an overview of the criteria is given and elaborated on.

The changes that will be made in the product need to have a connection to the nature of the company. The nature of the company is the body of the company including: mission, vision, strategy, values, resources etc. If the alternative solution does not match, or even contradicts with the companies nature, the change is too big as it will have a huge impact on the companies nature. Hotel Modelo’s mission is: “Your home, far away from home”. The vision is: “Through continuous improvement and attention to the needs of today's travelers, we offer a place to relax with charm, history, comfort and safety through the lessons we have learned from 1892 and by new trends in the world tourism” (del Busto, 2014). This criteria point is measured based on mission, vision, and background information of the company. A strong relation with the nature of the company score a high relationship with the suggested alternative.

The next criteria is the market feasibility. The focus on the clients in the new product is crucial. This was already stated in the literature, as well as the topic of the project mentions: customer oriented product
development. The client is the most important part of your sales, does the product fulfill the needs and wishes of the client? Or does it even give something extra, and exceed their expectations? The criteria market feasibility knows two separate criteria’s: business guests market feasibility & tourists market feasibility due to the different (desired) target groups of Hotel Modelo. The market feasibility is measured based on the results of both the interviews and questionnaires. Preferences, needs, wants and opinions matching with the alternative solution, scores a high relationship.

Furthermore, the criteria financial feasibility is used as an evaluation measurement. What are the costs to realize the change? Is the change affordable? Talloo (2007) mentions that repositioning or improving existing products are combined with lower costs, as there is actually nothing new. Besides, if the restaurant of hotel Modelo already offers certain elements that can be used for the advice, the costs might also be lower. With those two statements the financial feasibility is measured. The match is strong when the alternative uses parts of an already existing product or elements in the restaurant.

Next, the time feasibility needs to be measured. How long does it take to implement the change? Is the solution feasible within a certain time period? The time feasibility can be measured similar like the financial feasibility, as Talloo (2007) mentioned that the time for introducing a product depends on whether the product is a completely new product or just an improved or modified product. So again, when the product already exists and will be adapted or elements already exist the match is stronger.

Finally, the last criteria is the differentiation level. In the literature about product development the importance of differentiating while developing a product became clear. Adapting your product towards the needs and wishes of the client is important; but what if all your competitors already do the same. They all offer the same product in order to fulfill the customer needs and wishes, what is your competitor advantage? Why would the customer come to you, if your product is the same? It is crucial to differentiate yourself. The criteria differentiation level is measured based on the competitor analysis as well as extra information that was given during the interviews. The match is higher when the alternative differs greatly from the competitors.

So, the criteria that are used for the assessment of alternatives are: connection to nature of company, business guests market feasibility, tourists market feasibility, financial feasibility, time feasibility and differentiation level. All of those criteria are measured by means of equally importance. The criteria are measured as a match/connection, the scales used to measure the criteria are as follows: very strong match (between criteria and advice) ++, strong match +, sufficient match +/-, weak match −, no match −−. The assessment on the different advice elements by means of the used criteria are based on the field research, desk research, literature review and information of the client.
8.2.3 Assessment of Alternatives

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>Excellent Service</th>
<th>Excellent Price Value</th>
<th>Access</th>
<th>Setting</th>
<th>Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
<td>Staff</td>
<td>Portion</td>
<td>Cheap Price</td>
<td>New Parking Lot</td>
<td>Music</td>
</tr>
<tr>
<td>Connection to Nature of Company</td>
<td>+</td>
<td>++</td>
<td>++</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Market Feasibility Tourists</td>
<td>++</td>
<td>++</td>
<td>++</td>
<td>+/</td>
<td>-</td>
</tr>
<tr>
<td>Market Feasibility Business Guests</td>
<td>++</td>
<td>++</td>
<td>++</td>
<td>+/</td>
<td>-</td>
</tr>
<tr>
<td>Financial Feasibility</td>
<td>-</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Differentiation Level</td>
<td>++</td>
<td>++</td>
<td>-/+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Time Feasibility</td>
<td>+/-</td>
<td>-</td>
<td>++</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>Total</td>
<td>+6</td>
<td>+8</td>
<td>+10</td>
<td>+1</td>
<td>-2</td>
</tr>
</tbody>
</table>

(Table 8.1 Performance Matrix (source: own construction))

Providing **excellence service** was stated as a great importance in both literature and field research. The best option in providing this excellent service for Hotel Modelo, is to **train current staff**. This matches better to the company, as the resources are already in the house. Besides it is financially better feasible for the hotel. Hiring new staff is not only financially difficult, but tourism expert Vercoutere (2014) also mentioned that there are only very little of those people available, it is very hard to find those people in Xela and therefore it will be even more expensive.

The second aspect that was evaluated was in regards to **good price value**. In this aspect the best alternative solution turned out to be offering **high quality food**. Most criteria options score pretty similar within the different elements, although high quality food scored the highest in the market feasibility for both markets, which is a very important criteria as the product development plan is customer oriented.
The third area of advice is the **access**, which was seen as an absolute need for most business guests. The best solution for this aspect turned out to be **making a deal with an already existing parking lot**. This is not only financial better feasible, but also less time-consuming.

The aspect **setting** was evaluated next, here the best solution turned out to **improve decorations**. The differentiation level is high, and the market feasibility also scores high. Even though here the decorations scored the highest and turned out to be the best solution, the **kids area** also scored quiet high. The field research amongst business guests showed a very great importance to this, and besides this can be seen as a great competitive advantage. Due to the great importance of this aspect, this solution is added as best solution as well. Both the improvement of **decorations** and the construction of a **kids area** are considered here as best solutions.

Finally the **concepts** were evaluated; the Spanish, Guatemalan and Italian concept were considered. In the end the Spanish concept turned out to be the best solution, due to a couple reasons. A **Spanish concept** fits greatly to the nature of the company, as this is something the owners like due to their background. Besides the differentiation level is very high, as there is no other Spanish restaurant in the area. It also fits greatly to the (desired) target market.

### 8.3 Final Recommendations

Even though Hotel Modelo likes to attract two different target groups, the advice is pretty similar for both target groups. The results of both groups are comparable in regards to important factors and behavior; therefore the advice is feasible for both target groups. Though, there is one advice aspect only feasible for the business guests, as you can see below, but still included in the final recommendations. Reason is the high importance and differentiation level. Below you can find the final recommendations.

- **Offer excellent service** by training current staff with a focus on: professionalism, menu knowledge, recommendation, friendliness.
- **Offer an excellent price value** by offering high quality food: with quality ingredients, variety in the menu and good wines.
- **Increase the restaurant access** by making a deal with a closely parking lot in order to offer free parking to your guests.
- **Increase your quality setting** by improving your decorations & increase attractiveness for families by the creation of a **kids area**.
- **Differentiate** yourself by adapting your restaurant product towards a **Spanish restaurant**; with a high quality food offer and excellent service.

* **Note:** developing the kids area is the one recommendation specifically based on business guests.*
8.4 Suggestions for Implementation of Advice

The best solutions for the advice are determined, so now it is time to translate those elements into suggestions for implementation of the advice. In order to make sure the new ideas are implemented in a controlled way, the Plan–Do–Check–Act cycle is used (Mindtools, 2014). The customer–oriented product development plan is a strategic long–term plan with the goal of achieving a specific mission, through the achievement of the set objectives. This section first states the mission, objectives and SMART goals, followed by suggestions for implementation of the advice based on the PDCA cycle (Mindtools, 2014).

**Mission:** “Develop the restaurant product of Hotel Modelo into the number one Spanish restaurant in Xela and belong to the top ten best restaurants in Xela within three years”.

The first phase of the PDCA cycle is the **planning phase**, this phase identifies and analyses the problem and change. This was already done in an early stage in this customer–oriented product development plan. The project describes clearly the **problem, the research, results, and conclusions**.

(Figure 8.1 Step 1: PDCA Cycle (Source: own creation))

The second phase, the **do phase**, is therefore the start of the implementation plan. First off all, it is crucial that the administrative manager, Jose Manuel del Busto, responsible for planning and development of the restaurant product, gets a clear view on the problem, analysis and advice. He needs to get full understanding of the entire project, in order to implement it successfully. Besides, this customer–oriented development plan is set up on a strategic level by means of analysis, researches and strategic decisions. Currently the Hotel does not work and manage according a strategy, numbers, statistics and trends and developments are lacking. To implement this new product in this company it is of great importance that Mr. del Busto understands the importance of a strategy and keeps track of the implementation, changes, causes and effects of the new product. Numbers such as: investment costs, operational costs, turnovers, break–even points, profit, number of visitors etc. need to be noted and controlled at all times. This is not only beneficial for success, but also in order to control costs. Visualization is stated below in figure 8.2.

(Figure 8.2 Step 2: PDCA Cycle, part 1 (source: own creation))

When all information about the project is clear and understood the plan can be implemented in a controlled way. In order to make sure the mission will be reached within the upcoming years, objectives and goals are set up in this phase.
The table below states the objectives for the project per aspects:

<table>
<thead>
<tr>
<th>Marketing Management</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>To continuously broaden the customer database by obtaining new information on customer characteristics and needs.</td>
<td>Develop restaurant product to a Spanish restaurant.</td>
</tr>
<tr>
<td>To have the product continuously meet the customer needs &amp; wants.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training</th>
<th>Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a broad set of skills useful for offering an excellent service towards clients.</td>
<td>To continually learn and adopt current practices.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer</th>
<th>Customer Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and use a customer database.</td>
<td>Improve service approach for existing and new customer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financially</th>
<th>New customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>To increase restaurant sales by 20% annually.</td>
<td>Introduce new product to the new (desired) target groups.</td>
</tr>
<tr>
<td>To increase the restaurant occupancy by 15% annually.</td>
<td>Anticipate future customer needs through customer feedback.</td>
</tr>
</tbody>
</table>

(Table 8.2. Table of objectives. (source: own creation)).

In order to reach the project objective and indirect the project mission the following goals are set up:

1. The management of Hotel Modelo needs to hire an intern or thesis student within 1 month.
2. The restaurant of Hotel Modelo needs to conduct a supply analysis on Spanish ingredients within 3 months.
3. A new menu for the restaurant needs to be created, based on demand/supply/price strategy within 4 months.
4. The restaurant of Hotel Modelo needs to have a kids area within 4 months.
5. The restaurant of Hotel Modelo need to have decorations fitting to the Spanish concept in the restaurant within 2 months.
6. The service employees need to have (by means of trainings) a broad set of service skills and knowledge within 5 months.
7. Kitchen personal need to have (by means of training) excellent cooking skills for Spanish food within 5 months.
8. The restaurant of Hotel Modelo needs to offer convenient free parking within 2 months.
9. The restaurant of Hotel Modelo needs to start a CRM project within 4 months.

The long-term mission and objectives need to be reached by the goals mentioned above. First of all in the HRM process a thesis/intern student needs be hired, who will conduct the supply analysis and menu creation. Even though hiring a student can cause risks in areas like professionalism and quality, at this moment it is the most feasible option for Hotel Modelo. During the development process a kids area needs to be constructed, as well as decorations need to be improved. This involves a construction and purchase process. Finally the management process includes setting up an agreement with a parking lot as well as
offering classes about excellent service towards the employees and cooking classes for kitchen personnel. A visualization of those processes can be found below in figure 8.3.

(Figure 8.3 Step 2: PDCA Cycle, part 2 (source: own creation))

The last part of the Do-Phase is the Sales & Distribution Process, the new product needs to be introduced to the desired market in order to see if its gets accepted by the customers. Even though marketing and promotions were analyzed in the field research as unimportant in a market as Quetzaltenango, the product is new and ready to sell, so it is crucial to communicate/introduce the new product to the market. The most important marketing method is worth of mouth advertisement, so the consumers do the work for you. In order to activate the process of worth of mouth advertisement, firstly awareness and interest of the product needs to be created. Afterwards, satisfaction triggers the process of worth of mouth advertisement and the consumers will do the marketing for you. In order to create the first awareness and interest in the restaurant, a marketing strategy needs to be set up in order to reach the right market via the most effective way. This can be done by the intern/thesis student that was hired. Information stated in this product development plan marketing in Xela can be used, but is limited and need to be expanded in order to set up a solid marketing strategy. During this phase of distribution and sales, also the selling process starts. During the selling process great customer satisfaction needs to be created. During this phase also the CRM project should start. During this phase the restaurant needs to keep connected with its customers by means of personalized service, as well as in relation to the customers when not present in the restaurant by means of internet, social media or the like. This is also important for the next phase, to keep in contact with your customer and learn from their experiences. It is of great importance to communicate with your customers, and immediately react on complaints. As mentioned before, Xela is a city where everyone talks about restaurants with each other; bad experiences can damage the image and therewith the product. Meanwhile satisfied customers can be used as your free advertisement tools. The figure 8.4 provides a visualization of the sales & distribution process during step 2 of the PDCA cycle.
The sales & distribution process starts when the goals are reached which is about 5 months after implementation of the plan. As the restaurant is currently barely receiving visitors the effect of not having the new product available won’t have big negative effects for the restaurant, and will provide great benefits afterwards.

The next phase of the PDCA cycle is the ‘check phase’, in this phase it is important to check whether the changes are working and investigate the process. Mr. del Busto needs to review and analyze the trial–product introduction. Reviewing, analyzing, and comparing are the main components in this phase. The check phase needs to happen about 4 months after the introduction of the new product. In the planning phase was mentioned that Mr. del Busto needed to keep track of all numbers and statistics. In this phase those numbers need to be evaluated. Evaluating numbers like: number of visitors, amount of sales, which types of products sell the best, customer feedback, costs, profit etc. An increase in sales and therefore an increase in occupancy rate can be perceived as a successful product trial and therefore worth to continue. Besides the evaluation and feedback of customers helps to evaluate the success of the product. This can be realized by means of little surveys about customer satisfaction, or simply ask face-to-face about the customer experience. Besides in the check phase obviously it is crucial to check the profitability of the product. As the previous product was not profitable at all anymore, making profit with this new product already means success of the product. If the profit generated by the product is acceptable, the product development can be assessed as a success. Most certainly in the beginning of the introduction of the product, the profit will not be very high, this needs to be taken into account when evaluating profits. It is important to take into account that just measuring a certain aspect is not enough. It is necessary to evaluate increase of interest in the restaurant, increase in customers, increase in loyalty and satisfaction. When the success of the product has been evaluated, Mr. del Busto needs to decide whether the “do phase” needs to be repeated and certain aspects need to be adjusted. Or the decision can be made that the product is successful and is worth continuing. So if Mr. del Busto is satisfied with the outcome, this means that they are ready to move on to the final phase, the act–phase. Visualization of the check phase is stated below in figure 8.5
In the **act-phase** the solution will be implemented fully (Mindtools, 2014). When Mr. del Busto evaluates the product as a success, the new product needs to be fully realized. The product can now be expanded by means of offering a bigger variety of the menu, or offer special offers. During the process of expanding the product, always note to keep in mind the initial product, as this is the product that is successful. Another important note is that the evaluation of the product success need to be continuing; measuring customer satisfaction is a continuing need. Customer needs and wants might be met now, but could change over the years. Therefore continuous keeping track of numbers, statistics, and trends and developments are of great importance and adapt accordingly.

![Step 4: Act](Figure 8.6 Step 4: Act (source: own creation))

All different steps below together form the full PDCA cycle for the implementation plan. In appendix number X you can find the full visualization of the implementation plan by means of the PDCA Cycle.

### 8.5 Financial Implications
Implementing changes during the process of product development is not an easy task, it is time-consuming and financial investments are needed. But a process that is worth it, as after the implementation of the advice the company enjoys the benefits. Below you can find both an overview of the costs and benefits of the project.

#### 8.5.1 Costs
The exact costs for this customer-oriented product development plan are difficult to define, as most costs depend on the actual realization. Different costs needed to realize the implementation are: **development costs, management costs, operating costs**, and **marketing cost**. In table 8.3 an overview of investments in the different areas is stated, as well an cost indication of realization. Important note here is that costs highly depend on realization by means of the execution process, specific decisions and financial choices. The costs in the figure are based on the local Guatemalan currency, the Quetzal.

<table>
<thead>
<tr>
<th>Development Costs</th>
<th>Developing a menu based on a supply-analysis. An intern of thesis student needs to be hired.</th>
<th>HRM costs: free (as it is an intern or thesis student)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Developing the kids area consist of construction costs, and purchase costs such as: color books, colors, TV, movies, games, little tables &amp; chairs etc.</td>
<td>Construction costs: Q1000 Purchase costs: Q1750</td>
</tr>
<tr>
<td></td>
<td>Purchasing costs of decorations in order to create a Spanish atmosphere like: painting, flower, tablecloth etc.</td>
<td>Decorations purchase costs: Q1000</td>
</tr>
</tbody>
</table>
Management Costs

Developing and training skills of employees are seen as management costs.
Developing and training cooking skills to kitchen personal are also management costs.

Training costs: Hospitality course for at least 3 employees: Q500 per month, per employee
+ cooking course cooking personal for at least 2 employees: Q500 per month.

Operating Costs

The purchase of ingredients for the new menu are seen as operational costs.
Costs depend highly on menu choice.

Marketing Costs

Marketing costs won’t be too high as hopefully the client will do the work for you. Although a marketing strategy needs to be set up in order to create awareness and introduce product to the market.

Marketing strategy: Free (set up by student)
Marketing: Q400 per month

(8.5.2) Benefits

When implementing the final recommendations of the customer–oriented product development plan for the restaurant product of Hotel Modelo, the management of Hotel Modelo needs to invest time and money in the project. But after implementation and success the hotel receives benefits out of it. As noticed in the objectives for the implementation plan, it takes some time to reach the objectives. Within 5 months all the objectives need to be reached and the selling of the new product can start, the product can already start being introduced/promoted while the development is going on, but is most effective when the restaurants opens with its new product. The benefits are expected to be noticeable already within a month after opening, as the occupancy rate was drastically low, most certainly an increase will be noticed right away.

The new customer–oriented product will be a better fit to the needs and wants of the customer and therefore increases its attractiveness which increases the occupancy rate of the restaurant. Besides, the competitor analysis made sure that the product is not only attractive but also original and different than its competitors. The great benefit is that the restaurant has the monopoly as it is the only restaurant with a Spanish product in Xela. The attractiveness and monopoly cause an increase in visiting customers which again increases the occupancy rate, the most important goal of the management. An increase of occupancy rate means an increase in sales. Even though no numbers of the restaurant operations were available, it was clear the restaurant was facing losses. The great benefit of the new product is the disappearance of the losses and actually make profit with the restaurant. This is not only beneficial for the restaurant, but supports the overall income, and is therefore beneficial for the hotel as a whole.
Furthermore, as the product is highly customer–oriented, satisfaction is expected which will create customer retention, loyalty and returning customers. The customer orientation of the plan makes the plan sustainable and beneficial for the long–term.
Overall can be concluded that the most important benefits the customer–oriented product development causes is: make the losses disappear in the restaurant, increase the occupancy rate, increase restaurant sales and increase the overall profit.
Afterword

The afterword includes my day-to-day practice of the thesis project. The first words that pop into my mind when looking back at this semester are: challenging, fun, stressful, interesting, diverse and educational. The beginning of the project was especially difficult. What do I actually have to do in order to achieve the goal; create a successful thesis project. But what is a successful thesis project? What does it consist of, and how does it look like? So much information, right from the beginning. “The semester will be over in a sigh”, that was told by many teachers. I decided to start this thesis with an open attitude: orientate, listen and read. I had the pleasure to conduct my thesis in hotel Modelo in the beautiful country Guatemala. I realized that conducting my thesis on the other side of the world was not only an amazing opportunity, but it also provided me with an extra challenge. Even though Quetzaltenango, Guatemala was not a new city for me, not everything turned out as I expected. The first weeks brought me a lot of frustrations; gathering reliable information about visitor, statistics and numbers was a challenging job. And I found out, it was not only challenging, but a third–world country really doesn’t feature all information I was looking for. Besides, the company I conducted this thesis, Hotel Modelo, also worked with a, ‘we will see what tomorrow brings’ strategy. Numbers, statistics and percentages were not existing. Guatemala has a very different business culture, through which I faced some extra difficulties. My supervisor Ms. Laturake told us in the beginning of the semester, the thesis is a challenging way of your studies, it is not going to be easy, but you will get there. In moments of frustration those words came back in my head, and with the support of my client, Jose del Busto, and my supervisor, Ms. Laturake, we always found a way together to solve problems and difficulties. During the project the communication with my client was great, he supported me with all information I needed. Besides the group meetings on Skype with Ms. Laturake and fellow students were very helpful; getting opinions and feedback of third–parties is very good. In the beginning of the project I wanted it all, I had this big project in mind with many details and researches. Obviously, this was a not possible, and my examiners told me to narrow it down. I did not like it at all, but realized the necessity, which was the right decision. The field research was a nice experience, I liked to get to talk with people about their opinions and got insights about their behavior. Even though I liked the field research, I underestimated the time consumption of this part quite a bit. Conducting interviews with business guests in Xela was not easy; I had many appointments in which my interview partners did not show up, or came an hour late. I realized again the difference in the business culture.

When looking back at my day-to-day practice, I conclude that in this semester I did not only learn to conduct research, I also learned to face difficulties, solve problems, and adapt to a different culture. I did not only get insight into an interesting topic, but I also discovered points of improvements for myself. Some of the strengths I discovered during this semester, was my motivation and ambition to finish the project in time and with success. Even though I had a lot of frustration moments during the project, I still managed to get on. Points of improvement highly relate with my frustration, I need to improve my way of frustrations and instead of being stuck with frustrations trying to immediately look for a solution, not looking at the problem but looking for a solution.
Besides managing time needs to be improved, which I realized in this semester. Finally, I needed to be more critical and precise in reporting right from the beginning.

Next, I would like to focus on the value of this thesis for the industry. Why is customer oriented product development valuable for the industry? Customer orientation is the key to success. Chen (2006) mentioned that “Only effective customer-oriented strategies are able to assist a company to gain a prominent competitive edge over its competitors”. Also Sam Walton (2014) mentioned the importance of customer orientation in his quote: “There is only one boss. The customer. And he can fire everybody in the company from the chairman down, simply by spending his money elsewhere”. One can say that currently customer orientation is very important for business and product development, although the importance was already noticed years ago. Griffin and Hauser (1993) already mentioned in their article ‘the voice of the customer’ that the understanding of customer needs with the purpose of supplying superior customer value is central both to market orientation and to new product development (Griffin, Hauser, 1993). Magnusson (2003) also stated an example in his research paper about customer-oriented product development and about the success it can bring a business. He mentioned that one of the successful examples in relation to this success is Adidas, one of the most successful sports shoe manufacturers of all time. Its founder, Adi Dassler, was also a great innovator, holding more than 700 patents. “Dassler explained his success by first listening to the athletes, then making the changes, and finally testing the product on the athletes” (Magnusson, 2003). Customer orientation was already seen as success years ago, and the importance nowadays is realized more and more. Companies like Microsoft, Netscape, and Yahoo all claim that they utilise users in order to get design input when developing their products (Iansiti and MacCormack, 1997; Prahalad and Ramaswamy, 2000). The great importance of customer orientation and factual stated successes created with it, makes this thesis customer oriented product development valuable to the industry.

The thesis shows the industry how to research customer needs and wants in a specific market, and afterwards to translate this input to a customer-oriented product development plan. The project does not only show the importance of the customer but also of the competitor. Offering a customer-oriented product is great, but what if all your competitors offer the same? The importance of differentiation was also stated in this thesis, which is valuable for the industry. Even though the outcome and results are specifically for the Hotel Modelo, the set-up of this thesis is valuable for the industry and for fellow research on the same topic. Other organizations can use literature information as well as the field research as a base for further research about customer-oriented product development. The present research presents a base and can support other organizations in developing their product based on customer needs and wants. The project presents necessary information and elements for such a research and development process.
Reference List


Busto del, J. personal communication, Feb – June, 2014


Gacria, W. personal communication, May 7th, 2014


Gutierrez F., personal communication, May 5th, 2014


Herrera, M personal communication, May 6th, 2014


51


Lausch, M. personal communication, May 5th, 2014


Recinos, R. personal communication, May 6th, 2014

Reina, M personal communication, February 12th, 2014


The marketing donut (2014). What is quantitative research? Retrieved from: http://www.marketingdonut.co.uk/marketing/market-research/what-is-quantitative-research-


University of Kentucky (2012). The Louisville Local Food Demand Analyses. Kentucky: Karp Resources
Vercoutere, P. personal communication, May 8th, 2014
Zuniga, M personal communication, May 6th, 2014
Appendixes

Appendix I Menu: Breakfast, Lunch & Dinner
Appendix II Global Work Break Down Structure
Appendix III Analysis of Topics & Concepts
Appendix IV Questionnaire
Appendix V Operationalization
Appendix VI Questionnaire
Appendix VII Interview Guide
Appendix VIII Frequency Tables Questionnaire Results
Appendix IX Code Trees
Appendix X Visualization Implementation Plan, PDCA Cycle
I. Menu: Breakfast, Lunch & Dinner

Breakfast

<table>
<thead>
<tr>
<th>Choice</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desayuno Modelo</td>
<td>2 eggs prepared to your preference, refried beans, plantains, cream, cheese and home made tomato saus.</td>
<td>Q40</td>
</tr>
<tr>
<td>Don Fidel</td>
<td>Omelet de jam, cheese, vegetarian or mixed omelet, black beans, plantain &amp; home made tomato sauce.</td>
<td>Q40</td>
</tr>
<tr>
<td>Del Perico</td>
<td>Fruit with cereal or granola &amp; yoghurt or milk.</td>
<td>Q40</td>
</tr>
<tr>
<td>Don Hipolito</td>
<td>Fruit &amp; pancakes or fensch toast.</td>
<td>Q40</td>
</tr>
<tr>
<td>Quetzalteco</td>
<td>Rice tamal, Hot chocolate &amp; selection of bread.</td>
<td>Q40</td>
</tr>
</tbody>
</table>

*All of the breakfasts are served with: orange or fruit juice, bread or tortillas, butter & coffee or tea.

(Table A.1 Breakfast Menu (source: menu restaurant Modelo))

Lunch

The lunch that is offered by the restaurant differs per day, there is just one choice per day with always a soup or salad, main dish and dessert. This can for example be a soup or salad, beef/chicken or fish accompanied by pasta, rice or potatoes and a dessert. Water and coffee is included in the price, which is on average 60Q. *Note: The breakfast menu mentions the lunch and dinner to be a blend of Spanish food (although this is not visible in the actual lunch and dinner menu.*

Dinner

The dinner menu consists out of different sandwiches (see menu below), the lunch of the day and a traditional dish with eggs and beans.

<table>
<thead>
<tr>
<th>Drinks</th>
<th>Price</th>
<th>Food</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Q12</td>
<td>Sandwich Turkey</td>
<td>Q35</td>
</tr>
<tr>
<td>Milk</td>
<td>Q20</td>
<td>Sandwich Tuna</td>
<td>Q35</td>
</tr>
<tr>
<td>Ice Tea</td>
<td>Q12</td>
<td>Sandwich Ham &amp; Cheese</td>
<td>Q35</td>
</tr>
<tr>
<td>Sodas</td>
<td>Q10</td>
<td>Sandwich Chicken</td>
<td>Q28</td>
</tr>
<tr>
<td>Lemonade</td>
<td>Q10</td>
<td>Sandwich Steak</td>
<td>Q35</td>
</tr>
<tr>
<td>Milk Shake</td>
<td>Q17</td>
<td>Sandwich Bacon</td>
<td>Q35</td>
</tr>
<tr>
<td>Black Coffee</td>
<td>Q8</td>
<td>Sandwich Cheese</td>
<td>Q30</td>
</tr>
<tr>
<td>Tea</td>
<td>Q8</td>
<td>Sandwich Tilapia</td>
<td>Q40</td>
</tr>
<tr>
<td>Coffee with Milk</td>
<td>Q10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tea with Milk</td>
<td>Q10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate</td>
<td>Q10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate with Milk</td>
<td>Q12</td>
<td>French Fries</td>
<td>Q10</td>
</tr>
</tbody>
</table>

(Table A.2 Dinner Menu (source: menu restaurant modelo))
II Global Work Break Down Structure

(Figure A.1. Global Work Break Down Structure (source: own creation))
III: Analysis of Topics and Concepts
Below you can find the elaboration on the main topics and concepts within the project. Those sources were analyzed, combined and adapted in order to formulate the best fitting definition for this project. The following concepts are elaborated on: **Product Development, Consumer Buying Behavior, Competitive Advantage, Customer needs & wants.**

<table>
<thead>
<tr>
<th>Topic/Concept</th>
<th>Definition</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Development</strong></td>
<td>The creation of products with new or different characteristics that offer new or additional benefits to the customer. Product development may involve modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche.</td>
<td>Product Development. (n.d). in Business Dictionary online. Retrieved from <a href="http://www.businessdictionary.com/definition/product-development.html">http://www.businessdictionary.com/definition/product-development.html</a></td>
</tr>
<tr>
<td></td>
<td>Understanding the characteristics of demand can help destinations to determine the expectations of wildlife viewers, suggest how products may be augmented, and may indicate whether there are any other potential products to be developed. Detailed knowledge regarding supply is needed so that destinations can determine if they are meeting the demands of wildlife viewers.</td>
<td>Smith, K. (2001). Tourism Product Development: A case study of wildlife viewing in the Squasmi valley. Retrieved from: <a href="http://rem-main.rem.sfu.ca/theses/SmithKim_2001_MRM284.pdf">http://rem-main.rem.sfu.ca/theses/SmithKim_2001_MRM284.pdf</a></td>
</tr>
<tr>
<td><strong>Consumer Buying Behavior</strong></td>
<td>The <em>process</em> by which <em>individuals</em> <em>search</em> for, <em>select</em>, <em>purchase</em>, use, and dispose of <em>goods and services</em>, in <em>satisfaction</em> of their <em>needs and wants</em>. See also <em>consumer decision making.</em></td>
<td>Consumer buying behavior. (n.d). in Business Dictionary online. Retrieved from: <a href="http://www.businessdictionary.com/definition/consumer-buying-behavior.html">http://www.businessdictionary.com/definition/consumer-buying-behavior.html</a></td>
</tr>
<tr>
<td></td>
<td>Consumer buying behavior is the sum total of a consumer’s attitudes, preferences, intentions and decisions regarding the consumer’s behavior in the marketplace when purchasing a product or service. The study of consumer behavior draws upon social science disciplines</td>
<td>What is consumer buying behavior (n.d). Retrieved April 14th, from <a href="http://education-portal.com/academy/lesson/what-is-consumer-buying-behavior-definition-types-">http://education-portal.com/academy/lesson/what-is-consumer-buying-behavior-definition-types-</a></td>
</tr>
<tr>
<td><strong>of anthropology, psychology, sociology, and</strong></td>
<td>quiz.html#lesson</td>
<td></td>
</tr>
<tr>
<td><strong>economics.</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. Kotler (1994)

The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Schiffmann (2007)

**Competitive Advantage**

A competitive advantage is defined as a condition which enables a country or firm to operate in a more efficient or otherwise higher quality manner than its competitors, and which results in benefits accruing. Berdine, Parrish, Cassill, Oxenham (2008). Measuring the Competitive Advantage of the US textile and apparel Industry. Boston, Alfred P. Sloan Foundation

A firm has a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitor. Barney (1991)

Competitive advantage is the favorable position an organization seeks in order to be more profitable than its competitors. Rouse (2012). Competitive Advantage. [web log post] Retrieved from: http://searchcio.techtarget.com/definition/competitive-advantage

A firm experiences competitive advantages when its actions in an industry or market create economic value and when few competing firms are engaging in. Barney (2002)

Sustained above normal returns Peteraf (1993)

In reviewing the use of the term competitive advantage in the strategy literature, the common theme is value creation Rumult, R. (2003). What in the world is competitive advantage. The Anderson School at UCLA

**Customer needs & wants**

Unsatisfied human desires that motivate their actions and enhance their fulfillment when met. Many business marketing departments pay close attention to the needs and wants of their target market since both drive consumer purchases. These can be further described as those needs that are based on biological necessities, and those wants that make life more pleasant and which largely depend on psychological factors. Customer Needs & Wants. (n.d). in Business Dictionary online. Retrieved from: http://www.businessdictionary.com/definition/needs-and-wants.html
| “A want is defined as having a strong desire for something. The word need is defined as lack of the means of subsistence. In every arena of life, the two concepts are opposing elements.” | Marriam Webster Dictionary  
http://www.merriam-webster.com/ |
|---|---|
| The starting point of marketing is human needs. Foods, clothes, air, shelter, water, sex are human needs. Similarly, human beings desire to have education, entertainment, security, relationship etc. The needs of human beings can be classified in physiological security, social and other needs. The desire for fulfilling needs is called want. The things to satisfy needs are different from person–to–person and society–to–society. However, culture, social class, individual personality, preference etc. direct wants. | Keshav (2012). Concept of needs, wants, drive and demand in marketing. Posted to:  
http://marketinglord.blogspot.com/2012/05/concept-of-needs-wants-drive-and-demand.html |
| Needs –Human needs are the basic requirements and include food clothing and shelter. Without these humans cannot survive. An extended part of needs today has become education and healthcare. Generally, the products which fall under the needs category of products do not require a push. Instead the customer buys it themselves. But in today’s tough and competitive world, so many brands have come up with the same offering satisfying the needs of the customer, that even the “needs category product” has to be pushed in the customers mind. Wants – Wants are a step ahead of needs and are largely dependent on the needs of humans themselves. For example, you need to take a bath. But i am sure you take baths with the best soaps. Thus Wants are not mandatory part of life. You DON'T need a good smelling soap. But you will definitely use it because it is your want. In the above image, the baby needs milk but it WANTS candy. | Bhasin, H. Needs, wants and demands (2014). Retrieved from:  
http://www.marketing91.com/needs-wants-and-demands/ |

(Table A.3 Analysis of topics and concepts (source: own creation))
IV. Elaboration on Relationships Concepts

Customer Needs & Wants – Product Development
Understanding customer needs and wants is of great importance in the product development process. The understanding of the customer needs and wants as well as demand analysis are crucial components in this process. New (or developed) products and services have to offer benefits that meet your customers’ needs, therefore it is necessary to know what those needs and want are.

Customer Buying Behavior – Product Development
Besides identifying customer needs and wants, the customer behavior also needs to be identified. A consumer might have a certain need, but how it this need triggered. The customer decision making process of Zeithaml & Bitner (2003) is identifying for example the need recognition that can be triggered by unconscious mind, internal conditions or external conditions. It crucial to get insight in customer behavior in order to react towards in in the product development. Where do customers look for information about your product? Which aspects do they use when evaluating different alternatives? All important information necessary for the product development process.

Competitive Advantage – Product Development
In today's competitive world, companies do not only compete anymore on price or delivery. The introduction of new products or product features has become a main source of competitive advantage (Kotillo, 2008). Competitive advantage relates with product development in such a way that the product need to be different. Even though your product fits perfectly to the market, what if all your competitors offer the same? What is the extra value you offer your guests, how do you differentiate your product? This al indicates the importance and relation of competitive advantage with product development

Customer Needs & Wants – Customer Buying Behavior
Knowing customers’ needs and wants doesn’t add much extra value without identifying the customer behavior. Even though your product might fulfill your customer needs and wishes, but if you don’t reach them due to a certain customer behavior, your product won’t be successful. What if your product even exceeds their expectations but is offered on the wrong times? Customer behavior has a strong relationship with customer needs & wants, and the two aspects strengthen each other in the product development process.

Customer Needs & Wants – Competitive Advantage
Fulfilling your customer needs and wants, just like everyone else? That doesn’t give your business success. Yes, you fulfill customer needs and wants, but if everyone else does as well, why would the customer come to you instead of going to your competitors? You need to have a competitive advantage within the product, what is your differentiating strategy? You fulfill the same needs and wants as your competitor, but what is the extra value you offer your customers, so they buy your product?
Fulfilling customer needs and wants and having a strong competitive advantage strengthen your product and supports great product development.

**Customer Buying Behavior – Competitive Advantage**

Again, just like knowing your customer needs and wants, knowing your customer behavior without differentiating doesn’t make your product successful. Knowing your customer behavior is a great advantage together with your competitive advantage, so again those two components strengthen each other in the product development process.
## V. Operationalization

<table>
<thead>
<tr>
<th>Core Concept</th>
<th>Concepts</th>
<th>Aspects</th>
<th>Sub-aspects</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Development</strong></td>
<td><strong>Customer Needs &amp; Wants</strong></td>
<td></td>
<td>Quality</td>
<td>Cleanliness</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Food safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Food quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Quality of service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Friendliness of Staff</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Setting</td>
<td>Atmosphere of rest.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Interior design of rest.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Privacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Noise levels allows for good conversation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing</td>
<td>Reputation of the restaurant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ratings in food guides</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Recent reviews</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Advertisement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Price–Value</td>
<td>Variety of menu</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Innovative Items</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Speed of service</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Value of food and drink</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Value of experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dietary Considerations</td>
<td>Authentic food</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Flexibility for dietary requests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Healthy alternatives</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access</td>
<td>Close travel distance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Convenient parking</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion</td>
<td>Special promos</td>
<td></td>
</tr>
<tr>
<td><strong>Customer Behavior</strong></td>
<td><strong>Customer Buying Decision Process</strong></td>
<td>Need for recognition</td>
<td>Unconscious Mind</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Internal Conditions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>External Conditions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information search</td>
<td>Personal Research</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Internet</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rely on Reputation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evaluation of Awareness</td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Convenience</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Purchases and Post Purchase Behavior</td>
<td>Satisfaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Loyalty</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Word of Mouth Behavior</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Competitive Advantage</strong></td>
<td>Quality</td>
<td>Cleanliness</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Food safety</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Food quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quality of service</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Friendliness of Staff</td>
<td></td>
</tr>
</tbody>
</table>
| Product | Setting | Atmosphere of rest.  
Interior design of rest.  
Privacy  
Noise levels allows for good conversation |
| --- | --- | --- |
| Marketing | Reputation of the restaurant  
Ratings in food guides  
Recent reviews  
Advertisement |
| Price-Value | Variety of menu  
Innovative Items  
Speed of service  
Value of food and drink  
Value of experience  
Price |
| Dietary Considerations | Authentic food  
Flexibility for dietary requests  
Healthy alternatives |
| Access | Close travel distance  
Convenient parking |
| Promotion | Special Promos |
| Customer Experience | Enjoyable  
Easy  
Useful |
| Competitive Advantage Strategy | Cost Leadership  
Differentiation  
Cost Focus  
Differentiation Focus |

(Figure A.2. Operationalization (source: own creation))
VI. Questionnaire

SURVEY: EVALUATION OF CUSTOMER RESTAURANT CHOICES

Dear participant,

My name is Ellen Punte, final year student at the Saxion University of Applied Sciences in the Netherlands. Currently I am conducting my thesis as the last part of the study before graduating. One of the aspects of this project is a field research among foreign visitors in Xela in regards to their needs wants and behavior in restaurant choices. The information obtaining from you, as a visitor in Xela is crucial for the outcome of this project. Therefore your participation would be greatly appreciated. It should only take about 5–10 minutes of your time. Your responses are voluntary and will be confidential. Responses will not be identified by individual, all responses will be compiled together and analyzed as a group. Thank you very much for your participation.

Ellen Punte
Student Saxion University of Applied Sciences
ellenpunte@hotmail.com

GENERAL INFORMATION
*Please circle the correct answer

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male / Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>&lt;20 / 21–25 / 26–30 / 31–40 / 40+</td>
</tr>
<tr>
<td>Nationality</td>
<td>USA / German / Dutch / Canadian / French / Italian / Spain / Australia / Other</td>
</tr>
<tr>
<td>Time of stay in Xela</td>
<td>1 week or less / 1–4 weeks / 5 weeks till 3 months / more than 3 months</td>
</tr>
<tr>
<td>Reason of visit Xela</td>
<td>Holiday / Studying Spanish / Volunteering / Work / Other</td>
</tr>
</tbody>
</table>

NEEDS & WANTS
1a. Please rate the importance of the service when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th>Cleanliness</th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendliness of staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1b. How would bad service effect your restaurant choice?
- [ ] I would not go
- [ ] I would not go and I would spread bad mouth on mouth advertisement
- [ ] I don’t really mind, if other factors of the restaurant are good, I would still go
2. Please rate the importance of the **setting** when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmosphere</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Privacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noise level allows for good conversation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2b. How would a **poor setting** effect your restaurant choice?
- o I would not go
- o I would not go and I would spread bad mouth on mouth advertisement
- o I don't really mind, if other factors of the restaurant are good, I would still go

3a. Please rate the importance of the **marketing** of a restaurant when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratings in food guides</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recent reviews</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3b. How would **poor marketing** effect your restaurant choice?
- o I would not go
- o I would not go and I would spread bad mouth on mouth advertisement
- o I don't really mind, if other factors of the restaurant are good, I would still go

4a. Please rate the importance of the **price-value** of a restaurant when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety of Menu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovative Items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speed of Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of food and drink</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience during visit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4b. How would **poor price-value** effect your restaurant choice?
- o I would not go
- o I would not go and I would spread bad mouth on mouth advertisement
- o I don't really mind, if other factors of the restaurant are good, I would still go
5a. Please rate the importance of the **dietary-considerations** of a restaurant when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic Food</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility for dietary requests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthy alternatives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5b. How would **poor dietary-considerations** effect your restaurant choice?
- I would not go
- I would not go and I would spread bad mouth on mouth advertisement
- I don’t really mind, if other factors of the restaurant are good, I would still go

6a. Please rate the importance of the **access** of a restaurant when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close Travel Distance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenient Parking</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6b. How would **poor access** of a restaurant effect your restaurant choice?
- I would not go
- I would not go and I would spread bad mouth on mouth advertisement
- I don’t really mind, if other factors of the restaurant are good, I would still go

7a. Please rate the importance of the **promotions** of a restaurant when choosing a restaurant to eat.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Promos</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7b. How would **poor promotions** effect your restaurant choice?
- I would not go
- I would not go and I would spread bad mouth on mouth advertisement
- I don’t really mind, if other factors of the restaurant are good, I would still go

**CONSUMER BUYING PROCESS**

8. Which of the **reasons** are the most important for you to go eat in a restaurant? *(more answers possible)*
- Unconscious Mind (impulse buying)
- Internal Conditions (hunger/thirst)
- External Conditions (advertisement, marketing, promotions of restaurant)
- Events (birthday, family reunion, party)

9. During **which time** are you most likely to go out to a restaurant? *(more answers possible)*
- Breakfast
- Lunch
- Dinner
10. How do you find out in which restaurant you would like to go and eat? (more answers possible)
   - Personal Research (magazines, newspaper, check out the menu by yourself)
   - Internet
   - Rely on Reputation

11. Which are important factors when you evaluate different restaurants to eat? (more answers possible)
   - Price
   - Convenience
   - Quality

12. What would you do when you are satisfied in a restaurant? (more answers possible)
   - Nothing
   - Loyalty – I would come back
   - I would spread good things to others
   - I would write a review

RESTAURANT CONCEPT

13. Please rate your interests in the following type of restaurants in Xela.

<table>
<thead>
<tr>
<th>Type of Restaurant</th>
<th>Not interested</th>
<th>Interested</th>
<th>Very interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spanish restaurant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italian restaurant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European restaurant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guatemalan restaurant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexican restaurant</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. What is your opinion about a Spanish restaurant in Xela?
   - I wouldn’t go, I don’t like it
   - I would be interested but only go if the Spanish food has great quality
   - I would be interested but only go if the restaurant would offer affordable prices
   - I would go, I like it

PRICE

15. Which price are you willing to pay to go out eat in a restaurant in Xela?

<table>
<thead>
<tr>
<th>Meal</th>
<th>Less than $5</th>
<th>$6 – $9</th>
<th>$10 – $15</th>
<th>$16 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunch</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dinner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you very much for your participation.
VII. Interview Guide

*Note: This interview guide in a translation of the original version in Spanish.

**Note: before starting the interview, agree upon recording the interview with respondent.

1. Introduction
   - **Introduction of myself**
     - Name / Dutch / Saxion /
   - **Introduction to the topic & goal of the interview**
     - Topic: customer restaurant choices
     - Goal of interview: gain insight in the target market on needs and wants, buying behavior, and interests in order to give advice on product development.

2. Ask for background information of respondent
   - Company / position
   - Family status
   - Restaurants (interest, frequency, breakfast/lunch/dinner, with who..)

3. Needs & Wants
   - Which factors are for you important when going out to eat to a restaurant?
     - Service
     - Setting
     - Marketing
     - Price Value
     - Influence on decision (how)

   - Which factors are for you important when rating the service quality of a restaurant?
     - Cleanliness
     - Food safety
     - Food quality
     - Quality of service
     - Friendliness of staff
     - Influence on decision (how)

   - Which factors are for you important when rating the setting of a restaurant?
     - Atmosphere
     - Interior Design
     - Privacy
     - Noise level allows for good conversation
     - Influence on decision (how)

   - Which factors are for you important when rating the marketing of a restaurant?
     - Reputation
     - Ratings in food guides
     - Recent interviews
     - Advertisement
     - Influence on decision (how)
Which factors are for you important when rating the **price value** of a restaurant?
- Variety of menu
- Innovative items
- Speed of service
- Value of food and drinks
- Value of experience
- Price
- Influence on decision (how)

Which factors are for you important when rating the **dietary considerations** of a restaurant?
- Authentic food
- Flexibility for dietary requests
- Healthy alternatives
- Influence on decision (how)

Which factors are for you important when rating the **access** of a restaurant?
- Close travel distance
- Convenient parking
- Influence on decision (how)

Which factors are for you important when rating the **promotions** of a restaurant?
- Special promos
- Influence on decision (how)

3. **Consumer Buying Process**

Reasons to go out to eat in a restaurant.

During which time are you most likely to go out for dinner?
- Breakfast
- Lunch
- Dinner

Where do you look for information about a restaurant where to go and eat?
- Internet
- Food rating guides
- Personal research
- Rely on reputation

Which are important factors when evaluating/comparing different restaurant options?
- Price
- Convenience
- Quality

Which **price** are you willing to pay when eating out in a restaurant in Xela?
What would you do if you are satisfied in a restaurant?
  - Coming back with family / friends
  - Loyalty – come back
  - Spread good words about it
  - Write reviews

4. Concept

In which restaurants in Xela do you like to eat?
  - Why?

Which types of restaurants are you interested in?

Opinion about Spanish restaurant?
  - Why?

5. Ending

Summary
Thanking
Agree upon informing person on information
VIII. Frequency Tables Questionnaire Results

If this factor of a restaurant is bad, I would not go.

(Table A.4 Frequency Table, restaurant choice (source: own creation))

Service

(Table A.5 Frequency Table, Service (source: own creation))

Setting

(Table A.6 Frequency Table, setting (source: own creation))
(Table A.7 Frequency Table, Marketing (source: own creation))

(Table A.8 Frequency Table, Price-Value (source: own creation))

(Table A.9 Frequency Table, Dietary Considerations (source: own creation))
(Table A.10 Frequency Table, Access (source: own creation))

I am most attempted to go to a restaurant during this time

(Table A.11 Frequency Table, Times to go to a restaurant (source: own creation))

I would look here for information about restaurants

(Table A.12 Frequency Table, Where to look for information (source: own creation))
(Table A.13 Frequency Table, Comparing Factors (source: own creation))

Important factor when comparing restaurants

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Quality</th>
<th>Convenience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Tables and figures are visually represented in the image)

(Table A.14 Frequency Table, Satisfaction Actions (source: own creation))

What I do when I am satisfied in a restaurant

<table>
<thead>
<tr>
<th></th>
<th>Nothing</th>
<th>Loyalty</th>
<th>Spread good things</th>
<th>Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Tables and figures are visually represented in the image)

(Table A.15 Frequency Table, Concepts (source: own creation))

I am interested in the following restaurant concepts

<table>
<thead>
<tr>
<th></th>
<th>Mexican</th>
<th>Guatemalan</th>
<th>European</th>
<th>Spanish</th>
<th>Italian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Tables and figures are visually represented in the image)
I would not go, I don’t like it
I would go, but only if the food has great quality
I would go, but only if the restaurant offers affordable prices
I would go, I like it

Spanish Restaurant in Xela

(Table A.16 Frequency Table, Spanish Restaurant Xela (source: own creation))

I am willing to spend the following for my meals

Less than 5
$5-$9
$9-$15
more than $15

Breakfast
Lunch
Dinner

(Table A.17 Frequency Table, Budget (source: own creation))
IX. Code Trees

Code Trees – Axial Coding

A. Interests and Preferences

B. Frequency of going out to a restaurant

C. Factors that Influence Restaurant Choice

(Figure A.3 Code A,B,B, (source: own creation))

(Figure A.4 Code Tree Service (source: own creation))

(Figure A.5 Code Tree Setting (source: own creation))

(Figure A.6 Code Tree Price–Value (source: own creation))
F. Where to look for information

- F1. Internet
- F2. Magazines
- F3. Recommendations
- F4. Personal Experience

(Figure A.13 Code Tree Where look for information (source: own creation))

G. Factors when comparing restaurants

(Figure A.14 Code Comparison Factors (source: own creation))

H. Restaurant Management

(Figure A.15 Code Restaurant Management (source: own creation))
X. Visualization Implementation Plan, PDCA–Cycle

IMPLEMENTATION CUSTOMER-ORIENTED PRODUCT DEVELOPMENT PLAN

Step 1: Plan
Customer-Oriented Product Development Plan.

Step 2: Do
- Obtain full understanding of project.
- Make sure the project will be implemented in a controlled way.
- Hire intern/thesis student.
- Supply Analysis Menu creation
- Develop Kids Area Increase Decorations
- Purchase Process
- Construction Process
- Developing Agreement with Parking lot
- Offering service classes to employees
- Offering cooking classes to employees

HRM Process
Developing process
Management process
Sales & Distribution Process
Marketing process
Sales Process
Marketing strategy
Promote product/introduce to market

Step 3: Check
Review and Analyze Trial Product
Evaluation
Final decision.

Step 4: Act
Implement the product fully
Expand product
Continue evaluating

(Figure A16. Implementation Plan Visualization. (source: own creation))