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**FAKULTA PODNIKATELSKÁ**

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**ÚSTAV MANAGEMENTU**

INSTITUTE OF MANAGEMENT

**DŮLEŽITÉ FAKTORY OVLIVŇUJÍCÍ VNÍMÁNÍ  
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ZÁKAZNÍKY**

IMPORTANT FACTORS INFLUENCING THE PERCEPTION OF SELECTED SMALL BUSINESS BY  
THE INTERNATIONAL CUSTOMERS

**DIPLOMOVÁ PRÁCE**

MASTER'S THESIS

**AUTOR PRÁCE**

AUTHOR

Bc. Martina Lešická

**VEDOUCÍ PRÁCE**

SUPERVISOR

doc. Ing. Vít Chlebovský, Ph.D.

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# Assignment Master's Thesis

Department: Institute of Management  
Student: **Bc. Martina Lešická**  
Supervisor: **doc. Ing. Vít Chlebovský, Ph.D.**  
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## **Important Factors Influencing the Perception of Selected Small Business by the International Customers**

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Current Situation Analysis  
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### **Objectives which should be achieve:**

The main goal of my diploma thesis is to conduct and process in detail customer research to find out the perception of a small local artisanal bakery by international customers. I am going to find their motivation for coming to the bakery and how we can influence factors to effect their behaviour. Results of this research will than serve for further processing and navigating the marketing strategies.

### **Basic sources of information:**

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L. S.

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doc. PhDr. Iveta Šimberová, Ph.D.  
Branch supervisor

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doc. Ing. Vojtěch Bartoš, Ph.D.  
Dean

## **Abstract**

The diploma thesis is focused on detailed research in which we will find out how international customers perceive a local craft bakery, why they decided to visit this particular business, and which factors influence their behavior the most. The work is divided into five parts. The first and second parts contain a clear determination of the goals and methodology of the work, with which we will be helped by theoretical starting points, definitions, and analyses in the field of marketing, CRM, and gastronomy. In the third part, the selected company is presented, to which the research is applied. In the end, in the fourth and fifth parts, proposals for new marketing activities and their transferability to the real functioning of the company are determined.

## **Abstrakt**

Diplomová práca je zameraná na detailný výskum pri ktorom budeme zisťovať ako medzinárodný zákazníci vnímajú lokálnu remeselnú pekáreň, prečo sa rozhodli navštíviť práve tento podnik a ktoré faktory ovplyvňujú ich správanie najviac. Práca je rozdelená do piatich častí. Prvá a druhá časť obsahuje jasné stanovenie cieľov a metodiky práce s ktorým nám pomôžu teoretické východiská, definície a analýzy z oblasti marketingu, CRM a gastronómie. V tretej časti je predstavená vybraná spoločnosť, na ktorú sa aplikujú výskumy. Na záver vo štvrtej a piatej časti sú stanovené návrhy nových marketingových aktivít a ich prevoditeľnosť do reálneho fungovania firmy.

## **Kľúčové slová**

Pekáreň, vnímanie, výskum a vývoj, marketing, zákaznícky výskum

## **Key words**

Bakery, perception, research and development, marketing, customer research

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## **Affidavit**

I declare that the present master project is an original work that I have written myself. I declare that the citations of the sources used are complete, that I have not infringed upon any copyright (pursuant to Act. no 121/2000 Coll.).

Brno dated 15<sup>th</sup> of May 2023

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Bc. Martina Lešická  
author's signature

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## INTRODUCTION

Customer perception refers to the way in which customers perceive and evaluate a brand, product, or service. It is based on their experiences with the company and its offerings, as well as their interactions with its employees and representatives. Customer perception is a critical aspect of a company's success because it directly impacts customer satisfaction, loyalty, and advocacy. Customer perception is important because of its influence on customer behavior, including their likelihood to purchase, their loyalty to the brand, and their willingness to recommend the company to others. A positive perception can lead to increased sales, positive brand awareness, and loyalty while a negative perception can lead to decreased sales and damage to the company's reputation. To manage customer perception, companies need to understand their customers' needs, preferences, and expectations. They need to communicate effectively with their customers and provide high-quality products and services that meet or exceed their expectations.

The main focus of this diploma thesis lies in detailed research, during which we will find out how international customers perceive a local artisan bakery, why they decided to visit this particular business, and which factors influence their behavior the most. We will focus on three different parts of international customer research to get a better understanding of international customers in our selected business. Our chosen business is called Dezertina. Dezertina is a small local artisanal bakery that opened its door on 13.5.2022 and has become greatly popular ever since opening day. With large numbers of Czech and Slovak customers, Dezertina welcomed a significant number of international customers. Since the opening of this bakery, it has been featured in the book top 100 places to visit in Brno by Lukáš Hejlík, Aktuálne.cz site and Forbes online magazine.

The research results will further be used for the formation of perception from international customers point of view, processing and also navigating new marketing strategies for Dezertina. Through our design of marketing strategies, our only goal will not only be to gain new international customers but also to influence the perception of Dezertina in the most positive way.

# **1 GOALS OF THE THESIS AND MOTIVATION FOR THIS TOPIC**

This diploma thesis is concerned with international customer perception of a local artisanal bakery called Dezertina. This small takeaway concept opened in the year 2022 and sells viennoiserie pastries, own popular desserts and professional specialty coffee. Thanks to good marketing strategies and high-quality service and products, Dezertina has become one of the statement bakeries in Brno. With raising popularity among Czech and Slovak customers Dezertina also welcomes a significant number of international customers on an everyday basis.

In such a small and local bakery, the owner became to wonder how international customers perceive this bakery and what is their motivation for coming. To find out this information we are going to conduct customer research to find out their reasons and motivation. Information from this research will later help us with navigating marketing strategies.

The main goal of my diploma thesis is to conduct and process in detail international customer research to find out the perception of a small local artisanal bakery by international customers. We are going to find their motivation for coming to the bakery and how we can influence factors to affect their behavior.

The diploma thesis is divided into 5 parts – Theoretical background, Current situation analysis, Own proposals, and Own contribution. The theoretical part serves as a theoretical basis necessary for understanding the issue and was processed using a search of professional literature, online professional sites, and other relevant sources. In the part of the current situation analysis, we have a basic company description which needed to be done very thoroughly for the understanding of the current situation in the company. Then we created 3 international customer researches to help us navigate our marketing strategies and find out the perception of Dezertina. We decided to do short qualitative research on international customers of Dezertina. The detailed methodology of each research part is described in the clinging chapter. In the last chapter, our own proposals we suggest marketing strategies that would suit Dezertina the best and in part of our own contribution we started to implement our suggested marketing strategies.

## **Motivation for this topic**

During my bachelor's study, I studied Entrepreneurship and small business development which influenced my life quite much. My master's degree is focused on international business management with is focused on issues of managing business activities in an international

environment. In my master's thesis, I wanted to connect these two studies and topics with my current everyday job. My motivation for this chosen topic is very clear. I have been following Dezertina on all of her social media since my first year in college moving from Slovakia to Brno. During my studies at the VUT University, I worked at several gastronomic businesses and gained a lot of experience. Thanks to my previous experiences, in the winter of 2022 I got the chance to work for the company Búcheck and help with the preparation of the new concept of bakery that Dezertina became. The work and cooperation with Peter Szamuel and Bc. Zuzana Zuzáková is very incredible. They create a very youthful, creative, and open workspace within both Búcheck and Dezertina companies. Job in such a young and pleasant team is truly a unique experience within itself.

At the current state, my position in the company has developed into a bakery/store manager with responsibilities such as store organization and its supplies, helping with online marketing content, brand representation, and most importantly presence in the shop to present and sell products to the customers. This job is unique because of the diversity of tasks and the new concept of the shop which is very small but can fit a pretty large number of customers. Thinking about the topic of my master's thesis, I was very curious about international people living in Brno and how do they experience the going-out culture, the gastronomic businesses, and the coffee culture.

During my everyday interactions with international customers, I wanted to know, how did they find this small new pick-up concept of a bakery? Did they come specifically to us or was it just coincidence? And there became the idea to do a master's thesis around international customer perception of Dezertina. How do customers find out about Dezertina? How do international tourists or citizens find out about new places to visit in Brno? The goal of my thesis will be to find out how foreign customers learn about the Dezertina company, how they perceive it in general, whether it is worth attracting such customers, and if so, what are the ways any foreign tourists, students or workers learn about good gastro businesses in Brno.

## **2 THEORETICAL FOUNDATIONS**

In this part of the diploma thesis, theoretical starting points are defined, which are subsequently used in the current situation analysis and own proposals part of the thesis as theoretical background. We defined terms such as marketing, research, entrepreneurship, and customer relationship management. Subsequently that we outlined the terminologies such as gastronomy in the Czech Republic, customer perception, and its influence.

### **2.1. Entrepreneurship**

Entrepreneurship is the process of starting a new business or organization, typically with the goal of making a profit. It involves identifying a need in the market and creating a product or service to meet that need. Entrepreneurs take on significant financial, operational, and legal risks to bring their ideas to life and grow their businesses. According to the new commercial code, the concept of entrepreneurship is derived from the concept of entrepreneur § 420 and is defined as a continuous, independent, profitable activity, operated in one's own name, with the aim of making a profit. In order to properly understand this definition, it is essential to divide it into the following sub-parts:

- Consistency – the activity is performed regularly and repeatedly, not haphazardly or randomly (Srpová, Řehoř, 2010).
- Independence – in the case of a natural person's business, the entrepreneur acts under his name and surname, a legal entity acts according to his statutory body (Srpová, Řehoř et al., 2010, p. 20).
- In his own name – in legal acts, a natural person acts in his own name and surname, while a legal person acts under his own name (business firm), (Srpová, Řehoř, 2010).
- The purpose of making a profit – the intention of making a profit, but it is not necessarily achieved (Srpová, Řehoř, 2010).

#### **2.1.2 Entrepreneur**

The definition of an entrepreneur according to the Civil Code reads as follows: "Anyone who independently carries out a gainful activity on their own account and responsibility in a trade or similar way with the intention of doing so consistently in order to achieve profit, however, with regard to this activity, is an entrepreneur." (Act No. 89 / 2012 Collection)

In the Middle Ages, the term (from the French entrepreneur) would, in reality, be a mediator or an intermediary, as this person meant various business activities, which gradually added the negotiation or mediation of business for the government. (Koráb, 2008)

Furthermore, an entrepreneur can also be defined as a person applying a business activity who bears responsibility for the risks accompanying the expansion or loss of their own capital. Another definition of the term "entrepreneur" consists in the designation of a person who is able to recognize opportunities, mobilize and use resources to achieve the goals he or she has set, and is willing to take appropriate risks (Veber, Srpová, 2012).

### **2.1.3 Business**

The term enterprise has been replaced by the new term commercial plant. According to § 502 paragraph 1 of Act No. 89/2012 Coll. the Civil Code (new) defines it as follows: "An organized set of assets created by an entrepreneur, and which is used by his will to run his business. It is considered that a plant consists of everything that is usually used for its operation." (Act No. 89/2012 Coll.). In general, it can be said that a business (business plant) is an entity where resources (inputs) are transformed into goods (outputs) or it is a set of certain components (resources, rights, property values, means) that an entrepreneur uses to run his business activities. (Veber, Srpová, 2012).

### **2.1.4 Small business classification**

Undoubtedly, the definition of the term small and medium-sized enterprise is very significant. When defining a small and medium-sized enterprise, the situation is not clear-cut. We may come across a statistical concept, a breakdown according to the regulation of the EU Commission or according to the Act on the Support of Small and Medium Enterprises.

**Statistical concept** — since 1997, Czech statistics have been harmonized with the quantitative business typology of Eurostat (EU statistical office) and companies are divided into three groups according to the number of employees: small — up to 20 employees, medium — up to 100 employees, large — 100 and more employees.

**The European Commission regulation** — slightly different quantitative criteria for the classification of small and medium-sized enterprises are used by the EU Commission. The mentioned methodology for classifying companies uses four criteria such as a number of

employees, annual turnover, annual balance sheet total, and independence. Classification of companies using this method is as follows:

- micro-enterprise (small entrepreneur) — up to 10 employees, annual turnover up to EUR 2 million or annual balance sheet total of up to EUR 2 million,
- small enterprise — up to 50 employees, annual turnover up to EUR 10 million. EUR or an annual balance sheet total of up to EUR 10 million,
- medium-sized enterprise — up to 250 employees, an annual turnover of up to EUR 50 million or an annual balance sheet total of up to EUR 43 million.

Independence means that the enterprise is not owned 25% or more by another enterprise that does not meet the definition of a small or medium-sized enterprise. (European Parliament online)

**The concept of the Business Support Act** is identical to the previous breakdown. For the purposes of this Act, a small and medium-sized entrepreneur is considered to be an entrepreneur when he meets the criteria set by the directly applicable regulation of the European Communities. This breakdown is important for entrepreneurs if they apply for business support. The data refer to the last closed accounting period. Turnover and asset values are recalculated according to the European Central Bank exchange rate at the end of the year, preceding the year of submission of the support application. (Act No. 47/2002 Coll.) If we summarize the above for the area of small and medium-sized enterprises, taking into account the considerable amount of conditioning economic criteria, the number of workers becomes the decisive criterion of differentiation:

- Microenterprise: 1-9 employees,
- Small enterprise: 10-49 employees,
- Medium-sized enterprise: 50-249 employees.

Enterprises with 250 employees or more are considered large enterprises.

### **2.1.5 Customer vs consumer**

The terms "customer" and "consumer" are often used interchangeably, but they actually refer to two different concepts in business and marketing. Each of us acts as both a consumer and a

customer in our lives, many times at the same time. It is important to remember that consumer is a more general term, it includes all products/services that we consume and those that we do not buy ourselves. A child is also a consumer, for whom the grandmother (in the role of a customer) buys toys and sweets. Simply put, a customer is someone who buys and pays for products/services. From the example above, we can see that the grandmother who buys diapers for her grandchild is a customer of the store where she buys these products. The customer, on the other hand, is the one who orders, buys, and pays for the goods. The previous example also relates to this, where the mother is the customer because she is not shopping for herself, but for her child (Vysekalová, 2011).

In summary, customers are those who buy goods or services, while consumers are those who use them. In some cases, the customer and the consumer may be the same person. For example, if you go to a restaurant and order a meal, you are both the customer who pays for the meal and the consumer who eats it. However, in other cases, they may be different. For example, a company might buy a product for its employees to use, making the company the customer and the employees the consumers.

### **2.1.6 Brand**

The term brand can be perceived on several levels. Primarily, the brand is a unique identifier of market entities, i.e., a kind of their signature. In today's complicated world, where customers have a huge number of ways to satisfy their needs, brands act as a helper. They help customers to orientate themselves faster, at the same time they can guarantee a certain quality and raise expectations. However, brands also performed this function historically. Modern times also understand brands from a value point of view. At the same time, the brand is a carrier of values and attitudes. There can be two identical products, so-called perfect substitutes. However, the strength of the brand of one or another product can often be the decisive driving force and motivator for making a purchase decision. Many companies view their brand as the most valuable assets (Keller, 2007).

A brand is a collection of mental associations retained by a brand-consumer that contributes to the product or service's perceived value. These associations are desired to be positive, original, and vital to help the consumer build an idea of the brand's mission and values and whether they match his. (Keller, 1998)

Brand classification can also be divided into two different areas. Firstly, a customer-based standard, which is primarily focusing on the customer-brand relationship and aspects tied to it, for example, loyalty, advocacy, and how the consumer perceives the brand. Secondly, a standard that targets the financial gains for the organization with the help of the brand. (Kapferer 2012)

#### **2.1.6.1 Gastronomic brands**

Gastronomy is part of the local character and a product of the mentality of a particular region, and it reflects the myths, religious peculiarities, family relationships, and cultural characteristics of the region. Not surprisingly, gastronomy is referred to as a form of intangible cultural heritage. Some destinations boast a specific gastronomic brand, while others do not have a clearly defined 'gastronomic face'. Moreover, some territories lack the 'food basis' or unique gastronomic resources, such as a brand product or local cuisine, for creating such a brand. Gastronomic branding may help increase the competitiveness of agricultural and food processing industries in external and domestic markets and may help to enhance a region's attractiveness. (Leigh,200)

Among the crucial components of a regional tourist brand, which include a rich local history, an attractive cultural heritage, interesting cultural events and striking local personalities from the past and present, the gastronomic component is one of the most critical. Gastronomy plays a significant role in a destination's tourist product, as do the structure, content, and peculiarities of the gastronomic industry and its operations. Local cuisine is a meaningful part of regional brands, not only for gourmets but also for the larger group of tourists who are interested in authenticity and in discovering the identity of a region (Gilmore and Pine,2008)

Overall, the gastronomic brand is a significant component of the general regional brand, and it motivates tourists to visit the destination. The gastronomic brand allows tourists not only to enjoy the food but also to obtain a sense of the place and to acknowledge regional its authenticity. Gastronomic brands are complex and multifaceted phenomena. In order to present these phenomena in all of their complexity and to define and describe the gastronomic branding segment under analysis, we must first classify the gastronomic brands Gordin & Trabskaya, 2013).



## 2.2 Marketing

Marketing is a complex of activities, the target goal is to anticipate, detect, stimulate, and satisfy the customer's needs while simultaneously achieving other goals they apply (achieving profit-for-profit organizations, social goals for non-profit organizations). A successful business requires the ability to adapt to complex and highly variable market conditions, but at the same time, I actively work on the dynamic relationships between supply and demand. And that's exactly what marketing tools, methods, and principles are used for. (Zamazalová, 2010)

Our understanding of the fundamentals of marketing is increasingly enhanced by looking at marketing as 'the process of going to market' rather than a functional or departmental activity in companies, and as a process that is driven by value creation for customers (Piercy, 2002).

Another way to look at marketing is that marketing should be thought of as the design and management of all the business processes necessary to define, develop and deliver value to customers. He suggests that a list of marketing processes would include the following:

- **value-defining processes:** processes that enable the organization to understand the environment in which it operates better (such as market research, studies of customer needs and preferences, buying behavior, product use and so on), to understand its own resources and capabilities more clearly, to determine its own position in the overall value chain and to assess the value it creates through economic analysis of customer use systems.
- **value-developing processes:** processes that create value throughout the value chain, such as procurement strategy, new product and service development, design of distribution channels, vendor selection, strategic partnership with service providers (e.g., credit, database management, product service, and disposal), pricing strategy development and, ultimately, the development of the value proposition for customers;
- **value-delivering processes:** processes that enable the delivery of value to customers, including service delivery, customer relationship management, management of distribution and logistics, communications processes (such as advertising and sales promotion), product and service enhancement, customer support services and the deployment of the field salesforce (Webster, 1997).

### **2.2.1 International Marketing**

The rapid growth and vibrant changes in international business over the past numerous years have made international marketing of exceptional importance to companies of all sizes, to consumers, and to national economies. Small and medium-size companies, as well as giant multinationals, have increased opportunities to enter foreign markets as goods, services, technologies, and ideas move more easily across national boundaries. Even an individual with a sufficiently good product, service, or idea can now find customers abroad if he or she understands international marketing and develops an appropriate strategy (Albaum Duerr,2008).

For many companies, small as well as large, international sales provide additional profits and are all that enable some companies to make a profit at all. Research and development costs for many products simply cannot be recovered unless they can be sold internationally. For consumers, international marketing and trade are providing an increasing range and selection of goods and services, often at lower prices and/or of better quality. It is no longer only better products that can enable an enterprise to expand internationally. Companies that have developed better ways of doing business or new concepts (business models) can use these in expanding overseas (Albaum Duerr,2008).

### **2.2.2 Importance of social media marketing for small businesses**

A social media presence is a must for every small, medium, or large business. Also, just being there is not enough. The number of "follows," "likes," and "shares" is still significant, but brand credibility represents more than those elements. Micro, small, and medium-sized enterprises (SMEs) represent 99% of all businesses in the European Union (EU) and play a significant role in today's society and economy (Kuller et al., 2012).

The ongoing digital revolution we are facing has fundamentally changed the way we collect and consume information. Consumers are not only receptive to information shared by brands, but they are also searching on their own to form opinions and influence their preferences. The digitalization process is changing how people stay informed, how brands communicate, and how everyone remains connected to society. Social media includes internet-based applications and websites that facilitate the sharing of user-generated content and the building of relationships among users from diverse backgrounds, creating a rich social structure (Kapoor et al., 2018).

With their distinctive nature of being "dynamic, interconnected, egalitarian, and interactive organisms", social media has generated three fundamental shifts in the marketplace (Peters et al., 2013).

First, social media allows businesses and customers to connect in ways that were not possible in the past. This connectivity is made possible through a variety of "platforms:

- Social networking (Facebook, LinkedIn, Google+).
- Microblogging (Twitter, Tumblr).
- Photo sharing (Instagram, Snapchat, Pinterest).
- Video sharing (YouTube, Facebook Live, etc.)" (Shrilekha et al., 2022).

Second, how customers and businesses interact and influence each other has changed. Activities like sharing, analysis, debate, and discussions rely on communication and interaction. Third, the explosion of social media has enabled businesses to improve customer relationship management and business decisions. Social media is culturally important as it has become a primary area for many people to obtain a vast amount of information about the world around them.

Too many small businesses are slowly getting into social media marketing on an ad-hoc basis. They know they need to come up with a social media marketing strategy, but they don't understand what to do. Every business that wants to catch up, and be up to date should have a social media marketing strategy and manage their social accounts thoughtfully and carefully. Social media marketing strategies' purpose is to sustain overall communication and contribute to building a strong brand image.

Social media marketing can use unconventional means to achieve traditional goals. Instead of spending huge budgets to reach marketing goals, it uses creativity, community, and relationships. All marketers now have highly effective online communication tools that give them the same influence as many large corporations. Social media marketing brings a significant change in the world of marketing.

### **2.2.2.1 Food marketing**

Marketing is a priority for the success of any business, from small-scale, independent farms to multinational food manufacturers. For better and for worse, food marketing may have a

powerful effect on what people eat—and ultimately their health (Driver & JH Bloomberg School of Public Health, 2016).

One of the key objectives of food marketing is to communicate the unique qualities and benefits of a product to the target audience. For better and for worse, food marketing may have a powerful effect on what people eat—and ultimately their health. This can be done through various channels, such as television commercials, print advertisements, social media, and in-store displays. Food companies also use influencer marketing and brand partnerships to reach potential customers and increase their exposure.

In conclusion, food marketing is a critical component of the food industry, as it helps companies to build brand recognition and drive sales. However, it is important for food marketers to be ethical and truthful in their marketing practices to ensure that they do not make false or misleading claims that could harm consumers.

### **2.2.2.2 Instagram food marketing**

Instagram is a popular platform for food marketing due to its visual nature and large user base. Food companies and restaurants can showcase their products and menus through visually appealing posts, such as photos and videos of their dishes, and reach a wide audience (Prange, 2023).

As a restaurateur, having a presence on this social network is a needed move for your brand, considering that Instagram has over a billion users. Up to 90% of them follow business accounts, including restaurants, and 60% have heard about a new product or service using the platform. In the wake of COVID-19, restaurant Instagram marketing has become even more essential to success. Consumers have been logging increased hours online since the pandemic began, so it makes sense for restaurants to show up where your potential customers are spending time – on social media. Here are some ways that food companies can use Instagram for marketing:

1. **Influencer Marketing:** Partnering with popular food influencers can help increase exposure and reach a new audience. Influencers can share photos and videos of their experiences with a company's products, which can be seen by their followers.
2. **User-Generated Content (UGC):** Encouraging customers to share photos of their experiences with a company's products can create a sense of community and build brand loyalty. Companies can use hashtags to collect UGC and feature it on their own pages.

3. **Storytelling:** Instagram allows companies to tell the story behind their products and brand through visually appealing posts, such as images of the preparation process, behind-the-scenes looks at the restaurant, and photos of the team.
4. **Contests and Giveaways:** Running contests and giveaways can encourage engagement and create a buzz around a company's products. Companies can ask followers to share their own photos or use specific hashtags to enter.
5. **Food Photography:** High-quality food photography is a critical aspect of food marketing on Instagram. Companies can showcase their dishes in an appealing way to entice customers and build brand recognition.

Overall, Instagram is a valuable tool for food companies looking to reach a large, visually driven audience and build a strong brand presence.

### **2.2.3 Word-of-mouth marketing**

There has never been a shortage of marketing methods, but Word-of-mouth (WOM) has been considered one of the most effective. Word-of-mouth has been acknowledged for many years as a major influence on what people know, feel, and do (Buttle, 1998).

That word-of-mouth should prove so crucial is an interesting phenomenon, particularly when you consider the sophisticated and modern marketing techniques rooted in various consumer sciences. More recently, marketers have begun to seek ways to explicitly arouse and manage WOM with a view to influencing consumer behaviour (Godes and Mayzlin, 2009).

For a consumer, finding good information from the vast ocean of what is available is becoming more and more difficult. Consumers try to obtain good information from the right source to minimize the information search costs and to maximize their consumption benefits. Consumers have also learned that the quality of information for a specific product/service depends on the particular source of that information. This connection between source and quality goes a long way toward explaining what may, at first blush, seem like irrational consumer behavior. Consumer preference for informal/personal information (word-of-mouth) is actually quite rational since these sources are free, easy to access, and provide high-quality information, especially.

From a business perspective, although most managers will agree on word-of-mouth's strong impact, the problem is that managing it seems to be almost impossible. Because word-of-

mouth is the result and not the antecedent of good products and services, attempts to manage word-of-mouth have been limited (Gladwell, 2000; Mangold et al., 1999).

The advance of the Internet facilitates consumers to share and exchange consumption-related advice through online consumer reviews. This relatively new form of word-of-mouth communication, electronic word-of-mouth communication, has only recently received significant managerial and academic attention. Many academic studies have looked at the effectiveness of positive eWOM communication, examining the process by which eWOM influences consumer purchasing decisions. eWOM behavior is primarily explained from the individual rational perspective that emphasizes a cost-and-benefit analysis. Everyone can share their opinion and experience related to products with complete strangers who are socially and geographically dispersed (Wenjing Duan et al., 2008)

## **2.3 Customer relationship management**

Customer relationship management recently labeled as Customer relationship, only came into use in the later 1990s but the principles on which it has been based have existed for much longer. There are many perspectives and definitions of customer relationship management but at its most simple we can identify CRM through all three levels:

- CRM is about the implementation of a specific technology solution project
- CRM is the implementation of an integrated series of customer-oriented technology solutions
- CRM is a holistic strategic approach to managing customer relationships in order to create shareholder value (Payne, 2006)

### **2.3.1 Customer Relationship management in marketing**

The shift in marketing focus from growing the number and value of transactions (transactional marketing) to growing more effective and profitable relationships with numerous stakeholders (relationship marketing) has profound advantages. Marketing based on relationships concentrates attention on building customer value in order to retain customers. By building on existing investment, in terms of product development and customer acquisition costs, firms can generate potentially higher revenue and profit at lower cost. (Payne, 2006)

To increase customer satisfaction and reduce customer attrition businesses must know their customers (and competitors) like never before and use this knowledge proactively.

Improvements in knowledge-gathering and sharing activities within and across organizations have greatly enhanced access to information and insights that underpin the creation of customer value. Experience has shown, however, that carefully designed 'proactive' customer care initiatives can be much more effective and rewarding. Proactive customer support operations do not wait for complaints to be registered but actively seek to uncover end remedy customer dissatisfaction. They recognize that customers often never lodge a complaint and simply take their business else-where. (Payne, 2006)

### **2.3.1.1 Customer satisfaction and commitment**

The average business loses between 10 and 30 percent of its customers each year, but they often do not know which customers they have lost, when they were lost, why they were lost, or how much sales revenue and profit this customer lost has cost them. Far from worrying about customers, they are losing; most companies are unfortunately placing more emphasis on winning over new customers. (Hill, Alexander, 2006)

There is growing evidence that satisfaction with past transactions is the main determinant of customer commitment. Customer commitment will often be reflected in customers' behavior. They may choose to become your new supplier. They might be willing to express their commitment by traveling or paying more if they believe you provide a superior value package. The most committed also recommend more and consider competition less. It is therefore essential that your customer survey produces accurate measures of satisfaction and loyalty and, crucially, establishes the relationship between the two. This will be achieved only if your survey covers the right issues and, unfortunately, many don't. (Hill, Alexander, 2006)

### **2.3.2 Customer value**

The value may be thought of as a ratio of benefits to costs. That is, customers "invest" a variety of costs into doing business with you, including financial (the product's price), time, and human resources (the members of the buying center and support groups). The customers achieve a certain bundle of benefits in return for these investments. One way to think about customer benefits is in terms of the utilities they provide the customer. The utility is the want-satisfying power of a good or service. There are four major kinds of utility: form, place, time, and ownership. Form utility is created when the firm converts raw materials into finished products that are desired by the market. Place, time, and ownership utilities are created by marketing.

They are created when products are available to customers at a convenient location, when they want to purchase them, and facilities of exchange allow for the transfer of the product ownership from seller to buyer. The seller can increase the value of the customer offering in several ways:

- Raise benefits
- Reduce costs
- Raise benefits and reduce costs
- Raise benefits by more than the increase in costs
- Lower benefits by less than the reduction in costs.

For years, firms have been obsessed with measuring customer satisfaction, which at its most fundamental level means how much the customer likes the product, service, and relationship. However, satisfying your customers is not enough to ensure the relationship is going to last. In relationship-driven selling, your value proposition must be strong enough to move customers past mere satisfaction and into a commitment to you and your products for the long run— that is, a high level of customer loyalty. (Hill, Alexander, 2006).

Loyal customers have lots of reasons why they don't want to switch from you to another vendor. Those reasons almost always are directly related to the various sources of value the customer derives from doing business with you. If your competitor a high level of satisfaction. But not all satisfied comes along with a better value proposition than yours, or if your value proposition begins to slip or is not communicated effectively, customers who are satisfied now quickly become good candidates for switching to another vendor. The reason building relationships with customers is so crucial to building loyalty is that its win-win nature bonds customers and suppliers together and minimizes compelling reasons to split apart (Hill, Alexander, 2006).

### **2.3.2.1 Communicating value**

Now, we will focus our attention to one of the most important content issues in selling: value proposition. To help organize thinking about value, focus on 12 broad categories from which you can draw these benefits in order to practice value-added selling. Keep in mind that it is



customers' perceptions of these factors that are relevant. The 12 categories for communicating value are:

1. Product quality
2. Channel deliverable (supply chain)
3. Integrated marketing communication (IMC)
4. Synergy between sales and marketing
5. Execution of marketing mix programs
6. Quality of the buyer-seller relationship (trust)
7. Service quality
8. Salesperson professionalism
9. Brand equity
10. Corporate image/reputation
11. Application of technology
12. Price (Hill, Alexander, 2006).

### **2.3.3 Product quality**

For manufacturers of physical goods, product quality is the most fundamental of all sources of value. In today's competitive marketplace, businesses either small or large, can never allow product quality to be compromised. Here are eight critical dimensions of product quality that can add value.

- **Performance:** A product's primary operating characteristics. For a car, these would be traits such as comfort, acceleration, safety, and handling.
- **Features:** Characteristics that supplement the basic performance or functional attributes of a product. For a washing machine, they might include four separate wash cycles.

- **Reliability:** The probability of a product malfunctioning or failing within a specified time period.
- **Conformance:** meet assembly The established line degree have to to be which Conformance is related to reliability. A standard of quality product control is reworked due to design and operation (for example, how problems with characteristics many pieces on an output).
- **Durability:** Basically, how long the product lasts and how much use the customer gets out of the product before it breaks down.
- **Serviceability:** Speed, courtesy, competence, and ease of repair for the product. • Aesthetics. How the product looks, feels, sounds, tastes, or smells.
- **Perceived quality.** How accurately do the customer's perceptions of the match its actual quality. In marketing, perception is reality. product's quality (Garvin, 1987)

## 2.4 Basic research characteristics

Research is more than just reading one or two books or articles, talking to hardly any people, or asking people questions. While collecting data may be part of the research process, if it is not undertaken in a very systematic way, on its own, and without a clear purpose, it will not be seen as research. Data are collected, from a variety of diverse sources, and then gathered in a single document, where the sources of these data are listed. Nevertheless, there is no interpretation of the data collected. Although the assembly of data from a variety of sources may be part of the process of research, without any interpretation, it is not research. Despite research often appearing abstract, it certainly creates our understanding of the functioning of the world and impacts our daily lives. Finally, the term 'research' can be used to get an idea or product noticed by people, and to suggest that people should have confidence in it. In such instances when you ask for details of the research process, these are either unclear or not forthcoming (Saunders, Lewis and Thownhill, 2010).

Based on these facts we can say that every research has a number of characteristics:

- 1) Data are collected systematically.
- 2) Data are interpreted systematically.
- 3) There is a clear purpose: to find things out. (Saunders, Lewis and Thownhill, 2010)

We can therefore define research as a process that people undertake in a systematic way in order to find out things, thereby increasing their knowledge. Two phrases are important in this

definition: ,systematic way, and ,to find out things,. „Systematic “, suggests that research is based on logical relationships and not just beliefs. As part of this, research will involve an explanation of the method or methods used to collect the data will argue why the results obtained are meaningful, and will explain any limitations that are associated with them. “To find out things” suggests there are a multiplicity of possible purposes for your research. It is therefore an activity, which means it has to be finished at some time to be of use. This will undoubtedly be true for research projects, which will have a specific deadline. Purposes may include describing, explaining, understanding, criticizing, and analyzing. However, it also suggests that you have a clear purpose or set of ‘things’ that you want to find out, such as the answer to a question or the number of questions. (Ghauri and Gronhaug 2010).

#### **2.4.1 The research process**

Most well-known books represent research as a multi-stage process that you must track in order to undertake and complete your research project. The precise number of stages varies, but they usually include formulating and clarifying a topic, reviewing the literature, designing the research, collecting data, analyzing data, and writing up. In the majority of these the research process, although presented with rationalized examples, is described as a series of stages through which you must pass. While research is often depicted as moving through each of the stages just outlined, one after the other, this is unlikely to be the case. In reality, some stages will overlap, and you will probably revisit each stage more than once.

Each time you revisit a stage you will need to reflect on the associated issues and refine your ideas. In addition, as highlighted by some textbooks, you will need to consider ethical and access issues during the process. This textbook also presents the research process as a series of linked stages and gives the appearance of being organized in a linear manner through which research on managerial practice informs practically derived theory. This in turn becomes a blueprint for managerial practice, thereby increasing the stock of relevant and practical management knowledge. Thus, business and management research need to engage with both the world of theory and the world of practice. Consequently, the problems addressed should grow out of an interaction between these two worlds rather than either on their own (Ghauri and Gronhaug 2010).

### **2.4.2 Research design**

Research design is the general plan of how you will go about answering your research questions (the importance of clearly defining the research question cannot be overemphasized). It will contain clear objectives derived from your research questions, specify the sources from which you intend to collect data, how you propose to collect and analyse these and discuss Your research design is the general plan of how you will go about answering your research question(s) (the importance of clearly defining the research question cannot be overemphasized). It will contain clear goals derived from your research question, specify the sources from which you intend to collect data, how you propose to collect and analyze these, and discuss (Saunders, Lewis and Thownhill, 2010)

### **2.4.3 Quantitative or qualitative research**

One way of differentiating quantitative research from qualitative research is to distinguish between numeric data (numbers) and non-numeric data (words, images, video clips, and other similar material). In this way, ‘quantitative’ is often used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs, tables or statistics) that generates or uses numerical data. In contrast, ‘qualitative’ is often used as a synonym for any data collection technique (such as an interview or survey) or data analysis procedure (such as categorizing data) that generates or uses non- numerical data (Saunders, Lewis and Thownhill, 2010).

### **2.4.4 Customer research**

Customer research (or consumer research) is a set of techniques used to identify the needs, preferences, behaviors, and motivations of your current or potential customers. Simply put, the consumer research process is a way for businesses to collect information and learn from their customers so they could serve them better. Businesses typically conduct customer research to uncover new insights on their customers. They then use these newly uncovered insights to improve their product, craft an effective marketing strategy, service quality and more.

Here are 2 key questions customer research helps answer:

- Who are ideal customers? Who is the best fit (or worst fit) for our product?
- What channels can I use to find and communicate with my ideal customers? (Pragadeesh, 2022).

### **2.4.5 Why is customer research important?**

- 1.** How well do you know your customers? Not knowing enough about customers can cost all types of business valuable time and money. For example, a recent survey revealed that [46%](#) of customers broke up with a brand because they received irrelevant content pushes. Successful marketers realize that research is necessary to understand and cater to the ever-changing needs of today's customers.
- 2.** You shouldn't make any assumptions about your customers' preferences or needs. You have to go out there and get opinions from real customers.
- 3.** You need to go beyond the general idea you have about your customers. The more you understand your customers, the better you'll be able to serve them with your product or service.
- 4.** If you want to make your product the best in the market, you need to identify any unmet needs and learn how well your product serves the needs of your current customers.
- 5.** Customer research helps you learn more about your customers, both the potential and existing ones. Serving your customers better than the alternatives starts with understanding them better, more deeply (Pragadeesh, 2022).

### **2.4.6 Survey**

Surveys are research methods used for collecting data from a predefined group of respondents to gain information and insights into various topics of interest. They can have multiple purposes, and researchers can conduct them in many ways depending on the methodology chosen and the study's goal.

The data is usually obtained through standardized procedures to ensure that each respondent can answer the questions at a level playing field to avoid biased opinions that could influence the research outcome or study. The process involves asking people for information through an online or offline questionnaire. However, with the arrival of new technologies, it is common to distribute them using digital media such as social networks, email, QR codes, or URLs (Bhat, 2023).

## **2.5 Gastronomy and Tourism**

Gastronomy refers to the study of the relationship between food and culture. It encompasses all aspects of the food experience, from the way food is grown and produced, to the way it is prepared, served, and consumed. Previous research also confirms that gastronomy can be the primary (or one of the primary) motivations to visit a destination. (Kivela and Crotts, 2006)

Gastronomy is a multi-disciplinary field that draws on knowledge from the arts, humanities, and sciences, including history, sociology, psychology, nutrition, and culinary arts. gastronomy refers to rules or norms in respect of eating and drinking and can be extrapolated to include advice and guidance on what to eat and drink, how, where, when, in which combinations, and in what manner (Santich, 2004).

The gastronomic experience is considered a sensory pleasure activity that fulfills the experiential part of a holiday experience Furthermore, as gastronomy is an essential aspect in understanding the culture of society it comprises a substantial part of the cultural appeal a destination offers. Gastronomy satisfies the conventional requirements of cultural tourism products. For example, it significantly adds value to the tourist experience; it fits into the contemporary pattern of consumption tourism where the quest for new experiences yields a high level of satisfaction; and it offers answers to the increasing demand for relatively shorter breaks with added value. Hence, gastronomy can be a major conduit for tourists to appreciate the local culture of a destination. (Boyne, Williams, & Hall, 2003).

### **2.5.1 Gastronomy in Czech Republic**

The Czech Republic is known for its hearty and flavourful cuisine, which has been influenced by its neighboring countries, including Germany, Austria, and Hungary. Czech cuisine is characterized by its use of simple, fresh ingredients, and traditional dishes that are often slow-cooked to develop rich and comforting flavors.

In the history of Czech Republic after forty years of Communism (from the 1940s to 1980s), a new national identity — and a new dining scene — began to emerge. The Czech Republic gained independence in the Velvet Revolution of 1989, followed by a peaceful split from Slovakia in 1993, beginning a period of growth in terms of both quality and innovation. During the Communist era, the state owned all of the restaurants, farms, and other establishments, which meant prioritizing standardization over innovation or creativity. A new generation is redefining today's Czech gastronomy. The post-Communist culinary scene has brought 30+ years of independence, innovation, local traditions and international influences onto the plates

of Prague's restaurants and pubs. Today, young chefs are opening venues across the country that combine respect for Czech traditions with the expertise of modern techniques.

Czechs gained independence in the early 1990s, many chefs abandoned Czech cuisine and turned instead to Western influences. However, the 2000s have seen a resurrection of Czech cuisine as well as inspiration from the old Austro-Hungarian Empire. This reimagining of historical influences with modern techniques has gained widespread popularity, including multiple Michelin-starred restaurants today (CzechTourism).

The city of Brno — a comfortable three-hour ride southeast of Prague — is an often-overlooked destination largely untouched by mass tourism but with much to offer, says Jan. The city offers architectural sights, including churches from multiple eras and the UNESCO-listed Villa Tugendhat, as well as more offbeat attractions like an underground ossuary and a former-nuclear-shelter-turned-museum. Brno also offers lots of reasons to raise a glass. The city's vibrant cocktail scene sits in the middle of the South Moravian region, home to hundreds of independent wineries, the majority of which are small, family businesses. South Moravian winemakers have been working to establish the Czech Republic's reputation as a nation of wine producers to watch. Czech cuisine is known for its use of simple, fresh ingredients, hearty flavors, and satisfying portions. In recent years, there has also been a growing interest in farm-to-table and local cuisine, with many restaurants sourcing ingredients from nearby farmers and producers.

### **2.5.2 Bakeries in general**

The baking industry in all developed countries consists of four segments: retail, wholesale, in-store, and food service. Wholesale bakeries are the backbone of this industry. A retail bakery is a low-volume facility, where a variety of baked goods are produced and sold to consumers from the same location. Many retail bakeries are now offering whole-grain and multigrain bread, but flavor continues to be a priority among retail bakery consumers.

The wholesale baking industry sector consists of three segments: cake, bread, and related products; frozen bakery products; and crackers and cookies. A wholesale bakery is typically equipped with extensive production facilities and reaches consumers through retail locations such as grocery stores and food stores (CitationCauvain & Young, 2006).

Some people go to pastry school, work in a few bakeries, and then venture out and start their own bakery business. Others are avid home bakers with business savvy who jump into bakery ownership when they need a career change. Others still dedicate themselves to creating

architectural cakes to wow guests at weddings and other events. Whichever way they enter into bakery ownership, it's always important to stay up to date on trends in the baking industry.

### **2.5.2.1 Bakery industry market analysis**

COVID was tough on all hospitality industry businesses, and bakeries are no exception. Many bakeries were fortunate to be able to produce treats that could be easily sold to go, or even delivered, to keep revenue coming in during the height of the pandemic and sustain on the market. People needed a pick-me-up during the early days of COVID, and many were happy to support their local bakeries by buying lots of sweet treats to simply enjoy at home. Others faced bigger challenges: the demand for special occasion baked goods plummeted as weddings, birthday celebrations, and holiday dinners went cancelled for months, or even years. In 2022, bakeries are finally starting to operate similarly to how they did pre-pandemic. They're still facing challenges like staffing shortages and supply chain issues, but businesses are starting to feel closer to normal. Bakeries that offer food service are now welcoming guests back to dine on-premises instead of just offering takeaway, and specialty event bakers are back to being busy and booked.

The market size of the global bakery industry was \$331.37 billion in 2022 and is projected to reach \$436.91 billion by 2026. Across the world, major corporations are largely responsible for getting bakery products into the hands of hungry customers (Global Bakery Products Market Report). In 2019, retail bakeries made \$3 billion in sales, while commercial bakeries sold over 10 times more, with \$31 billion in sales (Woodruff, 2019).

### **2.5.2.2 Bakery industry trends in 2022**

Consumers are always changing they change habits, they change beliefs, and what they value. This continuous shift impacts the market every year, bringing changes also to the food sector, making it necessary for professionals to understand the environment they work in. Always more demanding and skilled, consumers are wanting to rewrite the narrative at their own terms. But one thing never changes: they always look for moments of happiness and food plays a crucial role in this giving a sense of stability, normality, and enjoyment.

### **2.5.2.3 Authentic flavors**

Who made it? Where do the ingredients come from? More and more consumers are defining craftsmanship and authenticity as essential aspects of their shopping experience: they



want to know the story behind every good they buy while looking for intense flavors and authentic tastes. This is what we did with our single-origin chocolates, finding an extraordinary harmony and a perfect balance between each element, highlighting the most precious sensorial notes.

#### **2.5.2.4 The labor shortage and staffing crisis**

Hospitality workers left the industry by the thousands during a pandemic, and many have decided not to return. The work is tough, and pay has always been too low, and even the most passionate bakers and industry lifers have said enough is enough. Today, bakeries everywhere are finding themselves short-staffed, meaning that customer service immediately suffers and the employees they do have are seriously overworked, leading to burnout. In order to attract and retain a great team, bakeries are increasing wages and experimenting with offering different types of benefits. It means that labour costs are significantly higher, which can be challenging during a time when inventory costs are also higher, but staff retention is so vital to the success of a business that many bakeries are raising prices significantly in order to be able to afford to provide best-in-class compensation.

#### **2.5.2.5 Online ordering and delivery**

Over the course of the pandemic, many hospitality businesses started offering online ordering and delivery, even the ones who had never felt the need or want for this tech before COVID hit, like most bakeries. But even as things started to level out with COVID and businesses started to feel a little more back to normal, the convenience and additional revenue brought by online ordering and delivery apps continued to prove useful. Bakeries of all sizes now have the capacity to process orders online, whether a customer just wants to pre-order their morning scone or if an office is looking for donuts for 50 people.

#### **2.5.2.6 New products and nutrition alternatives**

Health is becoming a social issue that especially younger generations have close to their hearts. For this reason, it is becoming more important to design foods that answers to this fundamental need. The demand for healthier baked goods has been steadily rising as society becomes more conscious of how their lifestyle and food choices can impact their long-term health and wellness — as well as that of the environment. Plant-based bakeries have begun popping up all over, offering vegan versions of many different bakery product types, from

bread to croissants and cupcakes. The demand for gluten-free substitutes has also markedly increased, and bakeries are meeting the needs of customers who are gluten-intolerant and celiac. (Peris M, 2019)

### **2.5.2.7 Supply chain disruptions**

Because of the huge challenges that the whole world is currently facing, from wars to climate crises to still ongoing COVID fears, the supply chain for bakery raw materials has been massively disrupted. The cost of everything has gone up precipitously — from storage bins to specialty flours, it's simply harder to afford the cost of running a bakery. Despite high consumer demands, many bakeries have had to remove certain items from their menu, or significantly increase their prices to meet the new prices of ingredients set by strained distribution channels. Recipe costing is a very helpful tool to identify when ingredient costs eclipse how much an owner can reasonably charge to still stay profitable, so inventory solutions can be a great support in these times.

### **2.5.3 Consumer trends**

Bread, cookies, cakes, donuts, pastries, or pies. Bakery, in every form, has been a dear friend to everyone. Consumers nowadays are seeking more convenience & a variety of options everywhere and have little tolerance for poor service. Thus, businesses, especially in the B2C sphere, have to follow up with where their industry is heading. The baking & cafe-coffee industry is no different. Here are the main reasons why a bakery entrepreneur, should care about the changing trends in the industry:

- To stay relevant with your consumer/target audience and catch their attention.
- To strategize a business plan for your bakery start-up & attract investors to your idea.
- To provide services and pivot your business according to the demand of the hour.
- To better forecast the future of your industry and act upon it from now itself.
- To stay parallel, if not ahead, with your competitors in the market.
- To better analyze what works for your business and what doesn't.
- To build a legacy with more creative ideas in your marketing strategies.

Trend and buzz are two different things. Many businesses often mistake replacing them with each other. Where on one hand, it's essential to follow the trends, businesses should refrain from getting obsessed with momentary buzz or overnight virality on the Internet. And business

owners should try to focus on the trends that could help them in the long-term more than focusing too much on viral content. In the next parts, we can see some examples of ongoing consumer trends.

1. Croissants. There's nothing like a perfect croissant — buttery, flaky, with hundreds of soft layers inside a crackly golden shell — and nothing quite as disappointing as a sub-par one. Croissants are labor-intensive and they get stale relatively quickly, so they'll need to be made fresh daily in order to truly delight your customers.
2. Savory pastries. As much as bakeries are often built to offer sweet treats, many are now venturing into offering savory pastries, too. Whether you stick to the classics like ham and cheese or spinach and feta croissants, or get creative with herbs, sausage, bacon, cheese, and more, your customers will know they can come to you for a salty snack as well as for a sweet tooth fix.
3. Gluten-free baked goods. As mentioned above, the demand for gluten-free baked goods is huge right now. Though cross-contamination isn't usually an issue for those who are just sensitive to gluten, be sure to communicate to your celiac customers if you're not able to use a separate space to prepare your GF baked goods, because some may experience issues if even a little bit of regular flour makes it into their cookies.

## **2.6 Perception**

Given that physiologists have studied sensory signals and their transformation into conscious impressions for a long time, there is still a surprising amount of verbal ambiguity about the concepts of (unconscious) sensory input and (conscious) perception. It probably does not help that the term “perception” has several dictionary-defined meanings, all used regularly when composing a paper:

- An awareness of things through the physical senses
- A belief or opinion based on how things seem
- The ability to notice and understand things that are not obvious to other people

Most modern physiological papers that mention or elaborate on perception do not deal with the original concept(s) of sensory physiology per se, but rather the results of processing sensory stimuli at different higher levels. When we move away from the primary perception of stimuli,

physiologists currently also study a secondary concept of perception: body image, subjective effort, or study interventions in exercise physiology, for example. (Persson, Hillmeister 2022)

## **2. 6.1 Customer Perception**

Perception is one of the main psychological factors that influence individuals' purchasing choices and behaviors. Being influenced by their perceptions consumers will buy from organizations that provide the highest consumer-perceived value for them. In other words, the ones that can offer the best experience of a product and/or a service for their customers. Thus, organizations try to impact consumers' perceptions of their offerings, by, for instance, strengthening their image and establishing lasting relationships with consumers. Due to the fact that perception is highly subjective among people, consumers' perception criteria, such as reputation and quality, depending on different factors such as age, income, level of education, lifestyle, personality characteristics, and knowledge concerning the product or service, and the organization itself (Kotler and Armstrong, 2011).

Marketing is the art of creating genuine customer value. It is the art of helping customers become better off. The marketer's watchwords are quality, service and value. consumers give influence and money (to business) and influence and taxes (to government), business gives products and services (to consumers) and taxes (to government), while the government gives protections and services (to consumers) and protections and regulations (to business). Disappearing national boundaries as customers travel across borders to buy wherever the best products and/or prices are found, and increasing agreement among customers across the globe about how to evaluate products and services and recognition of which brands are the best, compel domestic companies to defend their territory in every possible way except reliance on government protections (Johansson, 2003).

Aided by global communications and the Internet, consumers have increasing access to domestic, regional, and global market information to help in making objective and sound consumer choices. Who then wins the heart and wealth of the consumer is the firm that competes now through quality, and service. and value, not through sympathy, or immunity. or ancestry. In an ideal firm-customer interaction, the latter gives ideas, skills, and money. etc. while the former provides need-satisfying goods and services (not just goods and services) and social responsibilities. As consumers furnish businesses with ideas (about needs and wants), skills (human effort — physical and/or mental), and money (the price of goods and services),

they expect businesses to reciprocate with goods and services that are able to solve consumer needs and to live up to its responsibilities as dictated by society's needs. It is generally believed that any failure or obstruction to this free flow of acceptable standard or quality of consideration may lead to dissatisfaction. (Baker, Crompton 2000)

Customers blame a company when served poorly and rather than complain directly to the company, they typically patronize another. Companies that recognize this fact, and recognize also that a number of factors contribute to customers' frustration even when managers and employees want to serve, must make concerted, capable, and collective efforts for the organizations to deliver value to customers. Serving customers reflects the basic reality of interdependence. The need for a mutually beneficial relationship between consumers and businesses cannot be overemphasized. Each has a meaningful influence over the other. The service quality has a direct effect on an organization's profit since it is positively related to customer retention and customer loyalty (Baker, Crompton 2000)

### **2.6.2 Product perception and buying decision**

The meaning of a product to a consumer and what it stands for is tightly affected by their values, rather than by product functionality. Values are very important for consumer interpretation, evaluation and purchase decisions (Emilien, Weitkunat and Ludicke, 2017). Consumers may find utilitarian value in shopping, and this is more related to functional and tangible aspects of a product, resulting from a more conscious pursuit of the actual outcome of wanting to get something. However, consumption can also involve fantasies, feelings, and fun and can be about the actual experience and process, which is the hedonic value. Therefore, both values can be found in shopping (Hirschman and Holbrook, 1982)

### **2.6.3 Consumer decision-making styles in food purchase**

The meaning of a product to a consumer and what it stands for is tightly affected by their values, rather than by product functionality. Values are very important for consumer interpretation, evaluation, and purchase decisions (Emilien, Weitkunat and Ludicke, 2017). Consumers may find utilitarian value in shopping, and this is more related to functional and tangible aspects of a product, resulting from a more conscious pursuit of the actual outcome of wanting to get something. However, consumption can also involve fantasies, feelings, and fun and can be about the actual experience and process, which is the hedonic value. Therefore, both

values can be found in shopping (Hirschman and Holbrook, 1982; Babin, Darden, and Griffin, 1994).

The food market is a highly growing competitive market compared to other industries. This is because food is an essential need for life. People typically consume food and beverages (F&B) almost three times daily. In order to show support for home-grown products, the perception of food products has been significantly shown to be affected by many factors such as taste, odor, information from labelling and images, price, prestige, nutritional content, and familiarity (Noor et al., 2009).

Consumer decision-making style is defined as mental orientations that characterize a consumer's approach to making consumer choices. Decision-making styles can be characterized by the following approaches: The lifestyle (psychographics) approach, which identifies various psychological characteristics that drive consumer choices, general lifestyle activities, interests, and opinions; the consumer typology approach, which defines general consumer types; and the consumer characteristic approach, which emphasizes cognitive and affective mental orientations.

Since a key factor in consumers' shopping behavior is their decision-making style, the food-shopping decisions that consumers make have a direct impact on their nutritional status and levels of obesity. Thus, just as a marketing strategy benefits from consumer segmentation, nutrition education efforts can potentially reap similar benefits through a strategy of consumer segmentation based on their decision-making style (Terrence, 2013)

## **2.7 The city of Brno**

The Czech Republic, located in the heart of Europe, consists of three historical entities - Bohemia, Moravia, and Silesia. The number of inhabitants reaches approximately 10.3 million, the official language is Czech, slightly tinged with the Moravian dialect around the city of Brno. Brno is a statutory city, the second largest city in the Czech Republic in terms of population and area, the largest city in Moravia, and the former capital of Moravia. Brno is the seat of the South Moravian Region, in the central part of which the independent district of Brno-city is formed. The city of 230.18 km<sup>2</sup> has approximately 379 thousand inhabitants and about 700 thousand people live in its metropolitan area. The rivers Svatava and Svitava flow through Brno, which merges in the southern part of the city. Brno, also known as the capital of Moravia, is a popular business location thanks to its ideal infrastructure and various business opportunities. It is the seat of several universities - e.g., Masaryk University, Mendel University

of Agriculture and Forestry, and University of Technology. Brno is therefore a city of young people.

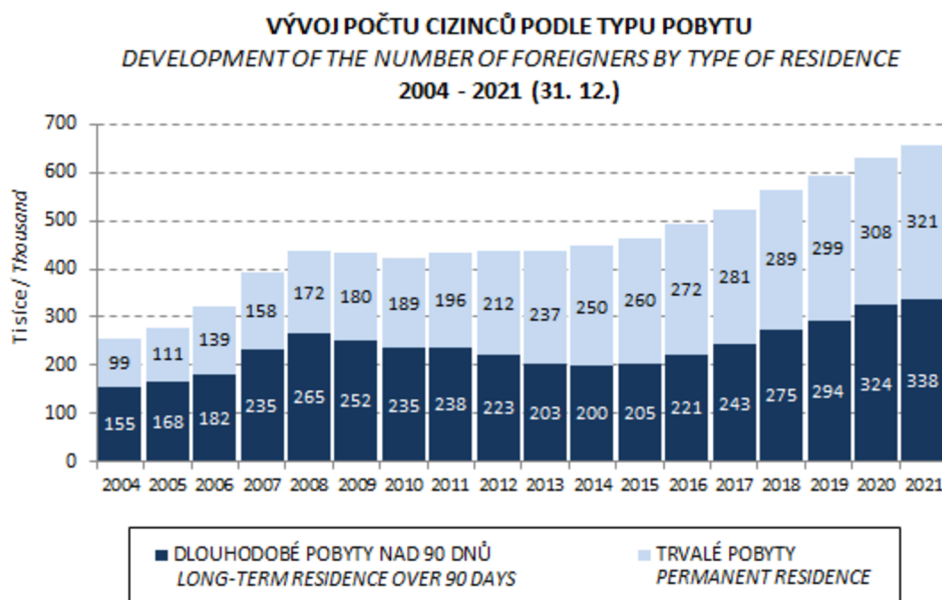
### 2.7.1 Composition of the Brno population

The Czech Republic is quickly becoming one of the most popular destinations for foreigners to study and work in Central Europe. Czechia, full name the Czech Republic is a state in the middle of Europe. The total population of the Czech Republic is 10 701 777 people. Brno has approximately 379 thousand inhabitants and about 700 thousand people live in its metropolitan area. In table number one table we can see the total population and the nationality division within the total population in the current year of 2023 in the Czech Republic.

<b>Total population</b>	<b>Together</b>	<b>Man</b>	<b>Women</b>
		385 913	185 404
<b>Nationality:</b>			
Czech	191 395	84 897	106 498
Moravian	72 367	37 396	34 971
Silesian (slezká)	148	97	51
Slovakian	5 956	2 845	3 111
German	203	130	73
Polish	464	250	214
Roma	157	102	55
Ukrainian	3 271	1 939	1 332
Vietnamese	1 487	859	628
Not stated	91 529	47 092	44 437

*Table 1 Total population and nationality division within the whole CZ population  
Source: Kurzy.cz*

To have a better overview of the composition of foreigners we are also adding a table that describes the development of the number of foreigners by type of residence. We have data from the year 2004 until 2021 and we can see that from the first measured year until now, the number has more than doubled in both categories long-term residence over 90 days and also permanent residence.



*Figure 1 Development of number of foreigners by the type of residence*  
*Source: Directorate of foreign Police Service*



### **3. CURRENT SITUATION ANALYSIS**

In this part of this diploma thesis called current situation analysis, we are going to take a look at the basic company description, a more in-depth brand and bakery explanation, 3 parts of international customer research. At the end of this chapter, we are going to fulfill one of our goals and form the perception of international customers of our chosen business.

#### **3.1 Basic company description**

My diploma thesis will be dedicated to a company called Dezertina, which in essence started from just an Instagram profile and built its multitude of fans and customers throughout the years of existence. Then, Dezertina became a side project of the food truck Búcheck. Búcheck food truck is located on a Cabbage market in the middle of Brno since 2016. Very popular street-food gastronomic experience in Brno which until 2022 sheltered Dezertina project.

Búcheck opened in November of 2016 as street food food-truck with unordinary style burgers, fries and sweets secured by Dezertina brand baked by the creator. Búcheck production facility was used to make Dezertina official, with kitchen production available for both projects. Búcheck became very popular thanks to its unique style of street food, quality of products and social media management. With Búcheck getting the spotlight and growing customer demand, desserts that were served in the food-truck as a side product got a lot of attention and recognition. People started ordering desserts and cakes from Dezertina for their weddings, parties and birthdays and more and more cafés were demanding cakes made from Dezertina. Desserts from Dezertina production were requested more and more and to production capacity was limited so the expansion was not possible.

Since 13.5. of 2022, a small pick-up store has opened after 6 months of planning and preparation. It is called after the project name Dezertina. It is a very new up to date concept, where it works as a dessert pick-up store with the attributes of an espresso bar that offers fresh pastries and cakes and specialty coffee. From Tuesday to Saturday, you can find changing fresh offer of viennoiserie pastries, brownies, cookies, cheesecakes, cakes and many more, and also specialty coffee prepared by professional barista. You can enjoy the cakes in the small shop standing at a bar or outside the shop, but the main concept of the store is to pick-up your favourite cakes and pastries and to take them home with you in a box. Dezertina shop is located on Novobranská 16 street, with is only a 5-minute walk from the Búcheck food truck.

Dezertina is run and owned by Bc. Zuzana Zuzáková (Dezertina), with the help of the other owner Peter Szamueal. Zuzina Zuzáková and Peter Szamuel also own the Búcheck food-truck but the management is left to Peter. Both of them and their gastronomic services have been featured on the show called „Souboj na talíři“ which aired on Nova tv, in online newspapers sites such as Forbes.cz and Aktualne.cz, won the award of “the star of street-food” in the Czech competition called “Zlatý kuchař” and many more. Both Dezertina and Búcheck have collaborated with huge world-known brands such as KitchenAid, Baileys, Tabasco, Eta, and also local brands such as Bastagear, Ajala chocolate, and REAZNIK from Prague

Since the opening of the store, it is becoming more and more popular every day thanks to high-quality manufacturing processes and products, excellent service experience and great online marketing appearance. People are coming from all over the Slovak and Czech Republic and are lining up in front of the store even before opening. The fresh pastries are sold-out every day at around 10. This store has so far been featured for example on Auality.cz, Forbes.cz and also the book Top 100 places to visit by Lukáš Hejlík.



*Picture 1: Búcheck  
Source: Búcheck instagram*

### **3.1.1 Dezertina description**

To clearly see the concept of Dezertina we must understand that Dezertina is a project, brand, store, Instagram account, and also a person at the same time.

Dezertina as a project became because of a funny bet, that the creator and her friend had one ruff night. Zuzana never baked a cake before, and her friend bet her to bring something to his coffee shop to sell for the next day. The cakes sold out after 3 hours and the owner of the coffee shop became the first recipient of Dezertina cakes. Later that day she established the Instagram page called Dezertina which lasts to this day and is operating at 35 thousand followers currently.

After Búcheck opened Dezertina became an official company with a production facility connected to the production facility of Búcheck. Búcheck also became the place for Dezertina to sell her cakes. Since Zuzana was also the founder and worker of Búcheck she could oversee the production process and the selling process in Búcheck.

Dezertina is also a brand name since it is the production of cakes under its own name. Dezertina also produces her own merch in the shape of T-shirts, badges, and bags. Dezertina also has its own logo which you can see on picture number 2. She also has her own unique design of stickers and packaging which is used in the shop. Dezertina as a brand has collaborated on making an individual flavor of chocolate AJALA that is locally made in Brno, and there was also a collaboration with Eta, the brand that is making kitchen appliances. Dezertina as a brand focuses on attributes such as great social media communication, high quality of manufactured products, and great shopping experience in Dezertina store.

Dezertina as a store started a long process since November of 2021. Since November, places at Novobranská were rented and the custom interior equipment took the longest. The hiring process started in February so everything would be ready by the opening that with was Friday the 13<sup>th</sup> of 2022. On this opening day the batch of prepared croissants sold-out after 30 minutes and the number of prepared cakes lasted for 4 hours since opening. That was the beginning of the Dezertina shop story.

Dezertina as Instagram profile started in the year 2014 with the first batch of cakes that was taken as a little joke. Zuzana who was also baking the cakes started to photograph and then post it on social media to just share what she baked and potentially reach some cafés. After posting for 3 months one café called TU kafe reached out since they wanted to sell the cakes, they were seeing on the Dezertina Instagram profile.

Dezertina is also a “person”. It is the person who is in the production process of all the offers, behind all the Instagram stories, the person who is on the Instagram stories, who is managing the company, and also the one who developed it from the beginning and is managing it all by herself. Dezertina as a person is called Bc. Zuzana Zuzáková and is from Šala Slovakia.

She moved to Brno in the year 2011 to study English and the Greek language. This study did not match the expectation that she was having and decided to travel to Spain for a year. After year in Spain, she returned back in Brno and started studying regional development at Mendel university. She finished her bachelor's degree in the year 2016 and did not continue her studies due to starting and building the project Búcheck food truck.



*Picture 2: Dezertina logo  
Source: Owners storage*

### **3.1.1.1 Dezertina as a shop and the offer**

What Dezertina as a cake manufacturer offers is supply of specific cakes to cafés in and around Brno, wedding/birthday/celebration cakes made to order, catering services for offices and also the offer that is presented almost every day at the Dezertina shop.

Cafés that are selling cakes from our Dezertina production are selected by the owner Zuzana and are supplied with cheesecakes large “birthday-like” cakes and some small desserts depending on their order that week. Catering of sweets is done through the second partner company Búcheck. The company orders catering services through the owner of Búcheck Samuel and then he and Dezertina make an offer based on their requests. Large wedding/birthday/celebration cakes are ordered online through our ordering form through the website [www.nakrm.cz](http://www.nakrm.cz) which is an e-shop, ordering service , and a web page for Búcheck and Dezertina at the same time .

The offer of the cakes that Dezertina is producing is very different from the common knowledge about bakeries and patisseries in the Czech Republic. The story began with the red velvet and “Rič bič” cake which is the most famous from Dezertina production. Dezertina is also known for her wide variety of cheesecakes/pies, croissant batter pastries, and small desserts that are convenient to take in hand on the go. Rič bič cake also known as millionaires’ shortbread became a very well-known dessert from Dezertina production and is also now part of the merchandise designs.

The offer of fresh pastries and cakes works in a very specific way at Dezertina. The shop is open from Tuesday till Saturday. Every working day, so from Tuesday to Friday every morning there comes a fresh batch of Croissants, croissant pastries, cookies, and brownies that are transferred from the production facility to the Dezertina store. This batch comes only once a day, so the supplies last until they are sold out that day. Simultaneously we have a refrigerated showcase with cheesecakes and cakes that is available for the customers all day. The flavors of cakes are up to the season and change every day but at the same time, some are repeated depending on the demand. After the fresh morning batch is sold-out there comes the afternoon batch of fresh pastries which is always different from the morning. For people who are unfortunate and do not catch something from the fresh batches of cakes, Dezertina offers small “take in your hand” cakes such as brownies, cookies or bars that are becoming very popular. Dezertina shop created this sort of “own system” in the way that people got used to watching the unique daily offer on Instagram which is updated daily. In the morning with the fresh batch of croissant pastries, people are updated on Instagram about which pastries and which flavours are on the menu. Dezertina makes every day just a limited number of croissant pastries that are in her production capacity. These amounts/supplies are currently lasting in Dezertina until 10-12 each day. Then around 12 o'clock, when all office centers have their lunch brakes, Dezertina comes with fresh back of sourdough pastries, brioche donuts and specials. This is how we in Dezertina are trying to maintain the fresh offer of pastries for the whole day.



Picture 3: Dezertina shop  
Source: Dezertina Instagram

## **3.2 Research part**

The purpose of customer research is to gain insights into customers that can help our businesses to improve our products and services, develop effective marketing strategies, and enhance customer experiences. Research that is done on the international customer that Dezertina have can help Dezertina understand the similarities and differences in customer behavior and preferences across different nationalities and identify potential opportunities and challenges in expanding its customer base.

In this Research part of this master's thesis, we are going to focus on international customer research. When it comes to international customers Dezertina. Can face unique challenges such as Language barriers, different service preferences or taste expectations. The first research will be focused on international customers of the small artisanal bakery Dezertina since there has been a significant number of them in the first year since opening. Through our first international customer research, we are going to find out how international customers find out and discovered Dezertina. We want to know what their initial motivation is for choosing our bakery. After researching first-time customers of Dezertina, we started to notice a significant number of returning international customers which recalled our second and third-customer research. For our second customer research, we wanted to find out what international customers consider strengths about Dezertina and why are they returning after their first visit. This information can also help us to understand international customer's perception of Dezertina which is one of our main goals. For our third customer research, we wanted to find out the origin of returning customers to Dezertina. The origin of international customers is a significant factor in navigating marketing strategies for Dezertina which is the second goal of this thesis.

## **3.3 First customer research**

The first customer research in this diploma thesis is focused on first-time customers in Dezertina that are international. Through our first international customer research, we wanted to find out how international customers discover this small new artisanal bakery called Dezertina. We want to know what their initial motivation was, for choosing our bakery. Since Dezertina opened the shop on the 13<sup>th</sup> of May of 2021, the store welcomed big crowds of fans and customers that are not only Czech or Slovak nationality. Considering the novelty, unique concept, and branding in Dezertina, the bakery welcomed a significant number of international



customers within the first months of opening. Motivation for coming to gastronomic businesses can be a wide concept in the range of international customers who are first-time visitors.

By doing our first customer research we wanted to know what can be the reasons that influence international customers for coming to our bakery. This information will help us in understanding the perception of international customers since we will know where they can first find out about our shop. By finding out the reasons for the first visit, we can later better suggest how we can influence these factors.

### **3.3.2 First customer research implementation**

For our first international customer research, we prepared a quantitative research method of surveying the respondents. The research was conducted by a very simple survey that consisted of only 1 question. The question was asked during the international customer's first visit. Since it was done within working hours and regular customer interactions the simplicity and speed were unnecessary. Through this research question, we wanted to find the essential information about why this specific customer chose particularly Dezertina and what was the motivation behind stepping into this exact bakery. With this specific chosen research question, we wanted to find the essential information about why this specific customer chose particularly Dezertina and what was the motivation behind stepping into this specific bakery. After the customers bought cakes, and coffee, and the experience was coming to an end, the person who served them asked them this research question:

How did you find out about this bakery called Dezertina?

After the answer was provided by the customer, the person doing the research wrote down the exact answer to this question in one Word document for the clarity of the data. Then by the appearance of the customer, the person doing the research segmented them into 5 age groups. This segmentation could later benefit the research and help us to navigate suitable marketing strategies. Our first customer research was conducted on 115 people from the date of 1.6 of 2022 until 1.3 of 2023 with one month break in the result of closed shop during and after holidays.

### **3.3.3 Data collection for the first customer research**

The selection of examined respondents during our first international customer research was done by the person doing the research. The person who is conducting the research is also a full-time employee in the company from the very beginning. The person doing the research comes in direct contact with the customers during their shopping experience on an everyday basis. The research was conducted within everyday customer interactions when the selected type of respondent appeared in the store which was very easy to recognize for the full-time employee who can segment the different types of customers.

Every time some new international customer came to the bakery for the first time, our chosen research question for the first research was asked. After or meanwhile having interactions with the first international customers, the person doing the research asked them our chosen research question in very effective way. During our first customer research, we have gotten responses from 100% of asked respondents. Every research respondent needed to fulfill special criteria to match our wanted researched subject. These are the special attributes of the selected researched sample:

- customer of Dezertina
- spoke international language (exclusion of Slovak language)
- visited Dezertina for the first time and bought some of our products



### 3.3.4 Description of the results of the first customer research

Source of information:	Age	Number of people
<b>From a colleague/friend</b>	15/20	3
	20/25	14
	25/30	24
	30/35	9
	35/40	4
<b>Búcheck</b>	15/20	5
	20/25	3
	25/30	3
	30/35	1
	35/40	-
<b>Instagram</b>	15/20	1
	20/25	8
	25/30	5
	30/35	1
	35/40	1
<b>Random walk-in</b>	15/20	-
	20/25	2
	25/30	9
	30/35	8
	35/40	2
<b>Google maps</b>	15/20	-
	20/25	4
	25/30	1
	30/35	6
	35/40	1

*Table 2: Results of first international customer research  
Source: Own processing*

In table number 2 you can see the results of our first conducted customer research concerned with the sources of information about Dezertina from international customers who visited this bakery for the first time. We decided to split the results into 5 main groups according to answers given by the 115 respondents in our research. As you can see in Table number 2 the five groups

are: Recommendations from a friend or colleague, Búcheck, Instagram, Random walk-in, and Google Maps. To get a better understanding of the results let's first take apart these groups and discuss them separately.

The first group in the table is called Recommendations from a friend or colleague. This groups motivation to come to Dezertina was solely based on recommendations from a friend, colleague at work, or someone whom they are in a close relationship with. The second group in the table is called Búcheck. Answers that were connected to Búcheck food truck and the sources of information were coming after people discovered Búcheck brand firstly, were put in this group. The third group is called Instagram. When respondents gave answers that suggested their first initial introduction, and the first information about Dezertina was through Instagram they were put in this group. The fourth group is called Random Walk-In. The people that had no previous information about Dezertina and randomly when passing the street and decided to visit Dezertina, were put in this group. The fifth group is called Google Maps. When the answers were connected to google search, google reviews, or google maps they were put in this group. From the results in Table number 2, we can see that the largest group is the group with the initial motivation of going to Dezertina based on a friend or colleague's recommendation. This group made up 47% of all the respondents. The second largest group is random walk-ins with 18% of the whole group. These people had no previous information about Dezertina brand before entering the shop for the first time. The third largest group is people who knew Dezertina before their first visit from Instagram and that made up 15% of our respondents. In close relationship, we have Búcheck and Google as sources of information with both having a 10% share of this research.

### 3.3.5 Discussion of the results of the first customer research

In our first international customer research in Dezertina we managed to get the answers from 115 respondents in total. The research was conducted from the date of 1.6 of 2021 until 1.3 of 2022 with one month break as the result of closed shop during and after the Christmas holidays. To get a more clear view of the results we reduced them to one abbreviated table just with the main groups with the final number of respondents in the table below.

<b>Source of information:</b>	<b>Number of people</b>
From a friend/colleague	54
Búcheck	12
Instagram	16
Random	21
Google	12
Together:	<b>115</b>

*Table 3 : Reasons international customers visited Dezertina for the first time  
Source: Own processing*

The data in Table number 3, showed us that most of the international customers that came to Dezertina had previous information about Dezertina from other people they know. 47% of all asked first-time customers in Dezertina trusted people in their close relationship with the review of Dezertina. This means that the experience in Dezertina is very important for our international customers. If the overall experience is great or unpleasant can lead to either recommending Dezertina to other friends or colleagues or not. An unpleasant experience can initiate the spread of poor reviews and that can lead to an unsuitable perception of our bakery. From this information, we can also infer that customers in Dezertina consider Dezertina as worth spreading good reviews about within your close relationship groups. This group of people also initiated our second customer research.

The second largest group of respondents are people that randomly walked by Dezertina, and something persuaded them to come inside. The reasons can vary, from the urge to satisfy hunger or thirst, the smell of coffee or fresh pastries, something about the exterior or interior catching their eye to just a simple curiosity. This group formed 18% of all asked international first-time customers. This group had no previous information about Dezertina before entering the store. This group of people can have very different initial motivations for coming to Dezertina. From the answers that we got during the collection of these results, we know that

the reasons that were told repeatably were the smell of the coffee, the shop window with neon croissant sign in, and part of the people were just wondering around close bus station because of the delayed bus.

The third largest group of international customers came to Dezertina based on our Instagram account. 15% of asked international customers already knew about Dezertina's Instagram profile before their first visit. Dezertina Instagram account has more than 35 000 followers to this day and the numbers are still growing. Our Instagram is the main source of information not only for international customers but also for locals. Dezertina uses the Instagram page for behind-the-scenes content, and updates on new products but also daily offers are uploaded each day.

The fourth group in our research results are international customers that knew Dezertina because of Búcheck food truck. Búcheck and Dezertina have the same owners, production facility, and some staff workers, also Dezertina is considered a side project of Búcheck food truck as it helped the brand with recognition and the production process. The motivation to come to Dezertina for this group was the trust in the products and services of the mother company Búcheck and the appetite for some quality desserts. In a very simple way Búcheck is selling burgers and street food and Dezertina is selling desserts and coffee so if people like or trust one or the other brand the connection can happen. Búcheck and Dezertina are only 600 meters away from each other so if people are looking for the perfect experience of great lunch and then dessert and coffee after lunch, they can manage it within almost one company with the same quality standards, just with the walk lasting 5 minutes.

The fifth group of international customers in our first research found out about Dezertina through Google, Google Maps or Google reviews. In these modern days, people can form an opinion about businesses even before they have ever been there thanks to people sharing their opinions publicly through Google services. People in this group had no previous information about Dezertina from other sources than Google. After some interactions and comments that people in this group made, we assume that at least 70% of this group were tourists in Brno. This group is influenced mainly by the reviews other people leave on Google about Dezertina. To unite all the results, we now know that what influences international customers the most are the recommendations from their friends and colleagues. Then, we have influences such as the Instagram account and Búcheck which are part of Dezertina brand. All three of these attributes are totally under our own management. Then we have influences such as Google reviews and random walk-in international customers which is the hardest group to influence from our point

of view. We now know, through which channels Dezertina approaches new international customers.

### **3.3.6 Formation of second customer research**

In the first customer research, we found out that the largest group and the main source of international customers in Dezertina come from people whose friends or colleagues recommended Dezertina to them. Since it was almost 50% of the asked collected sample, we wanted to put more focus on this group. In this case, we need to find out why people recommend Dezertina to their friends and colleagues. What is the main source of motivation for people to recommend bakeries to others? Why do people feel the need to share information about this bakery with others? We need to find out if we have any impact on the positivity of reviews that are spreading. We also need to find out if there are ways in which Dezertina can reinforce the positive recommendation to spread.

Another reason for the second research is to find out why international customers like Dezertina. To get the best valid answers and data we need, we decided to conduct another research that would tell us more about the feeling of experience in Dezertina for international customers. To get the best possible data, we need to collect it from our own customers.

## **3.4 Second customer research**

As the results of our previous research showed the most answered group of customers were coming from the recommendation of a friend or colleague which was 47% of all respondents. This result is the motivation to navigate the second customer research. Supported by our literature review and experiences within the first research we know, that to recommend something to your family, friends, or colleagues means you had a good enough experience. By doing our second customer research we are finding out the reasons for coming back to Dezertina, which can also be potential reasons for spreading good reviews to your colleagues or friends. We need to find out the motivation behind spreading the reviews within social groups. These questions were the main reason we decided to conduct the second research focused on returning international customers to find out how to influence international customers' experience.

The main point of this research is to find out what motivates international customers to repeatedly go back to Dezertina by finding out what factors of the company or brand are more influential. Understanding customers' likes of our company is also important for the formation of international customer perception of Dezertina. By viewing the points of the brand that people find attractive we can consider them the strengths that Dezertina has.

### **3.4.1 Importance of second customer research**

As shown in previous paragraphs the first research was focused on the first-time customers of Dezertina. To find out what factors motivate international customers to come to our bakery, we decided to implement second customer research focused on returning international customers of Dezertina. By doing this research we are going to find answers to questions such as: What is the most convincing factor that has the biggest influence on the decision-making of international customers? What motivates international customers to return to gastronomic facilities? What is the main reason they enjoy this specific store/bakery?

With a collection of the data from this second customer research, we can find the reason why international customers view Dezertina as worth visiting, spending money on, and also worth spreading good reviews to colleagues and friends. Both our first and second customer research is conducted in a quantitative way of surveys that only contains one question.

### **3.4.2 Data collection**

The data collection for our second customer research was done by the quantitative method of surveying returning international customers to Dezertina. Since this research was done within regular working hours and regular customer interactions the simplicity was unnecessary. Our second customer research also contained just one question that was specifically selected. Both the first customer research and the second customer research re conducted by one researcher who is also a full-time employee of Dezertina from the beginning. Since there was little interaction during the first research (first visit) with every international customer who visited Dezertina in the research period, it was not hard to recognize the international customers who were visiting Dezertina for the second or additional time. The research was conducted within everyday customer interactions and working hours when the selected type of respondent appeared in the store. The selected type of respondent had to have attributes such as:

- customer of Dezertina

- spoke an international language (exclusion of Slovak language)
- second or additional visit of Dezertina

The advantage of the research is that every customer who speaks an international language is asked the first research question. In the case that they have been to Dezertina before and by mistake they are asked the same research question again; we can then ask them the second research question since they themselves revealed to us that they are returning customers to Dezertina.

### 3.4.3 Second customer research implementation

Our second customer research was done by a quantitative method of surveying returning international customers to Dezertina. The second research was conducted by a very simple survey that similarly to our first research consisted of only 1 question. The question was asked during the international customer's second or additional visit within the time window of shopping, waiting for the preparation of coffee, or regular customer interaction within the service. This was our chosen research question for our segmented respondents:

Why did you come back to Dezertina after your first visit?

After the answers to our research question were provided, the person doing the research wrote it down in on Word document for later processing. The research as a whole was conducted on 66 people from the date of 1.9 of 2022 until 1.4 of 2023 with one month break in the result of closed shop during and after holidays.

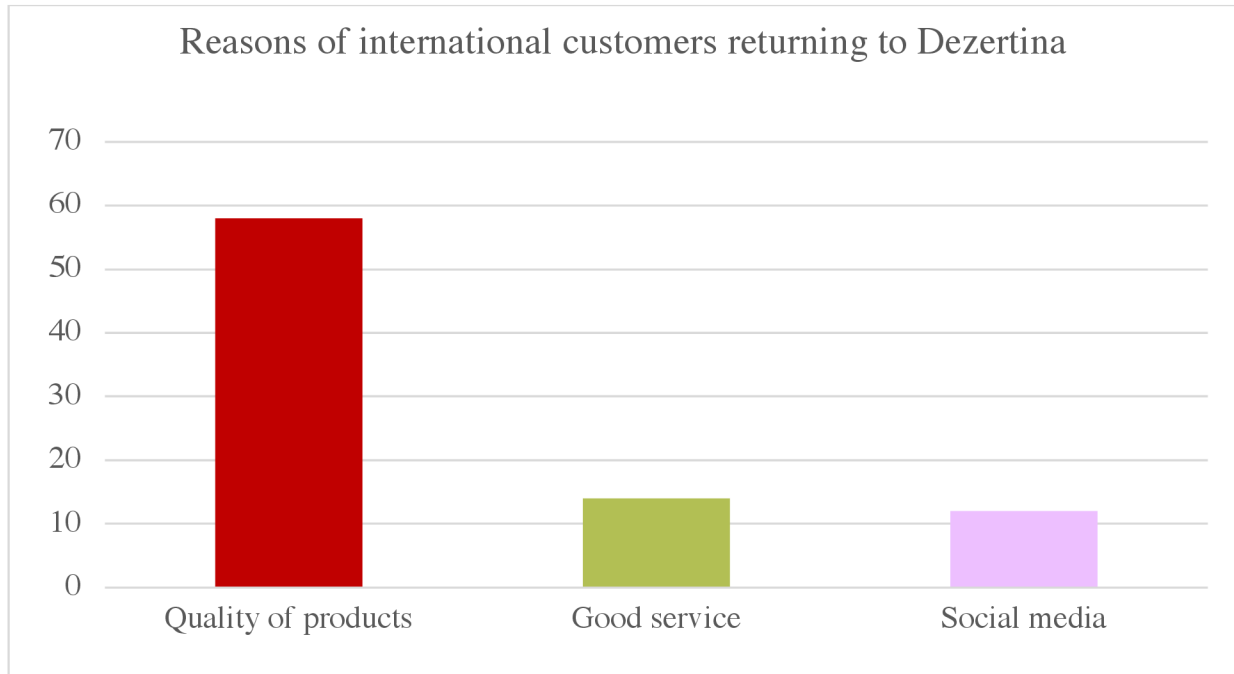
### 3.4.3 Description of the second customer research results

Returning customers together:	66
Quality of products	58
Good service	14
Social media	12

*Table 4 : Reasons of international customers are returning to Dezertina  
Source: Own processing*

In table number 4 you can see the results of our second customer research. During the collection of the results, we found out that one customer can have multiple reasons for coming back and

not just one. Since we needed the data on all the reasons, we did separate the answers that we got into 3 groups based on their answers. Then the researcher added 1 point to each reason customers returned to Dezertina.



*Figure 2: Reasons in international customers returning to Dezertina  
Source: Own processing*

In this Figure number 2 which is a graph, we can see the proportions of each reason customers are returning on a grand scale. We can see that more than 10% of people gave more than one answer to this question. We can see that 88% of asked returned international customers returned to Dezertina based on satisfaction with the quality of products from our own production. 21% of asked international customers stated a good English service as the reason or one of the reasons they came back. 18% of asked customers stated that they started following our social media or stayed interacting, and that was the reason why they came back.

#### **3.4.4 Discussion of second international customer research results**

In our second customer research concerning the reasons international customers are returning to Dezertina, we collected data from 66 returning customers. 89% of asked returning customers stated the quality of desserts and coffee as the reason they returned. 21% of asked customers stated that service during the shopping experience was also the reason they came back. 18% of asked customers said that they started following us on Instagram and have been watching the



daily offers, updates about upcoming news and desserts, stories about cakes, and social media in general of our company since the first visit.

From these results, we can say that the customer feedback is positive and that the reasons for returning to Dezertina are attributes that are under our influence and completely in our own management within the company. When it comes to the quality of products in a bakery, it can depend on a variety of factors, including the freshness and quality of the ingredients used, the skill and expertise of the bakers, and the attention to detail and quality control measures taken during the baking process. High-quality baked goods start with fresh ingredients which is a key standpoint in Dezertina production. Dezertina also pays attention to detail which key in producing high-quality baked goods.

Quality of service is very essential in the gastronomic field. In Dezertina you can always find 2 people as operating staff. We have one professional barista that is an expert in the field of preparation of specialty coffee. Then we have one person behind the cash register that also mediates the presentation of the Dezertina brand during regular customer interactions. The seller behind the desk is professional in the field of selling cakes, communicating with customers (containing English service), and providing all information that customers need. With this combination, Dezertina can guarantee a pleasant experience which translated into the results of the second customer research.

The social media of Dezertina is connected to communication with customers and brand awareness. People that want to be updated and keep track of what is happening in our small bakery decided to follow our social media. Seeing the posts and stories that were reminding them of their experience initiated their second or additional visit. Our asked international customers considered Dezertina's Instagram account as worth following and that kept their interest.

The second part of our international customer research gave us insight into the perception of Dezertina from an international customer point of view. In this research, we processed the information about which reasons are curtail for international customers for coming back to our bakery. The results showed us that the perception of Dezertina is highly influenced by the quality of products that are served in Dezertina. Also, service and social media influence the perception but the biggest impact is the quality of products. High-quality of products are directly connected with positive experiences that you get most certainly in the gastronomic field.

The perception formulated from this research is that Dezertina has high-quality products, great service in the bakery, and entertaining social media worth following. These factors positively impact customer loyalty, word-of-mouth referrals (which were shown in the first customer research), and overall business success. Positive customer perceptions lead to increased customer satisfaction, repeat business, and brand advocacy.

### **3.4.5 Combining the research results of first and second customer research**

From the first customer research, we wanted to find out the initial motivation of international customers for coming to Dezertina in the first place. The results of our first customer research showed us that almost 50% of asked international customers came to Dezertina based on the recommendation of colleagues or friends. This information serves as the starting point for our second customer research. Since the most probable way that Dezertina can gain new international customers is by other people spreading good reviews about Dezertina, we needed to find out what motivates this behavior. One of the ways to find out why international customers love Dezertina, is to ask the returning customers why they returned.

From our second customer, we wanted to know our customers the reason why they returned to Dezertina, so we know what our strong features from the international customer point of view are. These results help us to better understand the perception of Dezertina. By asking the question “Why did you return to Dezertina.” We found out the reasons why they returned and what they liked about their previous experience. 89% of asked returning customers stated the quality of desserts and coffee as the reason they returned. 21% of asked customers stated that service during the shopping experience was also the reason they came back. 18% of asked customers said that they started following us on Instagram.

From the results we got we can say that international customers view Dezertina as shop with high-quality products, good service, and entertainable social media. The highest value of Dezertina is for international customers the sustainable quality of our manufactured products. Also, the management of our social media platform and intentional effort of high-quality English service within the shop eventually turned out to influence international customers in a positive way.

### **3.4.6 Third customer research formation**

During our second customer research with international customers, we were seeing a significant number of international customers that were returning to Dezertina on a time basis.

In our third research we wanted to find out, what is the origin of the international customer of Dezertina. In finding out what is the international customer perception of Dezertina and navigating marketing strategies, we wanted to take a closer look at the international customers themselves so we can segment them better.

Are all customers that do not speak the home language tourists? Are Dezertina's international customers tourists, or are they international residents in Brno City? Should we treat the international customers as tourists, or should we focus on this group as a group of regular customers with special needs? The origin of the customers is important in understanding the customer journey and is also very important for setting potential promotion and communication approaches.

The first research resulted in data, that showed what influences international customers the most are the recommendations from their friends and colleagues. By finding the origin of our international customers we can understand these customers even more.

### **3.5 Third customer research importance**

Our third customer research is focused on the origin of international customers. To fully understand the customer journey and how we should approach these international customers, we need the data from this research. The results should help us in navigating marketing strategies for particularly Dezertina's type of international customers. Customer origin influences customer interaction within the brand so the information about the origin can be crucial in understanding the customer perception and customer journey.

#### **3.5.1 Third customer research implementation**

Since our first and second customer research methodology was very successful, we decided to use the same methodology for our third international customer research. To connect the first, second, and third research all of them were conducted just by a very simple survey. The third research was conducted by using only one question survey. This research was also conducted within regular customer interaction in bakeries during all working hours so the simplicity, and quickness were unnecessary for the smooth running of the research but also the shop. After the customers bought cakes, and coffee and the shopping experience was coming to an end, the customers were asked this 1 question:

Are you a citizen in Brno or are you a tourist?

After the answer was provided by the customer, the person doing the research wrote down the exact answer in a Word document, so the data can be collected from one place. The research as a whole was conducted on 75 people from the date of 1.10 of 2022 until 1.4 of 2023 with one month break as the result of a closed shop during and after holidays.

### **3.5.2 Data collection for the third research**

The third customer research is focused on returning international customers to Dezertina and is concerned about their origin. We needed to collect information from returning international customers about their longevity of stay in Brno. Since segmentation of international customers can help us with navigating marketing strategies, it became an important part of current situation analysis in our research part.

The data collection for the third research was done in a similar way as the first and second research. All three researches were conducted by one research person and also the selection of examined respondents was done by the person doing the research. The research was conducted within everyday customer interactions and working hours when the selected type of respondent appeared in the store. The selected type of response for the third customer research had to have attributes such as:

- customer of Dezertina
- spoke the international language (exclusion of Slovak language)
- second or additional visit of Dezertina

The advantage of the research is that every customer who speaks an international language is almost always asked one research question. During the stay at Dezertina, which contains choosing the cakes, waiting for the packaging of the cakes, waiting for the preparation of the coffee, and waiting for the card payment there is a small-time window within these tasks when the research can be conducted. The question is asked during the time window that is available in the current situation and then written down in one note to keep the data together and organized.

### 3.5.3 Description of the third international customer research results

Total number of respondents:	75
Tourists:	13
Residents:	62

Table 5: Third customer research results  
Source: Own processing

In the table number 5 you can see the results from our third customer research. We collected data from together 75 returning customer. 13 out of 75 international customers answered the question about their origin as a tourist. This means that only 16% of returning international customers are just visitors for some limited period of time. 84% of asked international customers are residents of the city Brno.



Figure 3: Origin of international customers in Dezertina  
Source: Own processing

In this pie graph number 3, we can see the proportion of the origin of international customers in Dezertina. This graphical display can better show us the proportion of each origin.

### 3.5.4 Discussion of the results from the third research

In our third customer research, the data collected was distinguished into 2 groups. International customers that are tourists/visitors in the city of Brno are the first group. The second group is international customers who are full-time residents in Brno. Looking at the results we can see

that the majority of international customers that comes to Dezertina are residents and full-time living people in Brno. These results can be connected to the results of our first customer research where the majority of first-time visitors of Dezertina came because of a friend or colleague's recommendation which can be a possible connection between international customers themselves at work as colleagues or in their free time as friends.

Tourist customers may have different expectations than regular customers, such as seeking a unique or authentic experience, whereas regular customers may have specific expectations based on past experiences. When counting international customers who are residents in Brno as regular customers, they are more likely to have an established relationship with the business, whereas tourist customers may not have a pre-existing relationship and may not return to the business after their visit. Tourist customers are mainly visiting a place for leisure, whereas regular customers may visit a business for a specific purpose or out of habit.

In conclusion, by doing the third customer research we found out that almost 85% of Dezertina's international customers are residents in Brno and only 15% of them are tourists which will help us with the navigation of marketing strategies since our international customers can be segmented and influenced similarly as ordinary local customers speaking Czech language.

### **3.6 Combining the research results from the first, second, and third customer research**

Our first customer research was concerned with the initial motivation of international customers coming to Dezertina. We wanted to find out where international customers find out about new gastronomic places that are opened, and what really motivates them to try some new bakery. In this first part of our customer research, we collected data from 115 respondents.

The results showed us that almost 50% of first-time customers come to Dezertina based on a friend or colleague's recommendation. The second largest group is random walk-ins with 18% of the whole group, the third larger group is the Instagram group with 15%, and in a close relationship, we have Búcheck and Google as a source of information with both having 10% share on this research.

This data showed us that most of the international customers that came to Dezertina had previous information about Dezertina from other people they know. This means that people's experience in Dezertina is very important and can later influence brand perception. If the experience is great or unpleasant can lead to either recommending Dezertina to other friends

or colleagues or an unpleasant experience can lead to the spread of poor reviews and can lead to an unsuitable perception of our bakery. Results from first research, serves as the starting point for our second customer research. Since the most probable way that Dezertina can gain new international customers is by other people spreading good reviews about Dezertina, we needed to find out what motivates this behavior. One of the ways to find out why international customers love Dezertina is to ask the returning customers why they returned.

In our second customer research concerning the reasons international customers are returning to Dezertina, we collected data from 66 returning customers. 89% of asked returning customers stated the quality of desserts and coffee as the reason they returned. 21% of asked customers stated that service during the shopping experience was also the reason they came back. 18% of asked customers said that they started following us on Instagram and have been watching the daily offers, updates about upcoming news and desserts, stories about cakes, and social media in general of our company since the first visit. From these results, we can say that the customer feedback is positive and that the reasons for returning to Dezertina are attributes that are under our influence and completely in our own management within the company. When it comes to the quality of products in a bakery, it can depend on a variety of factors, including the freshness and quality of the ingredients used, the skill and expertise of the bakers, and the attention to detail and quality control measures taken during the baking process. High-quality baked goods start with fresh ingredients which is a key standpoint in Dezertina production. Dezertina also pays attention to detail which is key in producing high-quality baked goods.

Our third customer research was focused on the origin of international customers. To fully understand the customer journey and how we should approach these international customers, the data from this research will support new marketing strategies for international customers. Customer origin influences customer interaction within the brand so the information about the origin can be crucial in understanding the customer perception and customer journey.

In our third customer research, the data collected was distinguished into 2 groups. International customers that are tourists/visitors in the city of Brno are the first group. The second group is international customers who are full-time residents in Brno. Looking at the results we can see that the majority of international customers that comes to Dezertina are residents and full-time living people in Brno. These results can be connected to the results of our first customer research where the majority of first-time visitors of Dezertina came because of a friend or colleague's recommendation which can be a possible connection between international customers themselves at work as colleagues or in their free time as friends. Tourist customers

may have different expectations than regular customers, such as seeking a unique or authentic experience, whereas regular customers may have specific expectations based on past experiences. When counting international customers who are residents in Brno as regular customers, they are more likely to have an established relationship with the business, whereas tourist customers may not have a pre-existing relationship and may not return to the business after their visit. Tourist customers are mainly visiting a place for leisure, whereas regular customers may visit a business for a specific purpose or out of habit.

To simplify the research process the first, second, and third customer research was conducted just by a very simple survey conducted in Dezertina shop by the same person doing the research. From our first research, we know the main reasons for coming to Dezertina. From our second we found out the reason international customers like Dezertina, go back to Dezertina and what are the reasons why they could recommend Dezertina to their close people. From the third research, we found out what type of international customers Dezertina welcomes on an everyday basis.

### **3.6.1 Research summary**

.In the first customer research, we found out that the largest group and the main source of international customers in Dezertina come from people whose friends or colleagues recommended Dezertina to them. Since it was almost 50% of the asked collected sample, we wanted to put more focus on this group. We wanted to find out why people recommend Dezertina to their friends and colleagues. We also need information about why international customers can like Dezertina, what can be the main source of motivation for them to recommend our bakery to others, and if there are ways in which Dezertina can reinforce the positive recommendation to spread.

To get the best valid information and data we need, we decided to do second international customer research that would tell us more about the reason why they returned to Dezertina. By knowing the motivation behind returning to Dezertina, we can enhance our strong features from the international customer point of view. By asking the question “Why did you return to Dezertina.” We found out the reasons why they returned and what they liked about their previous experience. 89% of asked returning customers stated the quality of desserts and coffee as the reason they returned. 21% of asked customers stated that service during the shopping experience was also the reason they came back. 18% of asked customers said that they started following us on Instagram.



From the results we got we can say that international customers view Dezertina as a shop with high-quality products, good service, and entertainable social media. The highest value of Dezertina is for international customers the sustainable quality of our manufactured products. Also, the management of our social media platform and intentional effort of high-quality English service within the shop eventually turned out to influence international customers in a positive way. During our second customer research with international customers, we were seeing a significant number of international customers that were returning to Dezertina on a time basis. In our third research we wanted to find out, what is the origin of the international customer of Dezertina. In finding out what is the international customer perception of Dezertina and navigating marketing strategies, we wanted to take a closer look at the international customers themselves so we can segment them better. In our third customer research, the data collected was distinguished into 2 groups. International customers that are tourists/visitors in the city of Brno and international customers who are full-time residents in Brno. The results showed us that the majority of international customers that comes to Dezertina are residents and full-time living people in Brno. These results can be connected to the results of our first customer research where the majority of first-time visitors of Dezertina came because of a friend or colleague's recommendation which can be a possible connection between international customers themselves at work as colleagues or in their free time as friends. Dezertina's international customers are mostly residents in Brno and therefore can establish a relationship with the business which directly influences their perception of Dezertina.

### **3.7 Formation of Dezertina's perception from the international customers point of view**

Customer perception is important for businesses to consider, as it can impact customer loyalty, word-of-mouth referrals, and overall business success. Positive customer perceptions can lead to increased customer satisfaction, repeat business, and brand advocacy, while negative customer perceptions can lead to lost business and a damaged reputation. One of the main goals of my diploma thesis was to find out the perception of small local artisanal bakery called Dezertina from the international customer's point of view. We decided to find out the perception of the international customer in Dezertina by doing qualitative research in the bakery within regular shopping experiences. The research is divided into 3 parts since every research contained only one research question. Our first customer research was conducted on first-time international customers of Dezertina and how did they find out about Dezertina.

Through this research, we wanted to find where international customers find the motivation to visit new gastronomic places in Brno. By formatting our second customer research we wanted to find out reasons why international customers return to Dezertina and our last third customer research was focused on the origin of international customers to better understand the customer journey.

Our first research showed us that most of our international customers found out about Dezertina through their friends, colleagues, or someone in a similar close relationship to their recommendation. When customers have a positive experience with a product or service, they are more likely to tell their friends and family about it and contribute to word-of-mouth marketing. This can lead to more people trying the product or service and leaving positive reviews. From the results we got from our research, we can conclude that our international customer perceives Dezertina as worth talking about and spreading good reviews to people whom they are in close relationship with.

The second part of our international customer research gave us insight into the perception of Dezertina from an international customer point of view. In this research, we processed the information about which reasons are crucial for international customers for coming back to our bakery. The results showed us that the perception of Dezertina is highly influenced by the quality of products that are served in Dezertina. Quality of products was mentioned by 89% of asked returning international customers. Provided service and our social media platforms influence the perception but the biggest impact is the quality of products. High-quality products are directly connected with positive experiences that you get most certainly in the gastronomic field.

The perception formulated from the second research is that Dezertina has high-quality products, great service in the bakery, and entertaining social media worth following. These factors positively impact customer loyalty, word-of-mouth referrals (which were shown in the first customer research), and overall business success. Positive customer perceptions lead to increased customer satisfaction, repeat business, and brand advocacy.

Since it was only positive feedback, we collected from our returning customers we decided to take a closer look into international customer segmentation. We wanted to find out about their origin since it influences the navigation of marketing strategies. Tourist customers have different expectations than regular customers. Regular customers have an established relationship with the business which directly influences their behavior towards spreading good reviews about Dezertina and recommending our bakery to their friends and colleagues. After

the third research result, we know that a third of our international customers are residents which directly influences chosen marketing strategies for our international customers. The influence of the results of the third research on the perception of Dezertina is in the importance of knowing the perception. By catering to the needs of regular international customers, Dezertina can attract new customers and create a loyal international customer base that will help our business grow.

### **3.7.1 Dezertina perception from the international customer's point of view**

Our international customer perceives Dezertina as worth talking about and spreading good reviews to people whom they are in close relationship with. The perception is Dezertina that the bakery produces high-quality products, has great quality service for everybody, and entertaining social media worth following.

## **4. OWN PROPOSALS**

In this part of my diploma thesis, we are going to focus on the formation of international customer perception of Dezertina bakery and we are also going to navigate marketing strategies based on our international customer research.

### **4.1 International desserts**

Dezertina is known for original types of desserts that are not that well known in the South-Moravian region of the Czech Republic. She is known for the generous size portions of the cakes, and the richness, and sweetness of the desserts. When it comes to Dezertina as a brand, we try to personalize original desserts in our unique way. We are playing with the flavors of the cakes, textures, portions, and the presentation and overall look. We also want the names of the cakes to match the essence of the dessert but also to be special, entertaining, and eloquent. The bestseller from Dezertina is for example dessert known to the public as a millionaire's shortbread and in Dezertina we call it "Řič Bič". This cake is filled with a thick layer of salted caramel and has a huge number of dedicated fans and well-deserved merchandise.

Dezertina and her social media need to keep up with the latest trends in the bakery industry so the brand stays fresh, the social media is kept entertaining and pleasure to look at and customers can expect new fresh exciting desserts. To make the offer more engaging and interesting for international customers we decided to try to add a few desserts that are world-wide popular.

#### **4.1.1 International desserts communication**

All of our assortment in Dezertina is known for its taste and quality, but people also appreciate the original nametags that we put on products. To make the chosen desserts even more accessible we propose to make the names without Czech or Slovak punctuations and if possible, in the English language so it will be understandable for every international customer. We suggest that the desserts are also shown on the main communication channel of Dezertina, which is Instagram.

### **4.2 Adjustment to the visibility on the street**

Dezertina shop is located on Novobranská 16 which is only 400 meters from the Hotel grand bus station, and 600 metres from the main train station in Brno. Novobranská street is also just

walking distance from almost all significant monuments located in the city center of Brno. Dezertina's shop is also surrounded by headquarters of companies such as Dopravní podnik města Brna, Všeobecní zdravotní pojišťovna and Česká pošta.

As we know from our first customer research results, the second largest group of international customers that came to Dezertina, were from the group of people that did not know Dezertina before their first visit. Our research results shows that 18% of international customers found Dezertina by accident, just walking by or by noticing something on their way and it is catching their attention.

Currently Dezertina's shop signature looks are neon croissant light placed in the middle of main shop window where you can also see the signature Dezertina's counter made from mint green tiles covered in significant number of houseplants. On the door you can see an information sign where you can find information about opening hours and the logo of the shop. On picture number 4 you can see what Dezertina currently looks like from the outside.



*Picture 4: Dezertina from the outside perspective  
Sources: Own processing*

On picture number 4 you can see Dezertina from the sidewalk perspective. As you can see the bakery is very proportionally small, containing only one door with two stairs and one huge

window with neon sign of croissant. The door contains very small sign with information and logo Dezertina. During our conversation with international customers, we found out that first time customers are having hard time locating Dezertina, have huge trouble noticing the bakery from the street point of view and sometimes miss it even when walking past Dezertina on the sidewalk. The main ways how businesses can influence the exposure on the street when talking about bakeries are attractive storefront, window displays, outdoor seating, social media marketing, local events or collaborations with local brands.

#### **4.2.1 Recommendations for the street visibility**

From all of the points mentioned above in the previous chapter, Dezertina has a nice store front since the building the bakery is in is fashionably reconstructed and covered in modern shade of green. In this small local bakery, the main cooling cabinet with all the cakes is in the middle of the store so the showcasing of the desserts is not possible to the street. What was done instead of that is there was put one giant neon croissant so people can connect the signature croissant with what they know or it can catch the eye of people who do not know Dezertina and can become potential customers. Dezertina has a collaboration with local production of chocolates in Brno called Ajala chocolate, which is selling all over Brno in cafés, shops with healthy and local products and also on their main website. This helps with brand exposure and also fits as a great way to connect two businesses that can help each other.

What we recommend for Dezertina is to add an outdoor seating area in front of the store. There is space for seating in the main shopping window and also on the sides of the shop. It should be done by taking into consideration the space of the pavements. This would help with the exposure the street; people will notice other people enjoying their desserts and coffee on the street in the seating area and could potentially catch other people's attention. People tend to be interested in busier places where they can see other people are interested in something new. We recommend the seating to be made out of very durable material since there is potential of multiple people to use it at the same time and also to be prepared for the outside weather conditions.

Dezertina opened on the 13<sup>th</sup> of May of 2022 which was Friday with a program prepared for customers consisting of the preparation of specially suited alcoholic drinks for this occasion, a croissant filled with the original smelly cheese filling that is popular in Czech Republic, and music. We recommend also preparing an anniversary event with some special products and event that would be announced a month in advance so people can make time and come. This

can be done after the seating area is going to be established so our customers can get used to it and they would count on the option of seating when coming to Dezertina.

### **4.3 Recommendations of upgrading the production capacity**

For our last recommendation part, we decided to focus on upgrading the production capacity of Dezertina. Since Dezertina started almost one year ago we did not have previous data on what and in what capacity products would be demanded. On the opening day the fresh Viennoiserie pastries were sold out after 30 minutes and other desserts within the first 3 hours of opening. This selling-out of fresh pastries became something like a trend in Dezertina.

Looking at our third international customers research we know that 84% of our international customers are residents in Brno so they are facing the same issues as our local customers.

Nowadays Dezertina's system of selection from the desserts works in a very specific way. The fresh batch of viennoiserie pastries is brought to the store every day at 8 and lasts until it is sold out. The viennoiserie pastries are brought only once a day in the morning. You can't reserve or order especially since it is not possible for the kitchen capacity. After the viennoiserie pastries are sold-out (around 10-12) fresh batches of either sourdough pastries, or freshly fried donuts or some specialties are coming during lunch time between 11:00 and 13:00. The demand for the croissant and fresh viennoiserie pastries last throughout the whole day.

To increase the capacity of a bakery you must consider many factors like equipment upgrade, workflow organization, staff training and hiring, inventory management, production planning, outsourcing, or facility expansion. We are going to start by investing in new equipment. We recommend the acquisition of new equipment since it is needed for every step of the production process. At the current moment, Dezertina is at the maximum usage point considering the technologies and equipment used in the kitchen. This step should include the acquisition of a new freezer, mixer, gastronomic boxes, temperature adapter, rolling machine and fridge, and convection oven.

The second thing that we need to consider is the need for a hiring process for additional staff members. It is important to follow a consistent and fair hiring process to ensure that we attract qualified candidates and make informed hiring decisions since it can have a huge impact on the costs if you choose the wrong type of employee. The hiring process is done by posting multiple posts on Instagram and then the communication is done by e-mail. We are recommending hiring one additional staff member with previous experiences in the baking field to make the workflow organization easier for every staff member.

The third thing to consider in the expansion is the possibility of facility expansion and inventory management connected to it. The kitchen for the production process in Dezertina is directly connected to Búcheck production facility from the beginning of these two companies. At its current state the production facility is organized and taken care of by staff members who work for Dezertina or Búcheck. The separation of the kitchen into sweet and sour sections is needed but the sharing of technology and equipment is a major cost cutter for both companies. To also cut the costs we do not recommend the expansion of the facility just yet. We recommend hiring an interior designer, gastronomic specialist, or an architect with previous experience in designing big kitchen spaces. Since the equipment acquisition is going to be a huge investment for the company, a facility expansion is not in the picture for this time. How we can minimize the costs is to stay at the current production facility but to use 100% of the space in the kitchen to be sufficient and also to prepare optimal conditions for workflow optimization and inventory management. An experienced architect or interior designer would also be an expense for the company but not at the scale of upgrading the whole production facility. Then we need to count the costs of renovating the kitchen and upgrading the original set-up.

When it comes to workflow optimization in Dezertina, it is done during the production process when you are seeing possible improvements and errors made and is mainly done by the head chef, manager, and owner of the company. Inventory management of Dezertina company is connected to Búcheck inventory management and is done by one common employee who has been in the company from the very beginning. We recommend that this employee have a meeting with the interior designer to come up with the best idea possible for the inventory management to be easy, clear, and sustainable.

Last but not least is the production planning. Production planning is an essential aspect of running a successful bakery. Proper planning helps ensure that the bakery produces enough baked goods to meet demand while minimizing waste and maximizing profitability, which is the hardest part. With the chemistry of baking and dough leavening and consumption rates, it is very hard to get aligned with the demand for the goods. Since the owner and the manager have all the data from the year of selling in the Dezertina bakery, we recommend that the owner upgrade the production planning according to existing data, previous experience, and knowledge of the market and customer base.



## **5. OWN CONTRIBUTION**

In this chapter of our own contribution, we are going to discuss the possibilities how to utilize our own proposals and apply them to the everyday running of Dezertina bakery. We are going to talk about chosen desserts for the international dessert segment of our own suggestion. Then we are going to show how the adjustment to the visibility on the street is going to look. Lastly, we are going to calculate if the production capacity upgrade is real and if it is going to be something beneficial for Dezertina.

### **5.1 Chosen desserts**

For the purpose of bringing familiarity to our international customers at Dezertina, we decided to try more desserts that are world-wide popular and trending. Dezertina and her social media needs to keep up with latest trends in the bakery industry so the brand stays fresh, the social media is kept entertaining and pleasure to look at and customers can expect new fresh exciting desserts. which can be a selling point for your protentional international customers. Brno is filled with large sets of bakeries that are filled with original Czech desserts, Czech desserts, bread etc. Dezertina specializes in fresh viennoiserie pastries, cheesecakes and cakes. We wanted to add something different from classical desserts that are available in other bakeries and that would suit the perception of desserts from Dezertina. These are the desserts that were chosen specifically for this purpose:

#### **1. Matcha cookies**

One of Dezertina's staples is a red velvet cookies inspired by Dezertina's best-selling cake Red- Velvet. They come fresh hot in the morning with fresh batch croissants and viennoserie pastries. To match the already successful red velvet cookie we came up with a new flavor of the cookies and that is matcha. Matcha is a high-grade green tea ground into powdered form and used for the preparation of hot and cold beverages and can also be used in cooking and baking. Our matcha cookies is matcha flavored with a generous amount of white chocolate chips and sprinkled with salt flakes.



*Picture 5: Matcha cookies  
Source: Own processing*

## **2. Cookie sandwich**

Cookie sandwich in Dezertinas way account for two cookies made from dark chocolate, connected with rich dark cream from dark chocolate and raspberry jam. This dessert is suiting everybody who love the combination of raspberries and dark chocolate and like fudgy texture.



*Picture 6: Cookie sandwich  
Sources: Own processing*

### 3. S'mores

S'mores dessert very popular and originates in the United States for its sweetness and texture. It consists of biscuits, marshmallows and chocolate and should be eaten freshly toasted on open fires. To make it more accessible and packageable we decided to build a biscuit base, add rich layer of brownies from dark chocolate and add toasted marshmallow fluff on top.



*Picture 7: S'mores  
Source: Own processing*

### 4. Gluten free Ferrero brownie

Dezertina's version of Ferrero Rocher dessert is in a form of brownie bar. Ferrero Rocher is world-wide known luxury dessert consisting of whole hazelnut in the centre, creamy hazelnut filling, a crisp wafer shell covered with chocolate and gently roasted pieces. Our version is consisting of gluten free brownie base from dark chocolate, topped with generous amount of Nutella fudge with heavy number of crushed hazelnuts. This dessert is a great option for someone who loves dense rich chocolaty bars of brownies, taste of Nutella and hazelnuts and is also suitable for people with gluten intolerance. Gluten-free desserts are one of the latest trends in bakery industry and can be a tool approach modern generation of international customers.



*Picture 8: Gluten free Ferrero Brownie*  
*Sources: Own processing*

## **5. Churros**

Churros are a traditional tube-shaped Spanish and Portuguese sweet snack made from choux pastry that are deep-fried in oil and then sprinkled with cinnamon sugar dipped into chocolate or caramel sauce. Since we can't prepare them fresh on the spot, we decided to remake this dessert from croissant batter. We twisted the croissant batter into to connected braids, covered them in cinnamon sugar and topped with rich chocolate cream and sprinkled with chocolate crumbs. Since the croissants are scarce commodity in Dezertina, everything that resembles croissants is very popular within this local bakery's customer base.



*Picture 9: Croissant churros*  
*Source: Own processing*



## 6. Cinnamon rolls

Cinnamon rolls in Dezertina's version represent sourdough filled with rich cinnamon butter, topped with mascarpone cream with lemon zest. Cinnamon upgrade the taste rolls became very popular in Dezertina from the first batch we presented to the customers. After one month of perfecting the desserts, Dezertina also came out with a chocolate version of cinnamon rolls and also a coffee version to update the taste experience.



*Picture 10: Cinnamon rolls  
Source: Own processing*

### 5.1.1 Accessibility for international customers

To make our international desserts more accessible for our international customers we decided to name the desserts by English titles only. At the same time, they are shared on Instagram with English title and English pronunciation for the international customers which started to follow Dezertina on social media. They also have they price mark in the shop with English naming as you can see on picture number 11. This will make it easier to orientate in our selection of desserts for the international customers.



*Picture 11: Price tags of chosen desserts  
Source: Own processing*

When introducing these new desserts in Dezertina shop, we first like to post a picture from the production facility on social media of Dezertina bakery. This is a great way to find out the protentional interest in the dessert but also to promote what new desserts are fluctuating in the bakery. The desserts are introduced and described on social media and then presented in the shop.

For example, Cinnamon rolls are a traditional American but also world-wide known dessert that we wanted to make the best and tastiest version of without any major changes to the looks or preparation process. When talking for example about the dessert churros in Dezertina's version, it is largely different from the traditional dessert and its way of production. The flavors should stay but it's got a twist to it with the texture of croissant batter and delicious pastry cream made out of dark chocolate.

## **5.2 Adjustment to the visibility on the street**

Dezertina shop is located on Novobranská 16 which is the perfect location in the middle of the city center surrounded by hundreds of big or small companies that are filled with potential customers. The city center is also a huge lure for tourists and people who want to shop not only for material things but for gastronomic experiences. To increase the visibility on the street we recommended for Dezertina is to add an outdoor seating area in front of the store. There is space for seating in the main shopping window and on the sides of the shop.

To decorate and make the shop window look cozy and worth spending time on we decided to put there a thick blanket with at least two pillows so our customers can make themselves feel comfortable and enjoy our products also fresh and seated. The shop window has at least 30cm of space where the blanket is placed and customers can use the pillows to put behind their back, under them or use them as they wish when seated in this area. It also helps with the exposure of the street, since people are noticing that the shop is open there, and the seating is ready to be occupied.

To make space for more seated customers we decided to add two benches on each side of the shop. They are made from high quality very thick wood and supported by iron connections underneath for stability and durability. One of them is put under the shopping window so it creates almost a two-story seating area.



*Picture 12: Dezertina from the outside after the upgrade  
Source: Own processing*

To make the bakery more visible we want to put a sign on the next to the door on the right side on the picture number 12. The sign should be placed and hanged from the square that is foreshadowed in the right upper corner of the picture number 12. The sign should contain a visible sign of Dezertina logo. This would help with the street visibility and also would be seen from the sidewalk when coming to Dezertina from the street.

### **5.2.1 Plan for anniversary event**

One of the recommended points in our Own proposals part of the diploma thesis was to plan an anniversary event that was to prepare an anniversary event with some special products that would be in similar atmosphere and theme as the first one. The date is going to be 26.6 which is 13 days after the year anniversary due to catering services that are provided by Búcheck and Dezertina at the actual anniversary date in different city.

The event is going to contain special products which are going to be sold for the purpose of Dezertina celebrating its first year of existence. The products are going to be a collaboration on special edition of coffee roast specially made from Beansmith which is a coffee roastery from Prague. Then Dezertina is going to collaborate with a local ceramics studio and artist called Engoba studio on a special design of a mug that is going to contain the Dezertina logo of a croissant. Then Dezertina is going to make a new merch and it is going to be a brand new product, a shopping tote bag made from thick high-quality material with the signs “něco nesu” and the logo of a croissant.

The event is also going to contain a pop-up drink team called Colagen CC which was also a part of the Dezertina opening party. We are going to announce the party in a month advance on our social media so our customers can save their time.

### **5.3 Upgrading the production capacity**

In this chapter, we are going to have a look at the possibility of upgrading the production capacity in Dezertina bakery. We are going to calculate the initial investment costs and then the costs that would be connected to upscaling for the first 6 months possible upgrade. From the beginning of Dezertina bakery, there were a lot of costs saved by using mutual equipment that is in production facility that also Búcheck uses. To upgrade the production capacity for Dezertina the acquisition of new equipment is inevitable. The production process of vienosseire pastries comes with a lot of new technology needed and skill in the baking processes.

When it comes to the equipment there will be need for new rolling machine for the croissant pastries, temperature adapter so there is more space for the pastries to leaven in, freezer and fridge for storage space, mixer for dough production, convection oven to bake the pastries in, gastronomic containers for storage purposes and accessories for example like spatulas, knives, baking papers etc. You can find the prices and the possible sum in the table number X. The final number for this equipment is 626 000 CZK and with the renovation 826 000 CZK.



Rolling machine	70 000 CZK
Freezer	25 000 CZK
Temperature adapter	200 000 CZK
Gastronomic containers	12 000 CZK
Mixer	60 000 CZK
Convection oven	200 000 CZK
Fridge	14 000 CZK
Architector/interior designer	25 000 CZK
Accessories	20 000 CZK
Kitchen renovation	200 000 CZK
Together	826 000 CZK

*Table 6: Initial costs of production facility upgrade  
Sources: Own processing*

In the table number 7 you can see the expected increase in monthly costs for first half of the year after production facility upgrade.

Employee (Gross wage x 6)	180 000 CZK
Utility increase (6 months)	54 000 CZK
Together:	234 000 CZK

*Table 7: Monthly costs after production facility upgrade  
Sources: Own processing*

In the table number 7 we have one additional employee that we would need to hire, with a gross wage for one month 30 000 CZK. We are going to be adding 30% more equipment to the kitchen, so the utilities are going to also increase by 30%. Together monthly costs in Dezertina would increase by 234 000 CZK in the first half year and by 39 000 CZK every month.

### **5.3.1 Capacity upgrade feasibility consideration**

In chapter number 4.3 Recommendations of upgrading the production capacity we discussed that Dezertina should consider the production capacity upgrade to meet the demand for fresh vienossiere pastries. When considering a capacity upgrade, there are several feasibility

considerations that should be taken into account such as technical feasibility, financial feasibility, resource feasibility, operational feasibility, and legal and regulatory feasibility. When we are going to talk about technical feasibility then we are talking about the investment into a production facility of 826 000 CZK which is directly connected to financial feasibility. Dezertina opened its doors only one year ago. The initial investment was around 1 million and was sourced from the revenues Búcheck and Dezertina have created since Búcheck opened in 2016.

To increase the production capacity in Dezertina we would have to make an initial investment of 826 000 CZK and increase our monthly costs by 39 000 CZK every month by our estimation. These estimations should suit the owners as a possible option for their later business ventures. The initial investment is very large for the current state of developing Dezertina business and brand. At the current state, the owners are trying to manage both of their branches and 11 of their employees to the fullest, working on releasing a cooking book named SOLD-OUT and trying to have the have great social media presence to help build their brand. This proposal is suited for later reasoning if the demand will be stable even after one year period and the financial situation in the future will allow it.

## CONCLUSION

This diploma thesis was focused on the international customer perception of a local artisanal bakery called Dezertina. This small takeaway concept opened in the year 2022 and sells viennoiserie pastries, own popular desserts and professional specialty coffee. We focused on detailed research in which we find out how international customers perceive local craft bakeries, why they decided to visit this particular business and which factors influence their behavior the most. The work is divided into five parts. The first and second parts contain a clear determination of the goals and methodology of the work, with which we will be helped by theoretical starting points, definitions, and analyses in the field of marketing, CRM, and gastronomy. The selected company is presented in the third part, to which the research is applied.

In the first customer research, we found out that the largest group and the main source of international customers in Dezertina come from people whose friends or colleagues recommended Dezertina to them. Since it was almost 50% of the asked collected sample, we wanted to put more focus on this group to find out why people recommend Dezertina to their friends and colleagues. We decided to do second international customer research that would tell us more about the reason why they returned to Dezertina. We found out the reasons why they returned and what they liked about their previous experience. From the results we got we can say that international customers view Dezertina as a shop with high-quality products, good service, and entertainable social media. The highest value of Dezertina is for international customers the sustainable quality of our manufactured products. Also, the management of our social media platform and intentional effort of high-quality English service within the shop eventually turned out to influence international customers in a positive way. During our second customer research with international customers, we were seeing a significant number of international customers that were returning to Dezertina on a time basis. In our third research we wanted to find out, what is the origin of the international customer of Dezertina. so we can segment them better. The results showed us that the majority of international customers, almost 85% that come to Dezertina are residents and full-time living people in Brno. These results can be connected to the results of our first customer research where the majority of first-time visitors of Dezertina came because of a friend or colleague's recommendation which can be a possible connection between international customers themselves at work as colleagues or in their free time as friends. Dezertina's international customers are mostly residents in Brno and

therefore can establish a relationship with the business which directly influences their perception of Dezertina.

According to the results from our international customers' research in all three parts, we formulated the perception of Dezertina. Our international customer perceives Dezertina as worth talking about and spreading good reviews to people whom they are in close relationship with. The perception is Dezertina that the bakery produces high-quality products, has great quality service for everybody, and entertaining social media worth following.

According to the results we collected in our research part we proposed marketing strategies for Dezertina in the fourth part of this diploma thesis. We proposed international desserts, adjustments to the visibility on the street, and production capacity upgrades. Then in the fifth part of this work, we processed the proposed marketing strategies and implemented them in Dezertina. International desserts that were proposed in this work, became staple pieces that are welcomed by local and international customers, new seating outside the bakery is popular with all customers and the production capacity upgrade suits a proposal for future business ventures of the bakery owner.

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