



INTERNATIONAL HELLENIC UNIVERSITY

THESIS: MARKETING ANALYSIS AND RECOMMENDATIONS BASED ON
CONSUMER BEHAVIOUR ON NEW PRODUCTS.

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ABSTRACT

Nowadays, due to the economic crisis, it has been very difficult for companies, and especially for small ones to financially survive (Runyan, 2006). Fierce competition has led many companies to failure. Consumers have started to pay great attention to the quality of the products they consume, as well as to their prices. To be specific, consumers are setting strict criteria for the choice of a purchase, and it is becoming more and more difficult for the companies to persuade them to buy their products. It is very important for people to grow healthy companies in order to strengthen this weak economy.

This dissertation investigates consumer behaviour on new products in order to create a successful marketing plan. This study takes place in a period where economic crisis has hit every sector in people's lives and preferences as well as priorities are being reestablished. The research takes place in Greece, and specifically in the entertaining and touristic sector, that is bars. According to reports, Greece, and mostly Athens and Thessaloniki, have large number of bars and cafeterias proportionally with their population, and a great amount of money is invested on this sector every year. As a result, that money composes a great source of income.

The dissertation is developed in two parts: the first part that will be analysed is the reasons of success of an entertainment product that exists in Thessaloniki (floating bar), based on consumer behaviour and habits. The second thing that will be analysed is the development of a marketing strategy of the same product introduced as new to another city, Chalkida, which has very similar geographic location as Thessaloniki, based on consumer behaviour.

The aim and the contribution of this dissertation is to analyse and decode consumer behaviour on new products in a period of a deep economic crisis, compare them with the results of consumer behaviour on existing ones, and examine whether these results come along with the literature, and if not, give reasonable answers for that. Also, this study aims to identify ways in times of economic recession for companies to develop, through the eyes and needs of the consumers. Moreover, in this dissertation, a marketing strategy will be developed, based on consumer behaviour for new products. The overall contribution is to understand consumer behaviour and implement a successful marketing strategy for new products, according to

consumer's needs that can easily change in this weak economy, and is of vital importance for companies to adjust to that.

For this dissertation, a qualitative research is followed, with the form of fourteen semi-structured interviews. The primary data are collected through in depth and face to face interviews from two samples, one from Chalkida and another from Thessaloniki, while secondary data are used through scientific articles mostly, but also bibliography of the existing literature, empirical studies and the internet.

The contribution comes along with the findings that show how much the economic crisis has affected consumer behaviour. Their priorities in these times are to satisfy their first needs (food, health and home). They have become price sensitive, and they pay more attention to quality nowadays. They also tend to do extensive market research before every purchase in order to find the fair price to pay. They have become cautious against advertising and they seek for simplicity.

KEY WORDS: consumer behaviour, marketing strategy, 4ps, new products, entertainment products, consumer habits.

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1 INTRODUCTION

DESCRIPTION OF THE RESEARCH PROBLEM

As markets are becoming more and more competitive, the need for sustainability and development for every single company becomes the most important objective. In Greece, the economic crisis during the last four years has deeply affected the viability of every business that operates. According to National Statistical Service of Greece (NSSG), the cash cycle of the businesses in the entertainment sector has decreased by more than 50% within the last four years. Companies fail to adjust to these dramatic changes and maintain a healthy operation with these reductions. Also, according to NSSG the annual income of consumers has dramatically decreased, and the expenses keep on increasing. As a result, in this harsh economic reality consumers have changed their way of thinking regarding purchases, by setting different priorities (Estelami et al.,; Howard & Sheth (2001, 1969) . This new situation obstructs the operation of the companies, because they cannot easily adjust to the new demands of the consumers. On the other hand, history has proved that in times of deep economic crisis many people have managed to identify opportunities and gaps in the market, take good advantage of them and create strong companies and products. More specifically, according to Francis et al., (2011), small firms have greater opportunities of growth during these harsh times, due to the fact that they are more flexible and innovative. This research tries to fill the research gap of investigating how consumers react to economic crisis, as it comes to new products, and specifically in the entertainment sector.

PURPOSE OF THE STUDY AND METHODOLOGY

This research takes place in Greece, and more specifically in two cities; Thessaloniki and Chalkida. The reason for the choice of these two cities, is that the main research focuses specifically on a unique kind of entertainment product, which is floating bar, and exists and operates successfully only in Thessaloniki. Chalkida has a very similar geographic location with Thessaloniki and this particular dissertation will investigate whether this kind of business can successfully operate in Chalkida as well as a new product, by giving emphasis on consumer behaviour and preferences. Later on, a marketing strategy will be developed according to the preferences of people, and will be evaluated according to the existing literature.

The reason why this thesis analyses that kind of business, is because in Greece there are mainly two sectors from which the country earns income and people can more safely invest on; the agricultural sector and tourism. The floating bars belong to second category and it has many potential of success if the research is methodical and gives the right answers to the right questions. Moreover, consumer behaviour is not well developed and used in the Greek industry, so the thesis might give an incentive to entrepreneurs to do a better market research. Apart from multinational companies that have been operating for years in Greece, small businesses face problems regarding the market research and the creation of a successful marketing strategy. In addition, the use of qualitative research in this field, will give an opportunity for managers and entrepreneurs in Greece to see and study some important points from another perspective. Qualitative research is not commonly used in Greece, and that appears to be a significant drawback regarding the results from the analysis on consumer behaviour. Understanding consumer behaviour can lead companies to increase their profits. Researchers can collect much more information with face to face interviews with consumers regarding topics such as the one mentioned before in all of its forms.

As a result from the above, this dissertation is probably going to attract the interest of potential entrepreneurs, businessmen, and managers, because the thesis will give an insight regarding the consumer behaviour and psychology on new products, as well as useful information on creating a marketing plan.

As mentioned before, the research method used in this dissertation is qualitative, which consists of semi-structured, in depth interviews by two different samples: one from Chalkida and one from Thessaloniki. The samples are equal in amount; they consist of seven people each, and in the first case the people interviewed are potential customers of the floating bar, while in the other case they are already customers of the floating bar. Also, secondary data related to the topic are obtained for this thesis, such as articles from scientific journals, scientific books, and internet sources.

OBJECTIVES AND RESEARCH QUESTIONS

The aim of this study is to analyze consumer behaviour on new products that specifically belong to the entertainment sector, identify and then justify factors that

can lead a consumer to accept or reject the product. Finally, a marketing plan will be developed according to the findings of the qualitative research.

The importance of the study relies on the fact that Greece is a touristic country especially for the summer period, and the entertainment industry is the major source of income for the country. As a result, it is of high importance during this difficult economic period, to give some insights to people that wish to invest on this sector and overcome drawbacks. Consumer preferences change during these times, and companies have to be informed on these changes in order to create products and services that will satisfy consumer needs at maximum level.

The research questions of this thesis are presented below:

- Which factors affect consumer behaviour on new products?
- Which factors affect consumers' purchase decision on existing products?
- How has the economic crisis affected consumer's purchase decision?
- How does the internal and external environment affect consumers' psychology?
- How easily can consumer habits change due to the economic crisis?
- How could a marketing plan be developed in order to be successful for a business in the entertainment sector?

STRUCTURE OF THESIS

Finally, a small description of the context of each chapter of this dissertation is presented below:

Chapter 2 introduces the existing literature regarding consumer behaviour on new and existing products, the meaning of innovation, and the description of a marketing analysis.

Chapter 3 introduces the methodology chosen for this thesis, the analysis of it and the reasons why it has been chosen for this study. It also analyses how data were collected.

Chapter 4 introduces the analysis of these data; a demographic segmentation is developed, as well as target groups for both cities are reported. Also, a description of both samples and the interview protocols are given.

Chapter 5 includes a thorough interpretation and relevant conclusions that arose from the research. Then, a marketing plan is developed based on research findings.

Chapter 6 refers to limitations that this study faces, as well as to insights for future research for practitioners and academics.

Chapter 7 summarizes the results and outcomes of this research and underlines the concluding points.

2 LITERATURE REVIEW

2.1 CONSUMER BEHAVIOUR ON NEW PRODUCTS

Some basic factors that lead consumers to try new products are: the price of the product, the affection from social media such as Facebook, the country where the product is produced, the amount and the context of the information given on the product (Doyle & Stern, 2006), the current economic situation, the influence from friends and family (Kotler et al., 2009), and whether the product includes technology or not. According to Su (2011), people are willing to try something new in order to live the experience.

The need for innovation is a factor that can guarantee a new product's success in the market, as consumers feel more open to try it and let it adopt within the market. This is also related to the amount of satisfaction that this new product can offer to the consumers (Kotler et al., 2009). The more, the better. Differentiation is also an element that can motivate people try a new product (Kotler et al., 2009).

New and innovative products are most of the times initially accepted and adopted by a small number of consumers and it is later on that they become adopted by the largest proportion of the consumer (Perner). Having the above information we can come to the following conclusions: firstly, the companies that produce and introduce new products should have a strong budget and a good financial plan because profits will start to be shown after the product's success and, secondly, it is of high importance for those companies to fully satisfy the initial customers because later on they will influence the others on buying this product or not (Noel, 2009).

New products become accepted by consumers only in case they satisfy their needs and have something new to offer, mostly as an experience (Noel, 2009). Moreover, people react positively to new products only if they have the necessary information (Moreau et al., 2001, p.15) and feedback on the product and additionally if they are able to see the benefits of this innovation (Noel, 2009). Also, involvement is another element that makes the consumer accept the new product more easily. Previous knowledge on the existing product (in comparison with the new one) is a factor that will guarantee the success of the new one; consumers' perception is developed based on that information (Kotler et al., 2009).

2.2 FACTORS THAT AFFECT CONSUMER BEHAVIOUR

Consumer behaviour is a science that has been developed the last decades.

Nowadays companies pay great attention to this field in order to guarantee their success and therefore, sustainability. According to Noel (2009), consumer can be a person that searches for a product or service to purchase in order to satisfy his need. Consumers are all over the world, but what does influence them to make a purchase? The most common factors that affect consumer behaviour according to Noel (2009) are mentioned below:

- External influences: the culture and the perception, the ideas, the social life, the beliefs, the ethnicity, the reference groups and the religion of a consumer. Another part that affects consumer behaviour at this stage is the efforts of the companies to promote their products by providing consumers with information. They do so by using the well-known 4p's strategy; product, price, promotion place (Noel, 2009).
- Internal processes: psychological and decision making factors that affect consumer behaviour. Psychological processes include:
 - Motivation: it refers to anything that can lead a person to the purchase of a product.
 - Perception: it refers to the information that consumers process in order to decide whether a product is worth buying or not.
 - Attitudes: consumer attitudes easily change over the time, and they can be created or directed from the companies in order to sell their products. (Noel, 2009)
 - Knowledge: it is the amount of information that a person can gather and categorize according to his needs.
- Post decision processes. Here consumers evaluate their purchase, and decide whether they were satisfied or not by this product. Satisfaction of consumers can be shown in many ways such as the re-purchase of the product, good recommendation to friends, etc. (Noel, 2009)

During the last decades, many theories have been developed regarding consumer behaviour and needs. One of the most well-known ones is Maslow's theory on

hierarchy of needs (Kotler et al., 2009). According to Maslow, people tend to put their needs into hierarchy and prioritize which ones to satisfy first. For example, it is more important for a person to satisfy his need for food, rather than his need for recognition. Maslow has created a pyramid with the groups of needs and the order that people satisfy them is from bottom to top (Kotler et al., 2009) (appendix 1).

2.3 CONSUMER PSYCHOLOGY

Researches on consumer behaviour have shown that people tend to buy products in order to satisfy themselves, satisfy their sense of fulfillment, show their identity and feel as a useful part of the society (Kemp & Kopp, 2011). Perception is an important factor that affects consumer psychology. Perception towards products creates attitudes and behaviours which interact with each other (Buber et al., 2004).

Behavioural intention is what a consumer intends to do with a certain product, according to his beliefs and feelings upon that (Paul Peter & Olson, 2010). For example, if a consumer's belief is that a drink tastes good, and his feeling is that the drink makes him relax then, his intention is probably to go out for a drink at night. Consumers also make a purchase because they are much affected by the words and opinions of friends and family (Kurt et al., 2011).

Consumers want to believe that their behaviour related to products is rational. They need to know that they make a purchase based on certain beliefs in order to be able to better evaluate the products and do not get confused. Of course, this is not always true. It is a trick that companies take advantage of, and manage to manipulate behaviours (Noel, 2009). For example, one rationale is that a consumer may decide on a purchase by taking into account the price. So if the companies change the price of the product, the psychology of the consumer will also change.

Psychology of the consumer is the first and most important element that will lead him to purchase a product. The companies have to make sure that the consumer is aware of the product, understands its benefits on him, meets his needs, has perceived value, and is accessible (Kotler et al., 2009).

2.3.1 Consumer Response to Price

When it comes to price, consumers always make their decision based on the perceived value of the product (East et al., 2008). That is, how much do they believe this product worth buying, regardless if for example in reality it is overpriced or not

(Kotler et al., 2009). Perceived value comes from the usefulness of the product, the range of satisfaction according to the needs, and the brand name. Consumers always compare prices of similar products before they make a purchase, because they want to be sure that they have made the best choice (East et al., 2008). Generally, consumers consider a price increase unfair, and mostly nowadays with the economic recession, that they have become even more price sensitive. A perception of unfair price to a product can lead to a negative word of mouth (East et al., 2008). On the other hand, a price decrease is usually done for promotion (East et al., 2008). Fair price for consumers, also comes after they compare the existing price with the price they would like to pay, or the price they expect to pay (East et al., 2008). What is more, in times of economic recession consumers tend to satisfy their first needs and spend less to anything not necessary for their survival. This behaviour is more intense to women rather than men (Strutton & Lewin, 2012).

Another perception on consumers' mind is that there is a strong correlation between price and quality (East et al., 2008). But researches (e.g. Rao & Monroe (1989)) have shown that when it comes to purchase, this perception is not strong. An explanation why this happens, is because people think of quality as a mix of many other things such as appearance, the place where it is sold, the brand name, and all these additionally to the price (East et al., 2008).

Another issue regarding consumer price sensitivity is that people actually get used to a price and sometimes they do not really want it to change. Researches have showed that consumers that bought one product they already use in a lower price felt less satisfied than those that bought it at the regular price.

Moreover, experiments have shown that when prices fall just a little bit below a round number, for example from €15, 00 to €14, 99, sales of the product increase from 7 to 35%. The explanation for this is that because people read from left to the right, they pay more attention to the left number rather than the right one (East et al., 2008). As a result, practically even if the price is the same, consumer psychology has a strong impact on price perception.

2.3.2 Consumer Response to Promotion

Promotions have a strong impact on sales. Researchers have agreed that among other promotion techniques, the most effective ones from the consumer response

perspective are a combination of discounts, displays and flyers. If we separate them, the higher response comes from price reduction (East et al., 2008).

Another effective promotional tactic is to make the consumer feel as a part of the product (Troye & Supphellen, 2012). What is more, purchase decision is affected by the place where the product is sold, as well as the time it is sold. It is generally accepted that the two most successful promotion tools regarding the consumer response are the television and the word of mouth (Paul Peter & Olson, 2010). To be specific, the first is successful because it combines sound and picture, so it becomes more persuasive, while the second's success comes from trust and reliance inspired (Kotler et al., 2009). Finally, results of researches have shown that consumers respond to promotion for products like coffee, soaps, cereal, and generally first need products. For products like cigarettes, alcohol and automobile consumers' response is not significant. Another explanation for that is that the products in the first category are cheaper and consumers are more willing to try something new, because they feel that in any occasion they do not have anything to lose. But in any occasion, consumers always choose simplicity over a complex advertisement or product (Spenner & Freeman, 2012).

2.3.3 Consumer Response to Place- Environment

People constantly need to feel that they fit into the environment they are present each time (Paul Peter & Olson, 2010). They seek for new trends to follow because this makes them feel they have moved a step forward to their social life. It has been found that regarding purchases, people tend to buy more products without paying much attention to prices or quantity, when they are in an environment where they feel comfortable and relaxed (Buber et al., 2004). According to Venkatesakumar (2011), experience can become synonymous with the perceived value in consumers' mind. This can be created by using natural bright colours such as green, blue and brown, as well as relaxing music (Paul Peter & Olson, 2010). Moreover an environment that creates the sense of safety is equally effective (Buber et al., 2004). This can be achieved by using pictures such water and woods, or anything that bring to mind that, because consumers subconsciously think they are in their natural environment (Buber et al., 2004). According to Arora (2012), consumers feel fully satisfied with the environment if the experience they live is great, and that comes

from the emotions that arise during this procedure.

2.4 INNOVATION AND NEW PRODUCTS

Innovation is usually referred in the literature as a breakthrough, a new idea or concept that did not exist so far and includes technological breakthroughs (Bessant & Tidd, 2007). But, innovation can also be considered as the development of an existing product based on consumer's unmet needs, and it is what we usually call the creation of a new product (Kotler et al., 2009). The main difference between the two terms is that innovation implies a radical change, while new products are mostly improved versions of existing ones (Bessant & Tidd, 2007).

Innovation and new products usually occur in the mature markets, where the consumer needs are saturated and there is a need for something new. This is the best time for a new product to arise because consumers at that point are willing to try anything new (Bessant & Tidd, 2007; Kotler et al., 2009). Managers and researchers do very careful observation on consumers in order to identify a gap and create a new product.

According to East et al. (2008) and Peter & Olson (2010), some characteristics that a new product or innovation should have are the following:

- **Simplicity:** it should be simple to understand and make the consumer feel comfortable with it, and not to require a complex procedure of using it.
- **Testing ability:** it should be able to give consumers the opportunity to live the experience with this product before buying it.
- **Interactive:** it should create awareness and influence consumers on which habits to acquire in the society they live in.
- **Compatible:** it should come along with the existing experiences of people in order to become more easily adopted, and it should also come along with issues like religion, etc.

Moreover, according to Doyle & Stern (2006), a product in order to be characterized as new or innovative, has to be:

- Unique in consumers' mind so that they think it is irreplaceable
- Sustainable so that it will stand up the competition and overcome barriers

- Marketable because it has to enter the market, adjust and make it easy and affordable for consumers to buy.

2.5 MARKETING ANALYSIS

Marketing has an extremely strong effect on today's demanding world. It is of high importance for companies to understand consumer's needs and measure their demand in order to produce products and sell them successfully in the market (Kotler et al., 2009). Marketing is also about making the right decision at the right time. This has been a tough part for companies to achieve and such wrong movements have led many of them to failure. Another big part of marketing refers to communication (Paul Peter & Olson, 2010). It is the part where marketers have to communicate with the stakeholders and find the best solution to any problem in order to satisfy everyone; from the suppliers to the shareholders and of course the customers. Marketing strategy is also known as the 4 p's because of the initials of the elements that compose the marketing mix; product, price, place, promotion (Kotler et al., 2009), which are analysed below.

2.5.1 Product

In marketing, product refers to something physical that has a unique purpose of satisfying consumer's needs. The factors that make it successful usually are: the quality, the quantity, the brand name, the safety, the package and the guarantee.

To move on, products' life cycle is specific, and marketers are aware of that, so they try to plan accordingly and at the same time do research on consumer behaviour to identify new needs or unmet ones in order to create and launch new products (Kotler et al., 2009). Competition pushes companies to create and drop products in the market, but many of them fail either because they are already old-fashioned, or ahead of their time (Kotler et al., 2009).

The most important factor for a product to become successful is to create the right perception in people's minds. Consumers do not actually buy the product; they buy the experience offered by it.

2.5.2 Price

Price is the amount of money a consumer pays to purchase a product. When it comes to price, companies have some issues to decide on such as the pricing strategy that

they will follow, the way that consumers can pay (for example cash or credit cards), the discounts, the seasonal pricing, the competitors, etc. (Kotler et al., 2009). It is generally accepted that price can easily affect demand. Nowadays that the economy is weak, it is difficult for companies to adjust to price fluctuations because consumers have become more price-sensitive and they want companies to keep prices down. Still, costs remain at high levels and companies cannot absorb them.

Another important point when it comes to price that should be taken under consideration is customers' perceived value. This factor shows us how much the customers are willing to pay for a particular product. Most of the times, the perceived value differs a lot from the existing one and the fair one in customer's mind (Kotler et al., 2009). But apart from that, price has also an irrational side; consumers may think that if something is expensive, it is definitely good.

2.5.3 Place- Environment

Place refers to the spot where the product is sold and its purpose is to be convenient for the customer to access it in order to purchase the product (Kotler et al., 2009).

Place is characterized by some elements which are according to Su (2011), the following ones:

- Physical evidence: it refers to the structure of the store, the environment inside, the structure.
- People: it refers to the personnel consumers come in touch with.
- Process: it refers to the systems of the business that affect its marketing strategy.

2.5.4 Promotion

Promotion represents the communication strategy of every business that wants to sell its products, existing or not. It aims to provide the consumer with all the necessary information about the product in order to make him like it and then buy it (Paul Peter & Olson, 2010). Promotion and advertising represent a very important element to success regarding touristic products and businesses (Bradley, 2007). According to Paul Peter & Olson (2010) and Kotler et al. (2009), some basic decisions which have to be made regarding promotion are:

- Promotional strategy

- Advertising (it can cover paid advertisements on television, radio, cinema, internet, banners, flyers, magazines, newspapers, etc.)
- Public relations (it consists of a part where the company does not directly pay for advertising, but it mostly focuses on the organization of events, charities, exhibitions in order to deliver to people awareness on the product). Word-of-mouth is a very successful technique for the increase of promotion on a product, but it is difficult to create, because it represents the maximum satisfaction of the customer that will make him recommend the product to other people.
- Sales promotion (it includes strategies and ways of promoting such as coupons, offers, discounts, etc.)

Moreover, promotions include the segmentation of the market, the selection of a target group, and the positioning of the product (Kotler et al., 2009). In this dissertation, there will be no segmentation analysis because this analysis does not serve the purpose of this thesis. But, there will be a selection of target market and a positioning of the new product launched in Chalkida.

3. METHODOLOGY

So far, this dissertation has analysed the factors that affect consumer behaviour, consumer psychology, consumers' reaction to prices, promotion, place, existing products and new products. A definition of new product as well as an analysis and some characteristics of it have also been given. Moreover, this thesis has analysed what the marketing strategy is, and more specifically each one of its four elements individually, that is product, price, place, promotion. The analysis from the existing literature has to be linked to the empirical study that is about to be developed below so as to answer to the research questions and to findings will arise.

3.1 TYPES OF RESEARCH

There are two main types of qualitative research; the positivist research and the interpretive one. To be specific, positivism is the form of research that most businesses and managers are aware of. This theory supports that (Myers, 2009) "the reality is objectively given and can be described by measurable properties" (p.37). This method is mostly used to test theories, or to develop existing ones. It uses variables, dependent and independent ones, and examines the correlation between them in order to give quantifiable results. Experiences can be testable and they follow a logical sequence. There are no generalizations included in this type of research from the researcher and meanings are separated from the facts (Myers, 2009). Positivism is mostly used in cases that deal with information systems, technology, and international business. Some examples of such written articles written are: the article by Goldstein and Mead (1987), the article by London and Hart (2004), and the article by Wong and Ellis (2002).

To move on, interpretive research has gained ground the last decades by the scientific community. Its characteristics are quite different. This theory claims that reality can be seen through meanings and human language (Myers, 2009). It does not use dependent or independent variables to come to conclusions. Instead, it focuses on the meaning of the words. It is important to mention here that in order to understand and decode the data, it is necessary to understand the broader context by interpreting it in a right way (Myers, 2009). An example of an interpretive approach is the article of Kozinets (2001) in marketing.

The main differences from the two types of epistemology are summarized on the table below:

Table 1: Types of epistemology

POSITIVISM	INTERPRETIVISM
Experience is testable and measurable	Theory and data keep pace, and facts occur after interpretation
Theories are based on logical models	Theories are based on the understanding of meanings
Researcher's methods are independent of generalizations	Researcher's methods depend on generalizations
The language used is strict	The language used is ambiguous
Meanings are separate from facts	Meanings come along with facts

Adapted from: Myers, M., (2009). *Qualitative Research in Business & Management*. London: Sage Publications.

For this dissertation, the interpretive approach has been used, because the aim of this study is to understand consumer behaviour on new products, in a period during which the economic crisis has hit every sector of people's lives. This approach is the most appropriate one because it seeks to give emphasis on the meanings of the interviewees' words, understand them, and interpret them right in order to come up with useful results (Myers, 2009). Also, this type of method has been used because meanings in this study cannot be separated from the facts, and the language used cannot be literal because human meanings change along with the circumstances (Myers, 2009).

3.2 RESEARCH METHODOLOGY

In order to give some insight in the research question of this dissertation, a qualitative methodology has been used. More particularly, in this thesis, in depth interviews have been used and a sample of fourteen people as well. Qualitative research has been chosen for this thesis and not quantitative one, because researchers have agreed that the most efficient way to observe and analyse consumer behaviour is by face to face interviews (Myers, 2009). As Bogdan & Biklen; Denzin & Lincoln; Merriam (1998, as cited in Bloomberg & Volpe, 2008) have reported, immediate

contact with people when it comes to the expression of their feelings and opinions is much more effective. So qualitative research, and more specifically interview, is important because it helps to gather useful information about consumers. In addition, companies use it to improve their products or services and create a pool of loyal customers. It does also help companies to segment the market and target to a specific group of people. Moreover, through this process, companies are able to identify gaps in the market for new products and services. The information gathered includes consumer preferences, motives, concerns, ideas, and behaviour on an interaction with a product. Qualitative research is also useful for companies because it provides useful information on the positioning of the product which shows how the product can be perceived by the consumer (Myers, 2009).

Qualitative research is very useful because it helps companies and managers to understand and interpret what people say, want and do. It is very enlightening due to the fact that the interview demands face to face contact with the consumer and the researcher can see even from the physical reactions of the consumer whether he is telling the truth or not. In addition, the researcher has the opportunity to make the consumer to elaborate more on topics that are not clear. Moreover, people feel more comfortable and find it more entertaining when researchers interview them rather than give them a questionnaire to fill because it is more interesting, and through conversation many insights can arise. Also, it is more likely that the interviewee will tell the truth in an interview, rather than just by filling a questionnaire that is more impersonal. A great advantage of interviews is that they are face to face and the researcher has the opportunity to ask at the same time sub-questions in order to clarify complicated parts or unclear words of the interviewee (Gillham, 2005).

3.3 TYPE OF INTERVIEW

This dissertation has adopted a qualitative research, in the form of in depth and semi structured interviews with open-ended questions (King & Horrocks, 2010). The interviews are in-depth because they deal with one specific issue, which in this case is a product, and more specifically a floating bar. The interview is also semi structured and mostly includes how and what questions (Eriksson & Kovalainen, 2008), same to all the interviewees (Gillham, 2005), which help the interviewee elaborate on the questions and provide many useful information to the researcher.

The reason why a semi structured interview has been selected is because it is explanatory, the researcher can easily adjust to it and add supplementary questions in order to get the information he wants. In addition, it is an appropriate way of interviewing consumers without making them feel uncomfortable and lead those to exaggerate or even lie on their answers. (Myers, 2009), (Eriksson & Kovalainen, 2008)

This dissertation has used one type of data: primary, which is the qualitative research (interviews) (Myers, 2009).

3.4 COLLECTION OF PRIMARY DATA

This thesis has been developed based on qualitative research, for the reasons mentioned above and more specifically has been based on interviews (Myers, 2009). For this dissertation, two sets of interviews were addressed to two samples of consumers (Bloomberg & Volpe, 2008).

As it has already been mentioned before, there will be no full segmentation analysis in this study, because it does not serve the purpose of this research. But, there will be a representative demographic segmentation (Bloomberg & Volpe, 2008) in order to identify and select the target groups in the two cities.

The market consists of consumers with different needs. Those needs may differ in the amount they are willing to pay, the price sensitivity, the potential benefits, etc. In the case of this dissertation, the need that has been identified as unmet or improvable for the consumers in Chalkida belongs to the category of entertainment needs. They satisfy people's needs regarding their leisure time, relaxation, and socialization. The most common way in which entertainment businesses select their target group is by doing demographic segmentation. This is the reason that this study will follow this method as well. What is more, because it is financially difficult for small companies to constantly change strategies and adapt to consumer new needs, they usually try to do from the beginning a good segmentation analysis that will give them the right target group which will remain loyal.

According to Paul Peter & Olson, the most common variables that demographics include are: age, gender, income, education, and for entertainment industries the most important of all is age. Gender refers to the different values and preferences that men and women might have. Education may affect people's choices because they

create a different background and they perceive things differently. Income sets everyone's price sensitivity and consumption. So, later in this part the target group of each city separately will be analysed, and at the end all the information will be presented to a table.

The first interview guide was created for a sample of seven people in Chalkida. This interview consisted of fifteen open ended basic questions, whose raw was specific because the questions were classified and represented different themes to which the interviewee had to answer in a way that would not confuse him/her (King & Horrocks, 2010). At this point, the interview protocol (Eriksson & Kovalainen, 2008) is presented below, as well as the themes of the questions:

Interview protocol 1 (Chalkida)

- 1) Which are the most common types of bars in Chalkida?
- 2) What other means of entertainment is there in Chalkida?
- 3) How has the economic crisis affected your decision about going out for a drink/coffee?
- 4) How would you describe a floating bar that would attract you?
- 5) Which factors do you consider most important for your decision to go there?
- 6) What should the setting (environment) look like to motivate you go there?
- 7) Which factors do you think would make you go to the floating bar again?
- 8) Which element do you think would make the product:
 - a) unique
 - b) successful
- 9) How do you find the idea of making a tour while enjoying your drink/coffee and not just stand still?
- 10) How do you feel about the seasonality of the floating bar?
- 11) How often do you usually go out for a drink/coffee per week?
- 12) Considering that the prices with the competitors are the same, what would (de)motivate you from going to the floating bar?
- 13) What kind of promotion mostly affects you and why?
- 14) How do you think this product would contribute to the economy of the city?

15) Where would you like the product to be placed within the seafront and why?

Table 2: Protocol themes for Chalkida

QUESTION	THEME
1,2	Competition
3,12	Price sensitivity
4,5,7,8,14	Product
6	Environment
9,10,11	Consumer habits
13	Promotion
15	Place

This sample was basically interviewed in order to give their opinion on a new product adoption that does not exist in their city, which is a floating bar. The themes covered in this interview are: consumer habits and behaviour, product adoption and innovation, competition- demographics, price sensitivity, promotion sensitivity, place sensitivity and contribution of the product. The sample of this interview consists of seven people, three men and four women, with an age rate from 23 to 39 and an annual income range from €5.000 to €60.000. Chalkida which is the capital of Evvoia has a total population of about 100.000 people, from which 51% are men and 49% women. The average stated per capital annual income is €17.000. One major demographic differentiation from Thessaloniki is that Chalkida does not have university students. Almost the whole population is composed by locals.

The target group that has been selected for Chalkida is composed of:

- Men and women, because both genders enjoy going out for a drink and equally have the need to relax and socialize.
- Single, because they feel freer to drink more and have fun, due to the fact that they do not have a family to think of, and so, no time limitations.

- The age rate varies between 25 and 40 years old, because at these ages people tend to go out at most, either because the need for socialization at these ages is stronger, or because at these ages the obligations such as family, are limited. Moreover, due to the low unemployment rate in Chalkida 21% (in comparison with the unemployment rate in Thessaloniki which is calculated at 25, 3% for the year 2012), most people of the ages mentioned above have a job, at that stage they can more easily get a promotion or get the maximum of their income, and as a result they are able to satisfy their needs of entertainment.
- The educational level of this target group is medium to high, because at these ages people have either already finished their studies and work, or even if they do not have a high educational level, they still have a job, either in a family business or as free lancers.
- The average per capital income of the target group varies between €10.000 and €20.000 per year. Economic crisis has not hit Chalkida deeply yet, so entrepreneurs try to keep the prices of products up for as much as they can. The average price of a coffee or a drink remains high in Chalkida. Some indicative prices are: coffee: €3, 5-€5, drink: €6- €10, beer: €4-€7.

SAMPLE

The sample of Chalkida consists of seven people, three men and four women, and they are presented on the table below:

Table 3: Demographics of sample of Chalkida

Demographics	Interviewees						
	1	2	3	4	5	6	7
Gender	Female	Male	Male	Female	Female	Male	Female
Marital status	Single	Single	Engaged	Single	Single	Single	Married
Age	37	28	26	23	26	27	39
Educational level	High	Medium	Medium	High	High	High	High
Origin	Local	Local	Local	Local	Local	Local	Local
Annual income(€)	60.000	12.000	15.000	5.000	10.000	11.500	40.000
Working experience	Psychologist	Military services	Police officer	Trainee	Philologist	Banker	Runs her own business

The second interview guide was created again for a sample of seven people in Thessaloniki. This interview consisted of fifteen open-ended basic questions, whose raw was also specific for the same reasons like in the first interview guide. This interview actually asked people's opinion on an existing product in Thessaloniki, which is a floating bar. Those people are familiar with the product and have been there at least one time. The themes covered in this interview are again: consumer habits and behaviour, competition, product sensitivity, price sensitivity, promotion sensitivity and place sensitivity. At this point, the interview protocol (Eriksson & Kovalainen, 2008) is presented below, as well as the themes of the questions:

Interview protocol 2 (Thessaloniki)

- 1) Which are the most common types of bars in Thessaloniki?
- 2) What other means of entertainment is there in Thessaloniki?
- 3) How often do you go out for a drink/coffee per week?

- 4) Why does the floating bar attract you to go there?
- 5) Which factors did you consider most important for your decision to go there for the first time?
- 6) What factors made you go there again?
- 7) Which element do you think makes this product:
 - a) unique
 - b) successful
- 8) What do you think of the quality of the products and services offered at the floating bar?
- 9) How would you describe the experience that the floating bar offers you?
- 10) How do you feel about the seasonality of the floating bar?
- 11) Considering that the prices with the competitors are the same, what would (de)motivate you from going to the floating bar?
- 12) What kind of promotion mostly affects you and why?
- 13) How do you think the floating bar contributes to the economy of the city?
- 14) What do you think of the place where the floating bar operates?
- 15) How has the economic crisis affected your decision about going out for a drink/coffee?

Table 4: Protocol themes for Thessaloniki

QUESTION	THEME
1,2	Competition
3,10	Consumer habits
4,5,6,7,8,9,13	Product
11,15	Price sensitivity
12	Promotion
14	Place

The sample of this interview consists of seven people, three men and four women, with an age rate from 22 to 33 and an annual income range from €4.000 to €10.000. Thessaloniki is the second largest city in Greece and the capital of central Macedonia and has a population of about one million people (1.104.000) and the proportion between men and women is almost the same (47% men and 53% women). According to the ministry of economics for the year 2011, Thessaloniki belongs to the top five richest cities in Greece. The average stated annual income per capital is €17.330. From the total population, about 30% are university students whose age rate is 18- 24 years old. Most of these students come from another city, they are not local, and nowadays due to the economic recession very few of them decide to stay and live in Thessaloniki after they graduate.

The target group that has been selected for Thessaloniki is composed of:

- Men and women, because both genders enjoy going out for a drink and equally have the need to relax and socialize.
- Single, because they feel freer to drink more and have fun, due to the fact that they do not have a family to think of, and so, no time limitations.
- The age rate varies between 20 and 35 years old, because at these ages people tend to go out at most, either because the need for socialization at these ages is stronger, or because at these ages the obligations such as working hours or family, are limited.
- The educational level of the target group is high, because it mostly constitutes of students of universities and other colleges.
- More emphasis is given to local students because the not local ones go back to their cities during the summer period where the floating bar operates.
- The average per capital income of this target group varies between €5.000 and €10.000 per year. It might seem as a paradox that while this range of income is low, people tend to spend money on entertainment. It should be taken into account, that prices of drinks and coffee in Thessaloniki have decreased a lot the last two years because of the

economic crisis. Informatively, an average range of the price of coffee is €2- €4, 5, for beer €2, 5- €6, and for a drink €5- €8. Moreover, as mentioned above, this income is justifiable because the people in this group are mostly students, who even if they are working, the salaries cannot be high, either because they work part time, or as practitioners.

SAMPLE

According to Bloomberg et al. (2008), information on the characteristics of the sample, as well as description of each interviewee is necessary. So, the sample of Thessaloniki consists of seven people, three men and four women with the following characteristics presented at the table below:

Table 5: Demographics of sample of Thessaloniki

demographics	Interviewees						
	1	2	3	4	5	6	7
Gender	Female	Female	Female	Female	Male	Male	Male
Marital status	Single	Single	Engaged	Single	Single	Single	Single
Age	25	22	29	26	33	24	25
Educational level	High	Medium	High	High	Medium	High	High
Origin	Local	Local	Local	Not local	Local	Not local	Local
Annual income(€)	4.000(*)	5.000(*)	7.000	10.000	9.000	5.000(*)	10.000
Working experience	Part time job at a bar	Trainee	Part time job at a bar and at a school of foreign languages	English teacher	Graphic designer	Part time job at a bar	Employee at an advertising company

*plus financial assistance from parents

A table of the information of demographics regarding the target groups of both cities is presented below in order to summarize the results:

Table 6: Comparative list of demographics from the two samples

DEMOGRAPHICS	THESSALONIKI	CHALKIDA
Gender	Both men and women	Both men and women
Marital status	Single	Single
Age	20-35	25-40
Educational level	High	Medium to high
Origin	Local students	Local citizens
Annual income(€)	5.000-10.000	10.000-20.000

The samples are exactly equal so that the comparison will be reliable and fair. The interviews were conducted in Greek, so translation was required. Each interview lasted on average twenty minutes. Additionally, the interviews were face to face, and the place where they were conducted were places where the interviewees felt comfortable with such as cafeterias, interviewee's home, or the researcher's home (Gillham, 2005). Finally, confidentiality and anonymity were assured to the interviewees for the purposes of this research (King & Horrocks, 2010).

The analysis above assisted on identifying consumers' reactions and thoughts on the existing product (floating bar) for Thessaloniki and new for Chalkida floating bar. It also analysed consumers' reactions to the four p's, which are product, price, place and promotion, as well as the competition in both cities. Moreover, a target group for both cities has been selected in order to make the interpretation of the data more accurate and the results more reliable (Doyle & Stern, 2006). So, the analysis above started with a demographic analysis of the population in both cities, the description of the product with all the peripheral information again in both cities, and finally based on the above results, a marketing plan will be presented for Chalkida.

3.5. DATA ANALYSIS

At this point, an analysis of the data that have been collected so far is going to be presented. Those data were collected by the use of qualitative research and more particularly with interviews. All the information collected from the interviews has been fully and carefully recorded so for the researcher to overcome any technical problems during the interpretation. Also, secondary data were carefully filtered to match the purposes of this dissertation (Eriksson & Kovalainen, 2008).

The findings of the research arose from the interpretation of the interviews. A careful content analysis was made for the interpretation to be accurate. The transcript was carefully studied through the in depth reading of each answer individually (Eriksson & Kovalainen, 2008). Then, each answer was given a code according to what it represents. The purpose of decoding each answer to the corresponding question was to come up with a useful result (Bradley, 2007). The results came up by counting all similar answers to each question per interview. The majority of the similar answers (same codes) composed the findings of each particular question (King & Horrocks, 2010).

3.6 TRUSTWORTHINESS OF DATA

Every research, along with this one, has to follow some guidelines in order to persuade researchers about its validity, reliability and credibility. In this case, credibility is secured because of the form of interview (semi structured one), that allowed sub questions to be asked to the interviewees in order to make sure that whatever they said was absolutely clear to the researcher as well. As a result, specific questions led to specific answers, something that contributed to the accuracy of the findings (Bloomberg & Volpe, 2008). Also, the researcher accurately presented interviewees' feelings and reactions through constant monitoring during the interview process and through keeping notes. Another factor that increases the trustworthiness of the study is that the transcribed interviews were sent to the interviewees and were read by them to ensure that the interpretation was correct, and that there are no misunderstandings from the researcher (Bloomberg & Volpe, 2008). What is more, any results contradictory to the existing literature due to interviewees' different perspectives are justified. Moreover, reliability is ensured because the researcher fully recorded every single interview and the translation and the

interpretation were accurate (Bloomberg & Volpe, 2008). Also, the researcher provides detailed information regarding the way that the data was collected and analysed. Another element that ensures transferability is the descriptions of the interviewees which are included in the chapter of findings, as well as the use of references mostly in the parts of literature review and methodology that helped to the support of any statement (Bloomberg & Volpe, 2008). Regarding the validity, the interviews proved to be efficient because they were firstly pilot tested to three consumers and useful guidelines by academicians have been followed (Gillham, 2005). Finally, due to the fact that a great number of different sources have been used in this study, which presented each topic from a different perspective, the methodological validity is unquestionable.

3.7 ETHICAL CONSIDERATIONS

In this dissertation, ethical issues were seriously taken under consideration to ensure the right way of conducting this survey and respect towards the interviewees.

First of all, all interviewees voluntarily cooperated for the purpose of this dissertation. All interviewees were informed that the interview had to be recorded and the interview process has been realized with their permission (Bloomberg & Volpe, 2008). This action protects them from any kind of paraphrasing to their words. They were promised by the interviewer that written copies of the dissertation will be held to them to prove that the information of the interviews was treated with respect. They were also informed that confidentiality and anonymity would be kept. As a result, no names or personal data of any of the interviewees are referred (King & Horrocks, 2010) in this thesis. Additionally, the interviews occurred to places that each interviewee wished and felt comfortable with, such as his/her place, in a cafeteria, or in the interviewer's place (Gillham, 2005).

4. FINDINGS

At this point, there will be a comparison between the findings of the two samples on the same themes of questions, and also a comparison of those findings with the existing literature. Any different finding from this research from the literature will be justified for each sample.

4.1 DISCRPTION OF THE EXISTING PRODUCT (FLOATING BAR) IN THESSALONIKI

The floating bars in Thessaloniki are three. They operate in the exact same location, they serve the same products and services, and they more or less have the same prices. The internal environment is more or less the same; each one has a bar, stands and comfortable couches for the customers. The difference between them is that each one plays different kind of music (ones plays reggae, and the other two rock music). Also, the one that plays reggae is iron (which is the oldest one), and the other two are wooden. The interviewees are attracted by this product because it is differs from the other bars, due to the fact that it is floating, it makes a tour, which is relaxing and offers a great view and sightseeing, it gives a sense of freedom and comfort and it is a cool place for the summer. 6 out 7 interviewees said that the factor that made them go there for the first time was the fact that it is different from the other bars. The factors that made them go there again were mostly the nice and relaxing environment, the tour and the customers there who are students, mostly on the same age and interests. All of the interviewees believe that the uniqueness of this bar relies on the fact that it is placed in the water and it moves, and they believe that the success comes from this differentiation. As interviewee number 7 said: *“if you are living the whole year in the city, and you don’t have the ability to go on vacation, this feels like vacation. It is the perfect combination of relaxation, and sightseeing”*.

Regarding the quality of products and services of the floating bar, 4 out of 7 interviewees consider it to be low, by giving emphasis on bad the service of the staff, the low quality of the products (drinks, beer, and coffee), the bad hygiene and the inconsistency of the routes. The main reason that they keep going there despite these suspending factors, is the environment, the people it attracts, the relatively low prices, and of course the fact that it is something different and unique. As

interviewee number 1 mentioned: *“the quality of products is quite low, but it doesn’t really matter to me because this bar is something that I can’t find anywhere else.”*

All of the interviewees described the experience that the floating bar offers them as excellent and unique. They mostly like the tour, the environment which creates a sense of relaxation and freedom, the fact that the place is cool, the sense that they are in the water, the fact that they are able to see the city from a different and very interesting view and the sense that they are on vacation.

When the interviewees were asked on the contribution of the product to the economy of the city, they all agreed that it contributes, because it is already a seasonal, therefore touristic product, it attracts students that are not local, tourists from Balkan that come to Thessaloniki on vacation, and what helps a lot is the place where it operates, because it is one of the most central ones and all the touristic buses make a stop there.

4.1.1 Consumer Habits

Regarding the habits of consumers, the interviewees go out for coffee 3 times per week on average, while for a drink it is only one time per week. They prefer to reduce drink than coffee, because it is more expensive, and they think of it as one exodus for drink is equal to three exoduses for coffee! Moreover, when they were asked about the seasonality of the product, they consider it to be an advantage. 5 out of 7 interviewees responded that it is by nature a seasonal product, and every year when the time comes, they are waiting it for it with anxiety and enthusiasm to operate. Most of them believe that 5 months is a very good operating period, because people feel they have time to go there as many times as they want and at the same time they do not feel bored. According to interviewee number 2: *“I am waiting every May after a long and boring winter for the floating bars to open. That reminds me that summer comes!”*

4.1.2 Consumer Response to Price

People in Thessaloniki have become very price sensitive due to the economic recession. They already have eliminated their times of going out for a drink to half. They have mostly eliminated the exodus for drink and not coffee, because the first is more expensive. They try to set priorities and they care for their first needs mostly such as food, paying the rent and bills. 5 out of 7 have reduced the frequency of their

exodus for drink as well as the quantity of orders at about 50%. 4 out of 7 nowadays prefer to gather with friends at home and have fun. As interviewee number 6 says: *“Economic crisis has deeply affected me and my family, so I try to satisfy my basic needs that are food and pay my rent. Entertainment comes second.”*

4.1.3 Consumer Response to Promotion

6 out of 7 interviewees said that the kind of promotion that mostly affects them is the word of mouth because they feel it is more persuasive due to the fact that it comes from people they know and trust, more direct regarding the information, more honest and easier to live the experience. Characteristically, interviewee number 5 said: *“I don't have extra money to spend on anything that is advertised on the TV. I just don't pay much attention any more to advertisements. I will only try something that a friend that I trust has suggested. Right now, this is the only thing that can persuade me.”*

4.1.4 Consumer Response to Place-Environment

Regarding the place that the floating bars operate, which is next to the white tower, all interviewees said that it is very central, accessible, visible, with a nice view and it is a meeting point. But due to the fact that the floating bars operate 15 years based on the same spot, 6 out of 7 interviewees would prefer to see them operate on the other side of the seafront, near the port, because it is also a central place, visible, and accessible, it is upcoming and developing regarding entertainment, and they feel it would be a surprising change for them to see that. As interviewee number 5 says: *“I would like to see the floating bars on the other side of the seafront. It has become a little bit boring for me to see them at the same place doing the same route for the last ten years.”*

4.1.5 Competition

The competition of the floating bars exists directly and indirectly. The direct competition comes from the fact that the floating bars are three, and they compete one another. The indirect competition comes from the other kind of bars that operate in Thessaloniki, both downtown and on the seafront and uptown. The most usual types of them are classic cafe-bars, rock bars, breweries and pubs that mostly attract students. Generally they are quite cheap, with low quality of products and services,

and simple decoration. Many alternatives exist regarding food, such as the Greek taverns, and there also night clubs that operate in the city.

4.2 DESCRIPTION OF THE NEW PRODUCT (FLOATING BAR) IN CHALKIDA

The majority of the interviewees imagine the floating bar as a wooden structure, simple, in a central place within the seafront, with earthly colours, light brown, light blue, and mostly white. 6 out of 7 gave emphasis on the bar, and they would like it to be in the middle of the floating bar, big, wooden and spacy with many seats.

Interviewee number 7 said: *“I would want it to be a wooden structure, as simple as possible, with a big bar in the middle and stands.”* They also preferred foreign music, low lighting and a variety of cocktails. 6 out of 7 interviewees said that the most important factor that would make them go to the floating bar for the first time is the fact that it differs from the others (it is in the sea), so they would go to satisfy their curiosity. Also, they would decide based on the age and behaviour of the people (customers) the bar would gather and the environment. Regarding the factors that they would consider when going again at the floating bar, 6 out of 7 said that number one is the behaviour of the staff. As interviewee number 6 specifically says: *“To bars that I often go I expect the staff to develop personal contact with me and serve me well with politeness, otherwise I would stop going.”* They would like the personal contact with the staff, the politeness and the good service. Moreover, 5 out of 7 also mentioned price as an important factor, and 4 out of 7 the quality. The floating bar would be considered unique from the interviewees, if, besides the fact that it is already different due to its nature, it combined that, with something else, like the offering of cocktails that competitors do not have and events. 5 out of 7 interviewees would consider the floating bar to be successful if it had a good and strong marketing mix, as those five emphasized on the combination of product, price, place and promotion. Finally, 5 out of 7 interviewees believe that this new product would contribute to the economy of the city, as during the summer months the tourism in Chalkida is high, and many people from Athens and other nearby areas come for a drink or weekend, so this could extend their staying, or just made them spend some more money to the city. Also, it would be a good advertising for more and new people to come to the city.

4.2.1 Consumer Habits

Consumer habits were investigated in this thesis by giving emphasis on three things: their reaction and adoption to something new and different, their response to seasonal products, and their frequency of going out for a drink or coffee. Regarding the adoption and acceptance of new products, they were asked how they would find the idea of the floating bar to make a tour and not just stand still while they will be enjoying their drink/coffee. 5 out of 7 interviewees found that a very interesting idea, innovative and considered it as a pleasant surprise. They believe that this would differentiate even more the product, and would be a reason to go there more often. It would offer them a different and changing view, and a sense of travelling and relaxation. All of those five said that they would prefer for the tour to happen after the evening hours, mostly for their decision to there for a drink, and for the tour to be quite short (not more than half an hour), so that they will not feel trapped in the bar. According to interviewee number 5: *“tour?! (laughter) ...great idea! That would be a pleasant surprise!”*

As it comes to the seasonality of the product, all of the interviewees agreed that the seasonality would act positively to the bar, and not negatively. It does not matter to them that it would operate only few months, and they would not forget about it. They said that they will actually expect it with anxiety and enthusiasm when the time will come for the bar to open again. They will have already been bored of the common bars in the winter, and the change of season will be followed by a change of emotions and places to go. So, that would be perfect for them as they will be looking for it. Moreover, they said that due to the fact that it is seasonal, they will not get bored of it, and it would be a great place to spend their leisure time during the summer period. The months of operations they suggested were from May to October. All of the interviewees also said that they would not like the floating bar to operate all year long (the winter time as well), because the environment will not fit well. The sea gets wild in the winter, it is cold, they do not feel safe and warm, and due to the fact that they will have already known the bar in the summer as something relaxing, this winter scene would ruin this unique image and perception of it. According to interviewee number 1 : *“I wouldn't go to the floating bar in the winter. The look of the winter and wild sea and the thought that I would be in it scares me.”*

When the interviewees were asked how often they usually go out for drink/coffee, they all mentioned that the frequency has decreased due to the economic crisis. Due to the seasonality of the product, in this dissertation the summer period is mostly examined. So, 5 out of 7 interviewees said that they enjoy their coffee when they go to the sea, as they combine two things in one. According to interviewee number 3 : *“during the summer I combine my coffee with my swimming in the sea. That relaxes me and at the same time saves me money and time.”* This happens five times per week. The average frequency of their going out for a drink is 2 to 3 times per week. This happens because the drink costs more than coffee, and they do not have the economic ability to do it more often.

4.2.2 Consumer Response to Price

When the discussion came to price all interviewees strongly showed that they have become very sensitive due to the economic crisis. When they were asked how much the economic crisis has affected their decision on going out for a drink or coffee, 4 out of 7 answered very much. They all said that they set priorities, and the first needs they try to satisfy are the need of food, and to pay their rent and bills. 6 out of 7 said that the need for entertainment comes to a lower level of priorities. The frequency of their exodus on going out for a drink has decreased to 50%. Their responses to this situation are the following:

- 3 out of 7 prefer gathering with friends at home, because they save money, but they can still up to a point socialize.
- 6 out of 7 said that they go out half of the times they used to.
- 4 out of seven reduced the quantity of drinks they consume in every exodus (for example instead of two, they get one).
- 4 out of seven said that they are looking for bars with lower prices to go, but with good quality, in order to save money.

Considering that the prices are the same (between the floating bar and the competitors'), the number one factor that would motivate the interviewees prefer the floating bar is the differentiation and the uniqueness of the bar, and 4 out of seven also mentioned the environment (music, people, the view). The number one factor that would demotivate them from going there is a potential bad behaviour of the staff and unfair prices. As interviewee number 5 characteristically says: *“for me, the*

number one factor that would motivate me or demotivate me go to the floating bar is the behaviour of the staff, and specifically politeness and quick service.”

4.2.3 Consumer Response to Promotion

Consumer’s reaction to promotion has changed due to the economic crisis. 5 out of 7 interviewees said that until two years before they were mostly affected through TV advertisements, and all of the interviewees said that they were affected by radio advertisements. Nowadays, due to the fact that they do not have the luxury to spend extra money, all of them said that the only promotional tool that affects them is the word of mouth. This happens because they believe this way is more convincing, due to the fact that they hear good words from people that they know and trust, and they have become more indifferent and distant and cautious to social media advertisements. By interviewee’s number 2 accounts: *“Chalkida is a small city and anything new is heard. So I give emphasis on that kind of advertisement rather than any other means of advertisement. I trust friends and family, not companies.”*

4.2.4 Consumer Response to Place-Environment

When the interviewees were asked where they would like the floating bar to be placed within the seafront, 6 out of even answered in the middle of the seafront, for the following reasons:

- It is the most central place of the city where people meet and gather to go out for coffee or drink.
- This place has the easiest access for everyone.
- It is easy to see the floating bar and attract you to go there
- The place is open and it cannot be easily crowded.
- The view is perfect, as it combines the view of the sea, the bridge that opens and closes for the ships to pass by, the castle on the nearby hill, and the city hall which is lighted at night and looks very beautiful. All these create a feeling of relaxation and calmness, and would make interviewees feel they are actually in the sea and live a great experience.

Interviewees were also asked how would they want and imagine the environment of the floating bar to look like to motivate them go there. 6 out of seven responded that they would want a sense of relaxation, in order to enjoy their drink or coffee in the

sea. All of the interviewees emphasized on the behaviour of the staff which they would want to be friendly and polite in order to make them feel comfortable, and most of them imagined low lighting, relaxing summer music, such as reggae or lounge, and some exotic elements to complete this experience. Another element that 6 out of 7 emphasized on is the decoration and they prefer something simple and beautiful, with space for customers to move easily and enjoy the view from different perspectives. 4 interviewees also mentioned the safety of the floating bar that they would definitely want to exist to make them feel safe as well. Also, 5 interviewees said that they would prefer people above 25 years old as customers, because they believe that this would increase the prestige and improve the environment of the bar.

4.2.5 Competition

Regarding competition, the interviewees have all mentioned that the most common bars in Chalkida are similar to each other. They monopolize the seafront, because it is the most beautiful part of the city, they offer the best view, and it is also the most central place for people to meet. They are commercial bars, all very well designed, in a very modern way, with expensive equipment (from the bar to the seats and stands), they are spacy and comfortable, they play foreign music, and they are characterized as luxurious and classy bars. Five out of seven interviewees characterized the people they attract as trendy and fake, generally people who want to show off, which is not good at all because this creates a not very friendly environment. All the interviewees said that people of all ages goes to these bars, because they are common, well known, but the main reason is that there are no alternatives. For example, four out of seven interviewees said that the people that are mostly dissatisfied with this situation are people from 20 to 25 years old, young people that either are students, or have just finished their studies and need an alternative way to entertain themselves back in their city. Six out of seven also mentioned that the last year new kinds of bars have opened in Chalkida, not at seafront, alternative ones, like breweries, and they attract young people. But, they question their survival because the common and classic bars mentioned above have a huge advantage, which is their very good public relations, the place where they are located and the power that the owners have on people.

Interviewees were also asked about other means of entertainment that Chalkida might have. For the winter time, they all agreed that there are no alternatives, except for fast food. They all made clear that they have needs for entertainment that are

either unmet or unsatisfied. For the summer time, all of them mentioned again fast food, and 5 out of 7 mentioned also the beach bars and 4 out of 7 referred to summer clubs that Chalkida has. 6 out of 7 interviewees said that this lack is due to the fact that Chalkida is very close to Athens, which is the largest city, and the capital of Greece, and people are actually forced to go there for entertainment. They believe that this is the number one factor that leaves Chalkida with no alternatives, differentiation and variety regarding this sector at all. They made crystal clear that they are dissatisfied with this situation and that if a new kind of entertainment appears in their city to meet their needs; they are more than willing to support it.

4.3 DISCUSSION

According to the sample of Chalkida, interviewees said that they would easily accept this new product if it met their needs regarding entertainment. They emphasized on the uniqueness of the product to a market that is already mature and needs changes. The adoption of the new product will be easier as people are already familiar with previous and similar kind of entertainment businesses (bars and cafeterias).

Interviewees want the floating bar to be simple, spacy, relaxing, with good quality of products and services, nice internal and external environment, and good staff behaviour. Also, they would like it even more if it served products (such as exotic cocktails) that other bars do not offer. This behaviour comes along with the existing literature as it has been analysed in the beginning.

According to the sample of Thessaloniki, interviewees said that the floating bar is something unique, due to its nature, but the majority of them believe that the quality of products and services is quite low. The reason they keep going there is for the differentiation, the sense of relaxation and the experience of the tour. This finding does not totally come along with the literature, as generally consumers pay much attention to the quality of products they decide to purchase. This difference of opinions probably relies on the fact that the target group and the interviewees from Thessaloniki are mostly students, so their main priority is to have fun with a small amount of money spent, irrespective of the quality, as the product under investigation is a low involvement product.

Regarding the habits, interviewees from Chalkida found very interesting the idea of the tour and said that it would motivate them even more to visit the floating bar.

They are open to new products and challenges, and they are looking for new ways of entertainment in times where entertainment has become luxury. According to literature, new products are not easily adopted and acceptable by people, but in this case the market is mature, so it helps innovations, and people have many unmet needs. Also, the frequency of the exodus for coffee is higher than the exodus for a drink, as the first is cheaper. This finding agrees with the literature, as based on Maslow's pyramid, people tend to satisfy this first needs, and then entertainment, especially when the income has declined. The same findings stand for the sample of Thessaloniki as well.

Regarding price sensitivity, findings from both samples are similar, as the interviewees from both of them have become price sensitive due to the economic recession, they set priorities and try to satisfy their first needs at most, they have eliminated their frequency of going out for drink as well as the quantity they order, and they are looking for alternative kind of entertainment, less costly (substitutes). This behaviour comes totally along with the existing literature. Something that is worth pointed out at this point is that the interviewees from Chalkida also referred to fair price. Many of them made clear that they do not want to buy something cheap. Instead, they want a product with a fair price that will offer them proportionate quality.

Both samples said that as it comes to promotion, they are mostly affected by word of mouth, as they consider it to be the most realistic, persuasive, trustful and direct way of advertising. Moreover, they are more easily affected by this tool if it comes to the purchase of low involvement products (such as coffee), because they will not have to spend much money. These finding also come along with the existing literature. According to the findings of the consumer response to place-environment, the findings of both samples also come fully along with the existing literature, as they described the external environment accessible, visible, spacy, point of meeting, and central. As it comes to the internal environment, it was described relaxing, with emphasis on the dominance of wood and sea water, elements that according to literature make people feel comfortable, as they feel they are in their natural environment. Moreover, the combination of relaxing music, low lighting and exotic cocktails creates a relaxing and unique experience for the consumer.

The results and findings above can be summarized on the following table:

Table 7: Comparative list of findings

THEMES	RESULTS	
	THESSALONIKI	CHALKIDA
DESCRIPTION OF PRODUCT	<p>Wooden boats</p> <p>Centrally placed</p> <p>Relaxing music</p> <p>Tour with great view</p> <p>Cool place</p> <p>Low quality</p> <p>Unique and different</p> <p>Seasonal product.</p>	<p>Wooden structure</p> <p>Centrally placed</p> <p>Relaxing music</p> <p>Tour with greater view</p> <p>Spacy</p> <p>High quality</p> <p>Unique and different</p> <p>Seasonal product</p>
CONSUMER HABITS	<p>3 times/week out for coffee</p> <p>Once/week out for drink</p> <p>Seasonality seen as an advantage</p>	<p>5 times/week out for coffee</p> <p>2-3 times/week out for drink</p> <p>Seasonality seen as an advantage</p>
PRICE RESPONSE	<p>Price sensitivity is high</p> <p>Priority to satisfy first needs (food and bills)</p> <p>Frequency of exodus reduced to 50%</p> <p>Quantity of orders reduced to 50%</p> <p>Seek for substitutes to satisfy entertainment needs (e.g. gatherings at home)</p>	<p>Price sensitivity is high</p> <p>Priority to satisfy first needs (food and bills)</p> <p>Frequency of exodus reduced to 50%</p> <p>Quantity of orders reduced to 40%</p> <p>Seek for alternatives to satisfy entertainment needs(e.g. bars with lower prices)</p>

PROMOTION RESPONSE	Affection by word of mouth	Affection by word of mouth
PLACE-ENVIRONMENT RESPONSE	Central Accessible Visible With nice view Need for change of the place	Central Accessible Visible Spacy Perfect view Need for relaxing and comfortable internal environment
COMPETITION	HIGH Direct: other floating bars Indirect: classic café-bars, rock bars, breweries, pubs, night clubs	MODERATE Direct: none Indirect: café-bars, beach bars

4.4 MARKETING IMPLICATIONS FOR PRACTITIONERS

It is of high importance the implementation of the right marketing strategy, after having conducted a research on consumer needs in Chalkida. The results of this research could be a useful tool for practitioners, such as managers or entrepreneurs that would like to create something new in this kind of business. The development of a marketing strategy follows, to give an insight to any practitioner that would be interested in. For a start, this dissertation defines the positioning of the product as something new, unique, differentiated, and with a purpose to satisfy unmet consumer needs.

- Points of difference: it is placed in the sea, and it makes tour (it does not stand still)

- Points of parity: it offers coffee and drinks, but with a better and changing view, a larger variety of cocktails, and better service.

The marketing strategy has to do with taking the right decisions at the right time and with the use of good communication. So, the marketing strategy will be a differentiation strategy that will focus on the uniqueness of the product.

As the product is new, the competition is not considered to be direct. So, the focus regarding the floating bar should be on the high quality and variety of products served (such as exotic cocktails that do not exist in other bars), the safety, and the fact that the floating bar is nothing like the other ones. The perception that it is unique should be strongly promoted, as the consumers will feel they live a unique experience of relaxation, vacation, different view, freedom, and the fact that the staff is friendly and polite to them every time they go there.

Regarding the price, the perfect strategy would be if the consumers were persuaded that the price is fair. Due to the economic recession, people have minimized the times they go out to entertain themselves, so they are willing to spend their money on something that will worth it. The price should not be higher of the prices that other bars have, maybe a little bit lower in order to attract more people in the beginning, but with a good quality and variety of products.

Regarding the place, there are two factors that have to be well designed; the structure (external environment), and the internal environment that is composed of the design inside, and the personal touch of the staff with the customers. As it comes to the first, the floating bar should be a wooden structure, simple, in earthy colours and white. The music should be relaxing, and combine types of music such as reggae, lounge, jazz and soul. The aim is to attract customers from the age of 25 years old and above. Also, the place where the floating bar will be placed is the most central one within the seafront, and it is perfect, because it combines easy access, visibility, it is open and can difficultly get crowded, and it offers the perfect view, which is a mix of the seafront, the city hall, the bridge, and the castle. As it comes to the second factor, the internal design will be associated with the external, in order to follow consumer's preferences. It should be wooden, with emphasis on the bar and many stands, and low lighting. As it comes to the personnel, it should be composed of attractive young people, men and women, with a smile on their face, polite and friendly with the

customers, always willing to serve them in the way the customer wants, and able to create a climate of trust and personal touch between them and the customer.

Last but not least, in the stage of promotion, all the information needed regarding the new product should be easily offered to the consumers. This would include the exact location of the bar, the products served and most of all information on the routes; the exact hours that the floating bar makes the tours. This could be done through radio advertising through a local station, or with big banners placed in the seafront.

Moreover, the bar should do a strong opening in order to create buzz, and this could be done by inviting well known people, singers or actors, or even famous djs. A good start will lead to a good reputation, and this will lead to a positive word of mouth, a tool from which people nowadays are mostly affected. Then the uniqueness and the differentiation of the product will be pointed out by making the tours free of charge, by offering new exotic and unique cocktails, by organizing events (such as special nights for different kind of drink every time, oblation to different kinds of music, etc.), and with the use of good and strong public relations.

4.5 MARKETING IMPLICATIONS FOR RESEARCHERS

This marketing analysis could also give insights to researchers to develop even more existing models and theories or create new ones that have to do with consumer behaviour. The part of the factors that affect consumer behaviour can be developed and include new findings.

This dissertation suggests some ideas that came from the research for this study, and could be developed in the future by other researchers, such as:

- A qualitative research on which people affect what kind of consumer decisions and why.
- A combination of qualitative and quantitative research on consumer behaviour on new products. In this kind of research variables could be used and the researchers could identify the correlation between them, so the results from that kind of research would definitely be more accurate and valid.
- A research on how and how much economic crisis has affected consumer's intention on purchases that aim to satisfy their need for entertainment.

5. LIMITATIONS AND FUTURE RESEARCH

There are some limitations in this dissertation that have to be mentioned. First of all, the research is conducted in two cities of Greece only, so no generalizations regarding Greek consumer behaviour should be made. The type of product under investigation is a specific type of entertainment products (bar) and the development of the marketing strategy is focused on this object only. Also, the study considers some specific factors regarding consumer behaviour and the development of a marketing strategy. There are also other factors that can influence these areas as well, and they could be examined in the future. Another limitation is that for the sample of Chalkida, because the product does not exist (yet), the interviewee's imagination might differ a lot from their actual response to a real situation.

Some limitations also arise from the choice of the research methodology. Qualitative research was exclusively used for this study. A combination of qualitative and quantitative method would lead to more accurate, clear and conclusive results. Moreover, the results of the study would be more accurate if the size of the sample were bigger. Finally, because people's beliefs and responses change as time goes through, the results of this research represent consumers' reactions in the year 2012, a time that Greece has been hit by a deep economic crisis.

This dissertation composes a start for thinking about consumer behaviour, new products, and the development of a marketing strategy, as the insight has come from the existing literature, and the research methodology is valid and recognizable. For future research, it would be interesting if the same study would be conducted to the same people sometime in the future, where the economy will be healthy, and compare the behaviour and reactions. This thesis could also be developed by taking into account other factors that affect consumer behaviour. Moreover, the study could also be seen from another perspective, for example the manager's or the employee's. This study is a good opportunity for new strategies to be developed, and for companies to adapt to socioeconomic and consumer behaviour changes, by using qualitative research. At last, the adoption of new products can be further examined by taking into account other factors rather than consumer behaviour.

6. CONCLUSION

This dissertation was based on a qualitative research with two samples and two interview protocols that had as a purpose to examine consumer behaviour on existing and new products, in order to develop a marketing strategy for the adoption of the new product. In this thesis, the product was a floating bar, existing in Thessaloniki and new for Chalkida.

The findings contributed to understanding of the reasons why this product has been successful for many years in Thessaloniki, although the competition is high and similar kind of businesses fail in very short time. The dissertation examined consumer's response to each element of the marketing mix, which are product, price, promotion and place, as well as their habits.

The findings also presented results on consumer's response to new products (sample of Chalkida) and helped understand consumer's needs and expectations in order to create a successful marketing plan. It is worth mentioning at this point that consumers nowadays have become price sensitive, and they pay much attention to the correlation of price and quality to any product that they purchase. They have become more cautious as it comes to advertising, and they are not easily convinced. The occasion where they may be willing to spend some extra money, is if they feel comfortable with the environment, if they fit in it and feel relaxed, and generally, the more vivid the experience offered, the more willing they are to pay.

To conclude, as it comes to the floating bars in Thessaloniki, they are successful, but a change in the place and a better quality of products and services would complete their success. As it comes to the idea of operating a floating bar in Chalkida, success would be guaranteed if it combined the uniqueness of its nature with good quality, fair prices, nice environment, and a successful marketing strategy.

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APPENDIX

Appendix 1: Maslow's pyramid of needs

