

Bachelor's thesis

Degree program of International Business

PINBOS15

2017

Tran Thi Xuan

# **ANALYSIS FOR THE MARKET POTENTIALITY OF NEW ENTRANT INTO FINNISH NUT MARKET**



BACHELOR'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Degree programme in International Business

2017 | 40

Tran Thi Xuan

# ANALYSIS FOR THE MARKET POTENTIALITY OF NEW ENTRANT INTO FINNISH NUT MARKET

This research is a brief analysis of the Finnish snack market to find out if there is a potential market for new nut products introduced by new entrants in Finland. By conducting some theoretical researches in combination with practical information, the research brings out a holistic view of the Finnish snack market and the market potential assessment for new entrants in Finland.

To find out if there is a potential market for new nut products in Finland, the research mainly focuses on 2 issues: first is the general analysis for Finnish nut and snack market and the second is the details about the snack market in Finland. Those issues have been researched to get the conclusion that the market potentiality of new entrants into Finland is evaluated as low.

The main methodology is observation. The collected data is analyzed based on Hollesen's theory and Porter's theory.

This research is helpful for nut suppliers who are interested about the Finnish market. The research provides information and analysis about the Finnish market to give readers a detailed view of the Finnish snack market.

## KEYWORDS:

market, snack industry, nut, information, supplier

# CONTENT

|   |           |
|---|-----------|
| <b>1 INTRODUCTION</b>   | <b>5</b>  |
| <b>2 BRIEF OF FINNISH NUT MARKET</b>                              | <b>7</b>  |
| 2.1 Market research and market potential assessment               | 7         |
| 2.2 Macroeconomics data of Finnish market                         | 9         |
| 2.3 Statistics of nut, snack market in Finland                    | 10        |
| 2.3.1 Volume consumption of nut and snack in Finnish market       | 10        |
| 2.3.2 Revenue in Finnish nut and snack industry                   | 13        |
| 2.3.3 General price of nut and snack in Finnish market            | 15        |
| 2.3.4 General conclusion of Finnish snack market                  | 16        |
| <b>3 WHAT HAS HAPPENED IN THE FINNISH SNACK MARKET?</b>           | <b>17</b> |
| 3.1 Suppliers in the Finnish nut market                           | 17        |
| 3.1.1 Nut suppliers in Finland                                    | 17        |
| 3.1.2 Market share estimation of nut suppliers in Finnish market. | 18        |
| 3.1.3 Price analysis  | 20        |
| 3.2 Some big retail and horeca customers                          | 21        |
| 3.2.1 Retailer customers  | 22        |
| 3.2.2 Some business customers in HORECA sector                    | 24        |
| 3.3. Finnish nut industry analysis.                               | 25        |
| 3.3.1. Economies of scale and scope                               | 25        |
| 3.2.3 Finnish nut/ snack industry analysis                        | 26        |
| 3.3 Generic Competitive strategy                                  | 31        |
| 3.3.1 Cost leadership   | 31        |
| 3.3.2 Differentiation   | 33        |
| 3.3.3 Focus on a specific target market                           | 34        |
| <b>4 CONCLUSION</b>   | <b>35</b> |
| <b>5 REFERENCES</b>   | <b>37</b> |

## APPENDICES

Appendix 1. Primary data of nut suppliers in Finland

## FIGURES

|   |    |
|---|----|
| Figure 1: Categorization of data for assessment of market potential in a country (Hollensen, 2011). ..... | 8  |
| Figure 2: Key market Indicator Finland (Statista, 2017).....  | 9  |
| Figure 3: Volume in the nuts and seeds, including mixture market. (Statista, 2017).....                   | 11 |
| Figure 4: Volume in the snack food market Finland (Statista, 2017).....                                   | 12 |
| Figure 5: Revenue in the nuts and seeds, including mixtures market (Statista, 2017). .....                | 13 |
| Figure 6: Revenue in the Finnish snack food market (Statista, 2017).....                                  | 14 |
| Figure 7: Price per unit in the Finnish snack food market (Statista, 2017).....                           | 15 |
| Figure 8: Finland – major food retail profile (USDA FOREIGN AGRICULTURE SERVICE, 2010).....               | 22 |
| Figure 9: Forces driving industry’s competition (Porter, 1998).....                                       | 26 |

## TABLES

|  |    |
|--|----|
| Table 1: Some nut suppliers in the market nut market. (Foodie, 2017), (Lidl, 2017). .....                      | 18 |
| Table 2: Market share estimation in snack market in Finland. ....  | 19 |
| Table 3: Price categorization of snack some providers in snack industry .....                                  | 20 |
| Table 4: Market share of Finnish grocery trade groups in 2015 (FINNISH GROCERY TRADE ASSOCIATION, 2015). ..... | 23 |

# 1 INTRODUCTION

The thesis is about the study of Finnish nut and snack market. The research analyses if there is a potential market for new entrants in the Finnish snack market by looking at the statistics of the past few years and the future forecast.

The main objective of the thesis is to answer the main question:

What is the penetration potentiality of new entrants into Finnish nut/ snack market?

To achieve the objective, the thesis focuses to answer 2 following subquestions:

- How the Finnish nut/ snack market has been doing?
- Who are the key suppliers and customers in the Finnish nut and snack market?

After collecting some theoretical and practical data from the Finnish nut/ snack market, the data is analyzed in 2 main parts. The first part is about the Finnish nut/ snack market in general and the second part is about detail suppliers and business customers in the snack market. Collected data can be found as attachments to support clear understanding for readers.

Because nut is categorized as one sector in snack industry nut itself is considered to be a small industry. Data of nut market and snack market are put into comparison for volume of consumption, revenue and price. Besides, some snack suppliers have nut products in their snack categories, the second part is analysis consisting of mainly snack industry with snack suppliers and resellers including retailer customers and horeca( hotel, restaurant and catering) customers.

Due to the curiosity in Finnish market and an interest in nut, I was motivated to make this research. In addition, I have my uncle as a nut supplier in Asia and he would like to enter the European market. He is interested to know the market potentiality in Europe for new nut products. I was motivated to do this research but I considered to look at and analyze Finnish market because I have been living in Finland for nearly 3 years. I was curious to find out if existing nut products in Finland are diverse or not and if possible, would there be a possibility for entrants to join Finnish nut market. This research assists not only helps my relative- the nut supplier in Asia but also assist other nut and snack companies to have a clear view about Finnish snack market.

The research is mainly done with secondary data collected mainly from statista.com with general information for Finnish nut and snack market. In addition, secondary data was collected from some websites and reports of companies and organizations with statistics of nut suppliers's revenue, data and information of retailer and horeca customers in Finland. In addition to that, primary data was collected with observation methodology including the brands, products, prices and nut suppliers. The observation is done mainly in Prisma hypermarket, K city market and Lidl in Turku, Finland. Along with collected primary data, some secondary data is put into analysis on Hollesen's theory and Porter's theory.

## 2 BRIEF OF FINNISH NUT MARKET

### 2.1 Market research and market potential assessment

Before entering a certain market, any intended company needs to have enough knowledge on that market. If they do not have enough knowledge and information of the new market, they are likely to have many troubles because of meeting undetermined risks. To reduce risks, they need to have enough information about that market before making decision process after doing marketing research. Marketing research is a process of collecting information, analysing them and presenting the related objective (Hollensen, 2011). The main target of the marketing research is to assist companies on making the decision of joining a new market (Hollensen, 2011).

The firm needs to consider itself and the current market situation to gain a holistic view from both internal and external environment before making the evaluation of market potentiality. To be more specific, the firm needs to do research on information demonstrated in the below figure according to Hollensen.

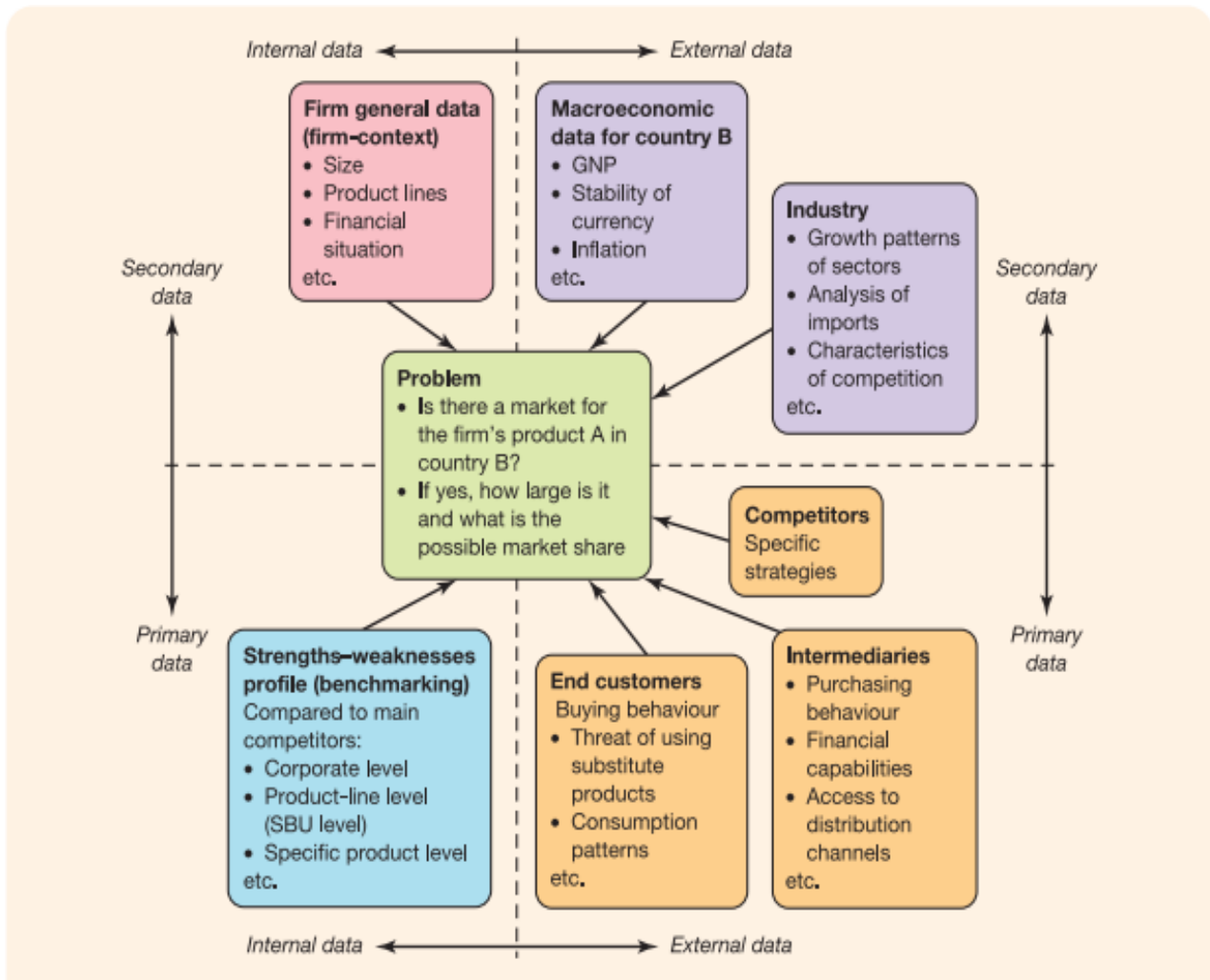


Figure 1: Categorization of data for assessment of market potential in a country (Hollensen, 2011).

As indicated in the above figure, the market potential evaluation is done after the collection and analysis of the internal and external information. The internal information is about the company's general data such as size, product lines and finances along with firm's position on the market in comparison to its competitors. The external data is macroeconomic data for the country, industry, competitors and customers such as intermediaries and end customers. External information of Finnish snack market is included and analyzed in the thesis focusing on macroeconomics data in Finland, some characteristics of Finnish nut/ snack market, some nut/ snack suppliers including competitors and business customers in Finland. Throughout this thesis, the entrant is considered to join the Finnish market if that firm had accessed successfully and distributed via S group because S group is considered to be the major retail and horeca



customer in Finnish market. The analysis of reseller customers is followed in the next part.

By applying 2 main parts of figure 1 with macroeconomics data of country and industry growth, some data in Finnish nut& snack market is taken into consideration. Beginning is Finnish macroeconomics. Next, statistics of nut sector and snack industry in Finland such as volume consumption, revenue and price of nut products are viewed and compared. The main purpose of those statistics analysis is to evaluate the nut/ snack demand in Finland throughout 2010 to 2020.

## 2.2 Macroeconomics data of Finnish market

Finland is the target market. The consideration of Finnish macroeconomics becomes vital as external data for the research. In particular, Finland is one of the European countries that have the least population. Finland is one of EU countries, its currency is EUR. It is stated that: ' The euro - a stable international currency' (European Union, 2003). Moving to more details in Finland, some specific datas are demonstrated in the below figure 2.

|  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | CAGR<br>(2010-2020) |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| <b>Population</b><br>in millions                   | 5.4    | 5.4    | 5.4    | 5.4    | 5.5    | 5.5    | 5.5    | 5.5    | 5.5    | 5.6    | 5.6    | ▲ +0.4%             |
| <b>Households</b><br>in millions                   | 2.4    | 2.4    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | ▲ +0.2%             |
| <b>GDP / Capita</b><br>in US\$                     | 38,691 | 40,499 | 40,882 | 41,391 | 41,581 | 41,746 | 42,439 | 43,369 | 44,584 | 46,011 | 47,570 | ▲ +2.1%             |
| <b>Grocery Retail Sales</b><br>in million US\$     | 16,298 | 17,070 | 18,503 | 18,723 | 18,984 | 19,573 | 19,976 | 20,387 | 20,807 | 21,235 | 21,672 | ▲ +2.9%             |
| <b>Consumer Spending per<br/>Capita</b><br>in US\$ | 20,588 | 21,760 | 22,327 | 22,652 | 23,017 | 23,339 | 23,815 | 24,413 | 25,166 | 26,038 | 26,990 | ▲ +2.7%             |
| <b>Inflation</b><br>in percent                     | 1.7    | 3.3    | 3.2    | 2.2    | 1.2    | 0.0    | 1.3    | 1.6    | 1.8    | 2.0    | 2.0    | ▲ +1.7%             |

Source: Statista, January 2017, based on IMF, World Bank, UN and Eurostat

Figure 2: Key market Indicator Finland (Statista, 2017).

Figure 2 has shown that there is an increasing trend ranging from population to consumer spending in Finland from 2010 to 2020. Specifically, the population would increase from 5.4 million in 2010 to 5.6 million in 2020. Also, the household is demonstrated to grow by 0.1 million in 10 years to 2020. At the same time, the GDP per capita would grow dramatically from 38,691 USD to 47,570 USD. Meanwhile, the grocery Retail Sales rises from 20,588 USD to 21,672 USD. Not surprisingly, the consumer spending per capita also escalates. That amount accounted by 20,588 USD to 26,990 USD in 2020. Likewise, the inflation would rise from 1.7% in 2010 to 2.0% in 2020.

Although inflation is demonstrated to rise in the above figure, the market is still considered to be positive. Obviously, there were increasing numbers in population, household, GDP and grocery retail sales in 10 years from 2010. More people leads to higher demand and spending. This is favourable for companies in the Finnish market.

### 2.3 Statistics of nut, snack market in Finland

In this part, the statistics of volume consumption, revenue and price of total nut products and snack industry are indicated and compared. The main objective of this part is to find out the Finnish nut/ snack market size and vitality in period between 2010 to 2020.

The data of nut market includes nuts, seeds and mixtures market. To avoid repetition, the phrase 'nuts, seeds and mixture' is altered and written by 'nut'.

#### 2.3.1 Volume consumption of nut and snack in Finnish market

Volume of consumption of nut and snack products is taken into consideration to find out how many kg are the consumption of nut/ snack in Finland, how the consumption changes year by year and how many percent nut sector accounts in Finnish snack market in volume consumption.

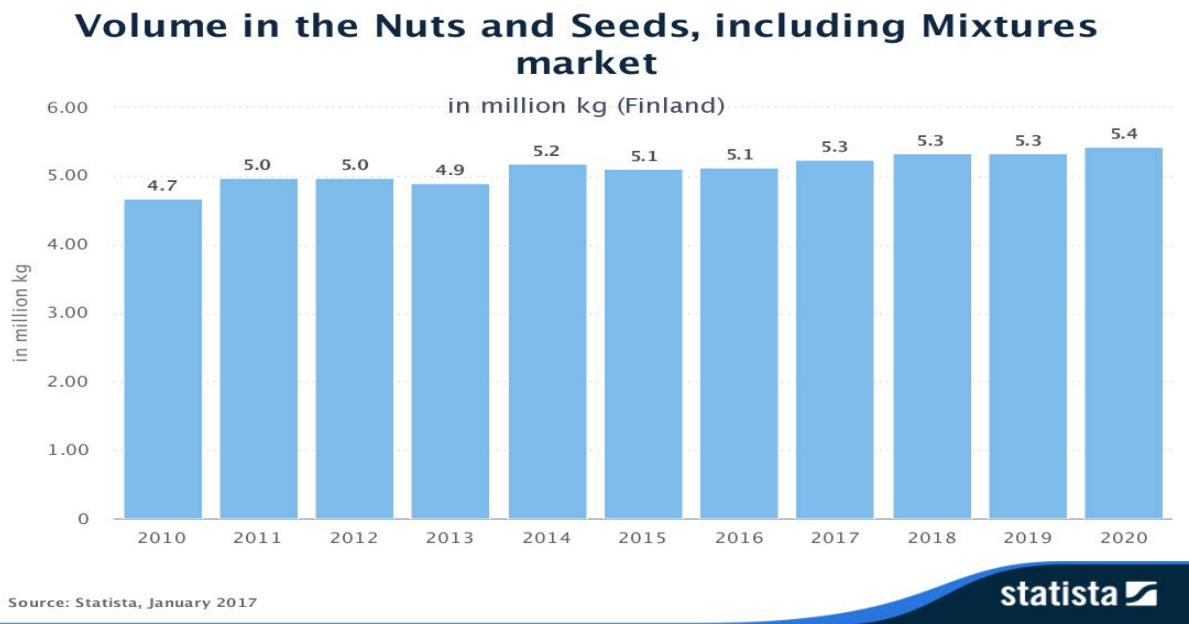
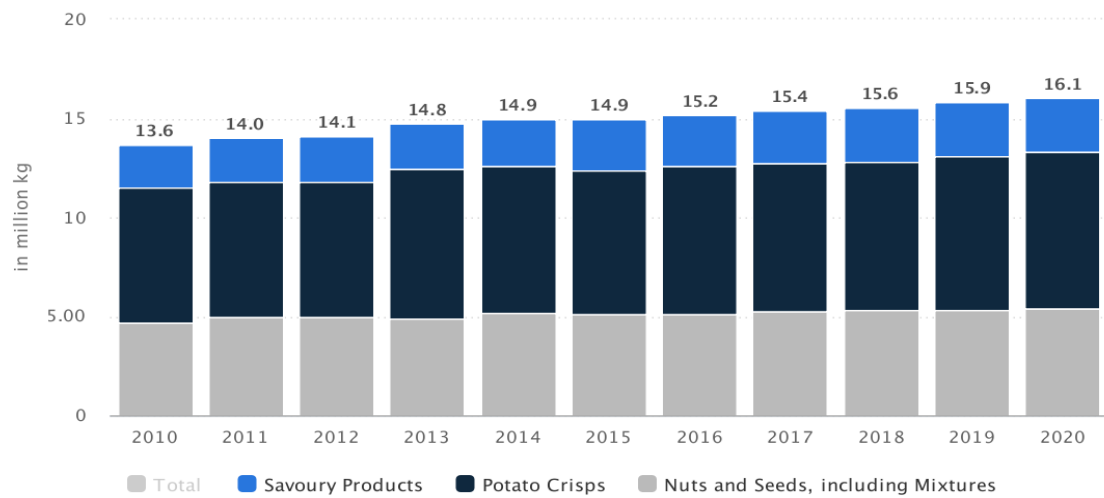


Figure 3: Volume in the nuts and seeds, including mixture market. (Statista, 2017)

The consumption of nut products in Finland has grown from 4.7 million kg in 2010 to 5.4 million kg in 2020. There is a gradual growth by nearly 15% for 10 years after 2010. The rising volume consumption of nut products could be the result from the growth in population and income.

## Volume in the Snack Food market

in million kg (Finland)



Source: Statista, January 2017

statista

Figure 4: Volume in the snack food market Finland (Statista, 2017)

In overview, the volume consumption in snack industry would witness a steady growth from 2010 to 2020. The snack volume was consumed at 13.6 million kg in 2010 and that amount is forecasted to be at 16.1 million kg in 2020.

Making a comparison from figure 3 and figure 4, the consumption in volume of nut products accounted approximately 35% of snack industry in 2010, that number is predicted to be about 31% in 2017 and nearly 34% in 2020. Although the portion of nut sector in snack industry would decrease by 1% in volume consumption, nut sector has accounted for huge portion in the Finnish snack industry at large and is predicted to still have high portion till 2020.

### 2.3.2 Revenue in Finnish nut and snack industry

After viewing the consumption of nut/ snack, the revenue is taken into consideration. This part contains the comparison of revenue for nut market and snack market in Finland, the trend of growth in both markets. At the same time, the revenue statistics takes role as the basement for latter analysis in the third chapter.

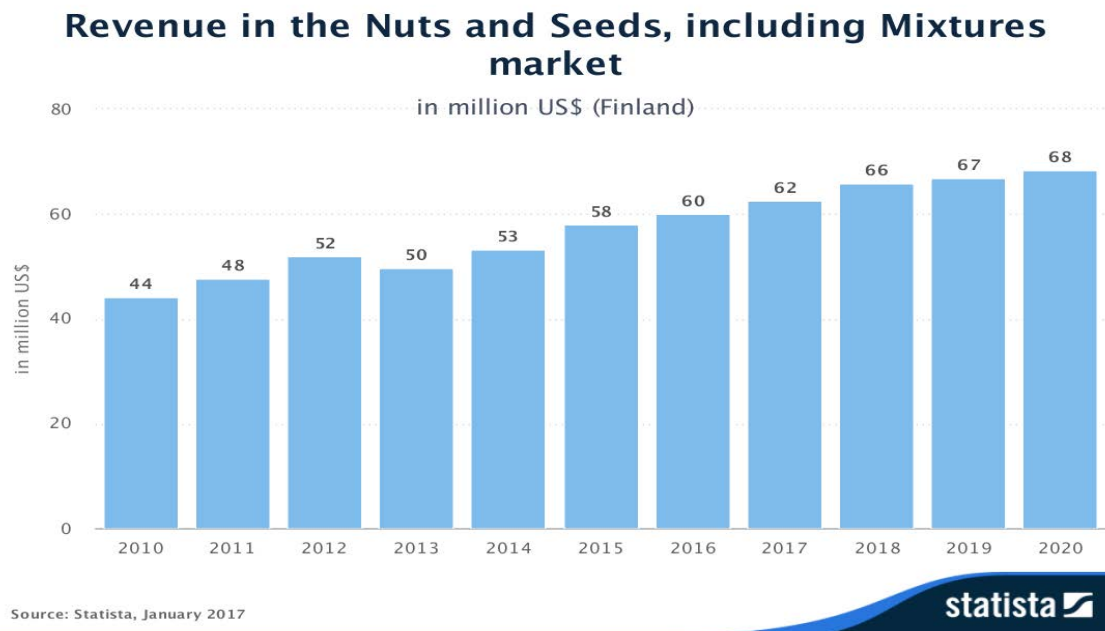
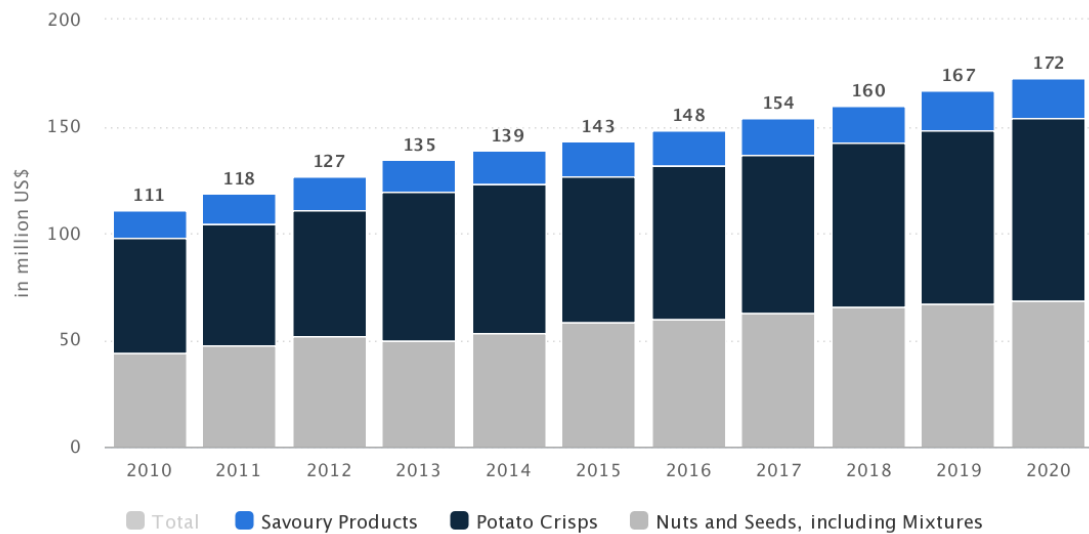


Figure 5: Revenue in the nuts and seeds, including mixtures market (Statista, 2017)

The revenue of nut sector in Finnish market was 44 million USD in 2010, would raise to 62 million USD in 2017 and is forecasted to be 68 million USD in 2020. The revenue would witness an impressive growth by 24 million USD in 10 years from 2010 to 2020.

## Revenue in the Snack Food market

in million US\$ (Finland)



Source: Statista, January 2017

statista

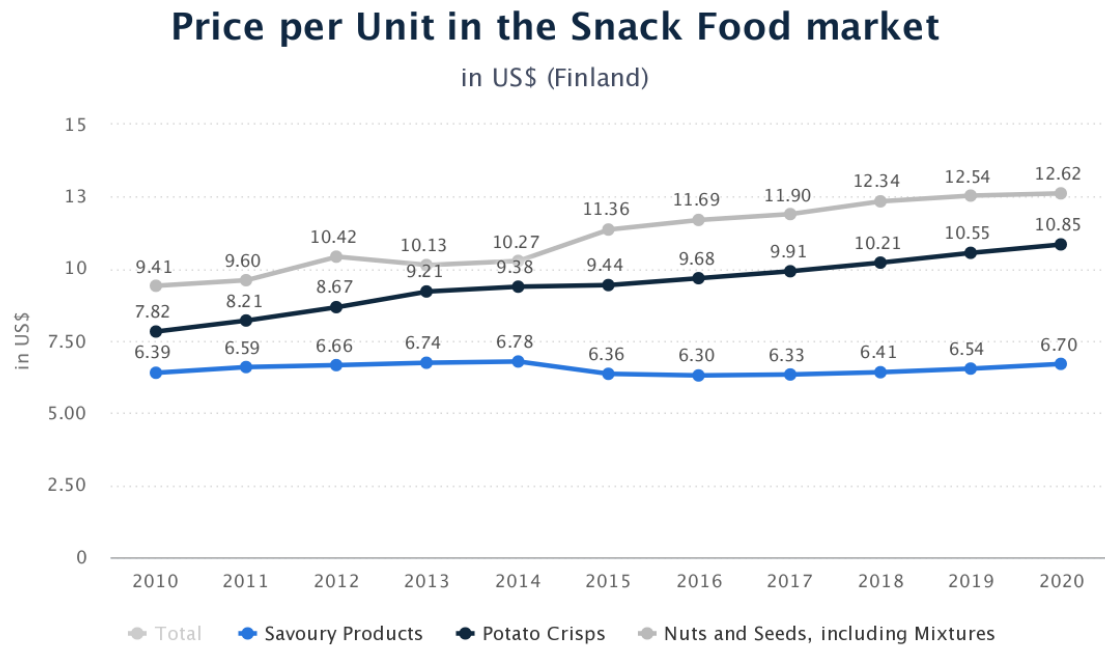
Figure 6: Revenue in the Finnish snack food market (Statista, 2017).

The revenue from snack industry would rise dramatically from 2010 to 2020 by 62 million USD. To be more specific, the total revenue was 111 million USD in 2010, is forecasted to be 154 million USD in 2017 and 172 million USD in 2020.

The nut revenue had taken about 39.6% in 2010 in total snack industry. That number would be 40.3% in 2017 and 39.5% in 2020. The nut market revenue has accounted for high percentage in the revenue of Finnish snack industry.

### 2.3.3 General price of nut and snack in Finnish market

In this part, the data of nut price and snack price are taken into comparison.



Source: Statista, January 2017

statista

Figure 7: Price per unit in the Finnish snack food market (Statista, 2017).

The price per unit of nut products in Finland would increase by 2.49 USD from 2010 to 2020. In addition, it is demonstrated that the price per unit of nut product is highest among the snack industry. Clearly, the price per unit of nut products is higher than savoury products and potato crisps.

#### 2.3.4 General conclusion of Finnish snack market

Nut sector has accounted for about 35% consumption in volume, nearly 40% in revenue and highest price unit per product in comparison to snack industry in Finland. It is interesting that although the price per unit of nut products is highest among other snack products in the snack market, the demand is still with high volume consumption and high revenue. Likewise, although having higher price in the latter years, the consumption in volume would still be higher. That could be the result from the growth from population and income in Finland.

Both Finnish nut and snack market in Finland are considered to be positive due to having impressive growth in revenue and consumption. In general, Finnish nut/ snack market is potential for nut/ snack companies from 2010 to 2020 due to high and increasing demand and revenue.



## 3 WHAT HAS HAPPENED IN THE FINNISH SNACK MARKET?

### 3.1 Suppliers in the Finnish nut market

#### 3.1.1 Nut suppliers in Finland

This part is about nut suppliers in the Finnish snack industry. This part includes the estimation of market share of some nut providers in Finnish snack market and price analysis on the Finnish snack market.

| Company                                 | Nut brand            | Price of nut product( €/kg) | some specialities of product   |
|---|----------------------|-----------------------------|--|
| Cloetta Suomi Oy                        | Nutisal              | 32.95                       | Nut coated with flavours, nut mix  |
| Grefinn Oy                              | Super nuts           | 24.64                       | nut mix  |
| Estrella                                | Estrella             | 7.45- 24.64                 | Nut coated with flavours, nut mix  |
| Makua Foods Oy                          | Green Taste          | 21.39- 47.79                | natural nut  |
| S group                                 | Rainbow              | 6.80- 7.16                  | nut mix, nut with flavours,  |
| K group                                 | Pirkka               | 2.90 -35.60                 | nut mix, nut coated with flavours, nut mix with fruit, natural nut           |
| Lorenz Snack-World GmbH                 | Lorenz               | 24.90                       | wasabi coated peanut   |
| Orkla Confectionery & Snacks Finland Ab | Taffel, Any day nuts | 14.07- 29.93                | nut mix, flavours coated nut   |
| NOH Oy                                  | NOH                  | 22.04                       | nut coated with flavour, natural nut   |
| Meira Oy                                | Meira                | 19.30- 48.43                | natural nut  |
| Exotic snacks AB                        | Exotic snacks        | 25.27- 43.80                | coated nut with candy flavour, nut mix (with chocolate, fruits, natural nut) |
| Brynild Gruppen AS                      | Notti Frutti         | 15.72                       | nut mix, nut coated with flavours  |
| Herbert Kluth( GmbH& Co.KG)             | Kluth                | 12.95- 21.25                | nut mix, nut mix with chocolate included                                     |

|                        |               |              |                                   |
|------------------------|---------------|--------------|-----------------------------------|
| System Frugt Oy Ab     | Earth Control | 11.51- 16.60 | nut mix, natural nut              |
| Mauste- Sallinen Oy    | Salliselta    | 5.49- 19.74  | normal nut                        |
| Lidl Stiftung & Co. KG | Alesto        | 8.5- 36.9    | nut mix, nut coated with flavours |

Table 1: Some nut suppliers in the market nut market. (Foodie, 2017), (Lidl, 2017).

The table above demonstrated some nut providers in Finland but not all of nut suppliers. The information in the table is primary information collected from Prisma- hyper supermarket, K city market and Lidl in Finland. Samples of products under comparison can be found pictured in Appendix 1. The above table indicated some sellers, their nut brands, price range and their nut product specialities. Every company has its own products with different price segment.

It is easy to note that almost specialities of nut in Finnish market has been nut coated with flavours, nut mix, natural nut and normal nut products.

### 3.1.2 Market share estimation of nut suppliers in Finnish market.

Due to not having enough information, the public turnover of nut suppliers in Finland have been shown in different years from different sources. The estimation of market share is calculated from the limit public information. To be more specific, although the turnover of nut/ snack suppliers were shown from different years but the market share is calculated and specified into market share of Finnish snack industry.

In 2011, Estrella accounted for 15% of the snack market in Finland. Also, Estrella's nut market rose by 20% in the market share in 2011. (Turunen, 2011)

The total revenue in Finnish snack market is 143 million USD, the nut market was 58 million USD in 2015 (Statista, 2017). So the total revenue of Finnish snack market in 2015 would be 132,823,548€ and that of nut market valued about 53,827,488 €. (Historic Exchange rate, 2017).

Cloetta has the total net sales in Finland by 92 919 000 EUR (Kauppalehti, 2017). The nut accounted for 3% of total revenue of Cloetta at the whole markets (Cloetta, 2015). The revenue is then calculated to be 2,787,570€. Then Cloetta Finland would account about 5.18% nut market in Finland.

Orkla Confectionery & Snacks Finland Ab in Finland had turnover of 99 859 000€ in 2015 (Kauppalehti, 2015). This company would have accounted for nearly 75.18% in the snack market Finland.

Makua Food Oy had turnover of 2 386 000 € in 2015 (Finder, 2015). This company accounted for approximately 1.8% in Finnish snack market.

NOH had the revenue of 116 000€ in Finland in 2011 (Kauppalehti, 2011). The total revenue for snack market in 2011 was 118 million USD or 110,542,990€. The market share of NOH would be approximately 0.1%.

The estimation in market share of Finnish snack is included in the table:

| Snack market share in Finland |        |
|-------------------------------|--------|
| Company                       | Share  |
| Estrella                      | 15%    |
| Orkla                         | 75.15% |
| Makua Food Oy                 | 1.80%  |
| Cloetta                       | 5.18%  |
| NOH                           | 0.10%  |
| Others                        | 2.77%  |

Table 2: Market share estimation in snack market in Finland.

Orkla was the dominant supplier in the Finnish snack market. The second was Estrella and the third biggest nut provider was Cloetta.

### 3.1.3 Price analysis

From the table of snack providers in Finland, it is easy to see that some suppliers have had low prices, some have had high price for their nut products and some have had both low and high prices. One nut supplier can have different price for their product due to having more than 1 nut product in their category.

Taking below 10€ as low price, above 30€ as high price and around 20€ is average price. It is easy to notice that the nut suppliers having cheap products are Lidl, S group, Kesko, Mauste Sallinen and Estrella have had low price segment by having below 10€ per kg of nuts. In contrast, Makua Foods, Meira and Exotics Snack have had high price segment with around 40€ per kg.

Taking some of dominant nut providers in Finnish market into consideration, we have the below table:

| Company       | Share  | Price        | Price evaluation | Products                             |
|---------------|--------|--------------|------------------|--------------------------------------|
| Estrella      | 15%    | 7.45- 24.64  | Low to average   | Nut coated with flavours, nut mix    |
| Orkla         | 75.15% | 14.07- 29.93 | Low to average   | nut mix, flavours coated nut         |
| Cloetta       | 5.18%  | 32.95        | Average          | Nut coated with flavours, nut mix    |
| Makua Food Oy | 1.80%  | 21.39- 47.79 | Average to high  | natural nut                          |
| NOH           | 0.10%  | 22.04        | Average          | nut coated with flavour, natural nut |

Table 3: Price categorization of snack some providers in snack industry

It is easy to notice that Estrella, Cloetta and Orkla have had low to average nut products meanwhile they have been dominators in the snack market with nut mix, nut coated with flavours products. Makua Food has focused on average to high price nut products and NOH has had average price product with natural nut products.

3 dominators such as Orkla, Estrella and Cloetta have focused on low to average price with nut mix and nut coated with flavours products. Meanwhile, Makua Food has had high price segment and mainly focused on natural nut products - the product which is different from 3 main Finnish snack dominators. Likewise, NOH has provided similar products in the same categories of 3 dominators with average price.

Above analysis of price, products, nut/ snack suppliers are very crucial for entrant to draw up strategies for penetrating the Finnish market.

### 3.2 Some big retail and horeca customers

Nut products can be sold to retail customers. There are many nut products in retailer's categories, retailers have power in choosing which nut product to resell or not. Also, because nut is a food product, it is accessible to horeca customers such as in hotel, catering, restaurant and café sector. Horeca( hotel, restaurant, catering) customers are put into consideration for nut entrant to enhance opportunity for the penetration into Finnish market.

S group is considered to be main customer due to its dominant position in both retail and horeca sector in Finland. Besides, there has not been many big retail customers in Finland for new nut products. Below includes some big customers in both Finnish retailers and in horeca sector.

### 3.2.1 Retailer customers

As mentioned above, the research contains Finnish business customer as a small piece of external part of Finnish market in application of Hollesen theory. Below figure is the information about Finnish retailer in 2010.

| Retailer/Type of Outlet   | Ownership | Sales CY11 (\$ Mill.) | No. of Outlets | Location  | Mkt Share | Purchasing/ Agent Type                      |
|---|-----------|-----------------------|----------------|---|-----------|---|
| S-Group<br>- hyper-markets<br>- dept stores<br>- supermarkets<br>- self-service<br>- small shops<br>- discount stores         | Finnish   | 8,639                 | 987            | Finland<br>Estonia<br>Latvia<br>Lithuania                                   | 45.2      | Importer/<br>wholesaler<br>(Inex)           |
| Kesko (K-Group)<br>- hyper-markets<br>- dept stores<br>- supermarkets<br>- self-service<br>- small shops<br>- discount stores | Finnish   | 6,751                 | 983            | Finland<br>Sweden<br>(hardware)<br>Estonia<br>Latvia<br>Lithuania<br>Russia | 35.3      | Importer/<br>wholesaler<br>(Kesko Food)     |
| Lähikauppa OY<br>- hyper-markets<br>- dept stores<br>- supermarkets<br>- self-service<br>- small shops                        | Finnish   | 1,482                 | 671            | Finland<br>Russia   | 7.8       | Importer/<br>wholesaler<br>(Tuko Logistics) |
| Lidl<br>- hard discount   | German    | 1,192                 | 140            | Finland<br>Sweden   | 6.2       | Importer/<br>wholesaler                     |
| Stockmann Group<br>-department<br>stores  | Finnish   | 268                   | 7              | Finland<br>Russia<br>Estonia  | 1.4       | Importer/<br>Wholesaler<br>(Tuko Logistics) |
|   |           |                       |                | Latvia  |           |   |

Figure 8: Finland – major food retail profile (USDA FOREIGN AGRICULTURE SERVICE, 2010).

S group( SOK corporation): it has been a Finnish group specialized in retails and service having 1600 stores in Finland. The group has included the SOK corporation plus the regional cooperatives (S group, 2017). S group was very successful. Their market share grew from 15.9% in 1990 to 45.2% in 2001. S group has focused on hypermarket,

department store, supermarket, self service, discount shop. Their market was operated in Finland, Estonia, Latvia, Lithuania. (USDA FOREIGN AGRICULTURE SERVICE, 2010).

Suomen Lähikauppa Oy was the third largest player in Finnish retail industry. It took 7.8% in Finnish retail industry in 2011. (USDA FOREIGN AGRICULTURE SERVICE, 2010).

Kesko has been a Finnish trading group which had 1,963 stores in Finland. Not only operated in Finland, they also have stores in other countries such as Sweden, Norway, Estonia, Belarus, Latvia, Lithuania, Poland, Russia. (Kesko, 2017). Kesko acquired Lähikauppa in 12.04.2016 (Kesko, 2016).

Lidl has been the German discounter selling products with lower prices in Finnish market. The Lidl's product price was 10- 15% lower than average price in Finnish market. Almost of their products have been private label. (USDA FOREIGN AGRICULTURE SERVICE, 2010).

Stockmann has had 7 trading departments and accounted for 1.4% market share. They have had Tuko Logistics as their own purchasing channel. They operated in Finland, Latvia, Russia and Estonia (USDA FOREIGN AGRICULTURE SERVICE, 2010).

Except from the above brands, there was still some other stores in Finland such as Tokmani Group, M Chain and Minimani from the market share update in 2015.

|                   |       |
|-------------------|-------|
| S group           | 45.9% |
| Kesko             | 32.7% |
| Lidl              | 9.0%  |
| Suomen Lähikauppa | 6.4%  |
| Tokmani Group     | 1.4%  |
| Stockmann         | 1.1%  |
| M Chain           | 0.6%  |
| Minimani          | 0.6%  |
| Others            | 2.3%  |

Table 4: Market share of Finnish grocery trade groups in 2015 (FINNISH GROCERY TRADE ASSOCIATION, 2015).

Obviously, S group and Kesko were 2 biggest dominators in the Finnish retail industry with respectively 46% and 33% market share in 2015. The third dominator was Lidl with 9% market share. Because retail industry is so concentrated, retail customers would have high possibility to control the market (Porter, 1998). It is easy to come up that S

group and Kesko hold high market power and Lidl was the third powerful retail customer in Finnish market.

### 3.2.2 Some business customers in HORECA sector

S group, has not been only a dominator in Finnish retail industry, they also have involved in HORECA segment in hotel sector. S group has owned Sokos Hotel and Radisson Blu Hotel chain in Finland (Amcham Finland, 2017). In 2015, total market share of 2 above hotel chains of S group accounted for 37.4%. Besides, Scandic hotels took 19.3%, Kämp Collection hotels got 10.6%, the other hotels accounted about 32.7% in Finnish hotel sector. Not surprisingly, S group was the dominant player in Finnish hotel sector. (Hotel Chains, 2017).

Moving to café sector, there had been 971 cafés in Finland with the total revenue about 197 million € in 2014. Meanwhile, Fazer Cafés chain achieved 36 million € and Café Picnic made about 20 million € of turnover in 2014. Respectively, Fazer Chain accounted for about 18.3% and Café Picnic had reached around 10.15% in total Finnish restaurant sector in 2014. (Flander Trade and Investment, 2014). Fazer café and Picnic are considered to be potential customers of nut entrant.

In the catering sector, there has been some dominators such as Fazer Food Services, HYY Ravintolat and Sodexo. At the same time, Sodexo has served in many workplaces, schools and universities in Finland. (Flander Trade and Investment, 2014).

If entrant would like to deliver their new nut products via horeca field, they should consider to sell their product to some big firms such as S group, Scandic, Kämp Collection, Picnic Café and Fazer Café chain, Hyy Ravintolat, Sodexo and Fazer Food Services.



### 3.3. Finnish nut industry analysis.

#### 3.3.1. Economies of scale and scope

It is stated that 'economies of scale offers unit-cost savings that will increase along with the level of output: the average production cost of a single product decreases with the number of units produced. Fixed costs here play a critical role: when volume rises, the fixed-cost component per unit declines.' (Porter, 1998). To be more specific, the more volume the company produces, the more cost advantage that company can yield due to the reduction of unit cost. Consequently, firms can decrease the price to business customers thanks to lower unit cost of production.

However, the economies of scale also has its own disadvantage. In order to achieve economies of scale, the company must be big and produce huge amount of products. The larger the company become, the more complexity the company needs to control. The management of occurred complexities would arise some costs that could be higher than the cost saved from economies of scale. Then, the company's cost would not be effective at all. (Hindle, 2012).

Economies of scope means that the company can reduce the production cost when they manufacture different products together instead of each one separately (Hindle, 2012).

### 3.2.3 Finnish nut/ snack industry analysis

The Finnish nut/ snack industry is analysed based on Porter's five forces theory. Porter's five force model demonstrates the basic elements shaping every industry and market: potential entrants, suppliers, buyers, substitutes and competitors. The five elements build up the competition, structure and profit lucrativeness in the industry. The market players from the five elements are considered to become industrial competitors of the firm. (Porter, 1998). Because five forces model is applicable in every industry, not surprisingly, Finnish nut/ snack industry is applied into the five forces model for analysis.

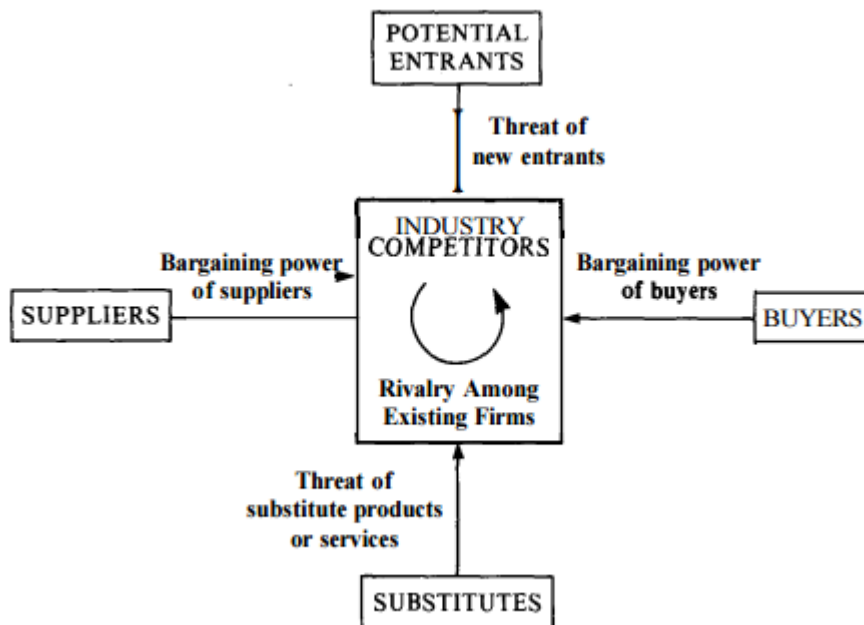


Figure 9: Forces driving industry's competition (Porter, 1998).

Potential entrants, buyers, competitors are put into analysis of the Finnish snackmarket. Because almost of nut products are sold by retailers, only retail customers are taken into analysis. Suppliers and substitutes are excluded.

Competitors in the industry: The number of competitors and their capacities affect the company in the market. There are many factors leading to hard rivalry in the industry between firms. First, there are many firms in the industry which have similar in size that they had enough strength to get ready in the battle for the market leadership position. (Porter, 1998) Practically, in Finnish snack industry, Orkla has been a dominant supplier took for nearly 75.15% of the market. Likewise, many other snack suppliers took for smaller portion of the market. It is easy to come up with conclusion that Orkla has been the market leader in Finnish snack industry and other small firms does not have very much market shares. The battle for market leader position is not likely to occur because 75.15% of Orkla is considered that it has been strongest supplier player in the industry. If one smaller suppliers would like to have a battle for market share with Orkla, they would likely to confront difficulties. However, some smaller companies are likely to compete not for market leader position but for higher market share and that competition is intensive because there has been many companies having nut products. (Porter, 1998) Orkla, Estrella and Cloetta- 3 snack dominators accounted for 95.33% market share and other nut companies took only 4.67% which equal to 7,191,800\$ in 2017. Makua Food had 1.8% so that the market is still around 4.5 million. In average for estimation of the other 1 companies, we have over 350,000 \$ as revenue for each company. Likewise, S group, Lidl and Kesko are included. Companies fight tightly in 4.67% portion for achieving bigger market share. Second, the industry has slow growth.. By having a look at figure 9, the revenue of snack industry has speedy growth. Obviously, the revenue enhanced by 43 million USD from 2010 to 2017 and is predicted to advance by 18 million in 3 years from 2017 year 2020. The speed of snack industry growth is high. Each company in the 4.67% portion of snack market would gain in average by 64,662\$ as their revenue from 2017 to 2020. Third is high cost and difficulties in storage in case of perishable goods (Porter, 1998). High cost is a threat to firms. For example: the production cost is high, goods is perishable, goods is provided by many companies in the industry and warehouse cost would increase if goods is stored in a long time. In practice, there has been many nut providers in Finland. Because nut is agricultural commodity, the duration of nut is limited

so nut firms would find way to sell nut products as fast as possible that cause intense competition between nut firms. Fourth, the effectiveness from the economies of scale is high and competitors benefit from that. They have higher capacity production with a more advantageous price. Not surprisingly, the risk from huge production would burden the firm. (Porter, 1998) Obviously, S group, Kesko, Lidl are dominators resellers in Finland with high capacity with nut private label brands and Orkla has been dominator in nut industry. If entrant would like to join the market with low cost by using economies of scale, they would compete directly to Orkla, Estrella and Cloetta. Also, S group, Lidl, Kesko are their potential customers but also have taken role as entrant's direct competitors. Fifth, the switching cost is high (Porter, 1998). The firm would have to accept high costs from quitting the entire industry with high financial burden and losses of interrelationship with other companies. If entrant would like to quit from Finnish market, they would lose the financial, time and relationship investment for Finnish market penetration. Sixth is the high strategic stake- companies having high market share in the industry (Porter, 1998). High stake companies would have to shelter and expand their market share. They have good will to sacrifice their profit that they are ready for the battle. In this case, Orkla has taken role as a highest stake, next contains Estrella and Cloetta in the snack market. Last but not least, the strategies would diversify from different competitors in the industry (Porter, 1998). Firms would find it hard and time-consuming to read other firm's intention. Each one has its own strategy and that strategy would not be suitable to other firms. In the 4.67% snack market portion, there may be more than 13 companies with some competitive firms such as Lidl, S group and Kesko. This is applicable for Finnish snack industry with many snack players, their strategies would vary. All in all, the competition in Finnish snack industry is tight.

Retail business customers: the business customer holds high bargaining power in some situations. If there are few customers holding a high volume of purchases, the seller would be more dependent on them as their high portion of their sales relied on the small number customers. In case the product cost from the purchase is high and accounted high percentage in their own budget, they become more price sensitive. They would look for a better price by comparing from different sellers. In addition, if the product is easy to substitute, buyers would have more choices. Not surprisingly, buyer's threat is higher because they have many alternatives. (Porter, 1998). In application to Finnish market, S and Kesko are 2 main dominators leading to high dependency of snack suppliers. It means that they have many choices from different nut brands and they are likely to control the nut market.

Also, low switching cost means that buyers would lose little if they choose to quit from the supplier. This is applicable to S group and Kesko. They have many choices for nut/snack products. Additionally, big buyers would use the threat of backward integration to advance their bargaining power (Porter, 1998) Although S group and Kesko have had their nut private brands. The threat of acquisition of S group or Kesko to nut suppliers or new nut entrants in Finland is considerable..

However, the buyer bargaining power varies. It can scale up or down depend on different circumstances. To avoid the high threat from customers, the company can choose equal power customers to sell the products and make customer selection. (Porter, 1998). But if the new entrants exclude resellers such as S group, Kesko and Lidl, they are not likely to achieve profit at all. This is due to the total market share of above 3 retailers with 87.6% in Finnish retail market in 2015. If they are not chosen for reselling, the new entrants have to sell other smaller resellers with total 12.4% market share. Then, the profit would be very small. Meanwhile, leading resellers in Finland has their own private label for nut products. For example, S group has had Rainbow, Kesko has had Pirkka nut with some low price nut products (Ranta, 2013). Meanwhile, Lidl has had Alesto while Lidl has been a discounter, Alesto has low price also. New products would not affect highly to these 3 retailers as they also make profit if they resell entrant's nut products. Anyway, nut entrant should consider to sell to customers in HORECA sectors to enhance opportunity for Finnish market penetration. Anyway, S group accounted high percentage in hotel sector also. If the entrant can access S group in both retail and horeca field, they are likely to penetrate Finnish market successfully.

It is easy to conclude that the customer power is huge in Finnish snack industry landscape.

New entrants pose threats of lower profit for incumbent companies in the market if there is tight commercial competition. The penetration possibility of new firms on a market has the inverse ratio with the barrier of the entry. The higher the barrier is, the less possibility new entrants can join the market. (Porter, 1998). Dominator in Finnish snack market such as Orkla, Estrella and Cloetta are considered to have high possibility to build up high barrier for entrant into Finnish snack market.

There are many common issues that new entrants face from the industry barrier. In Finnish snack market, the barrier is high. Firstly, finance is important. (Porter, 1998). Economies of scale and scope are very important. The newcomer has to set up small scale firm with unfavourable cost or large-scale investment with strong retaliation from incumbent players. In practice, it is clear that new entrant would confront Makua Food Oy if entrant's price is high with natural nut products. In addition, if entrant has low price products, Orkla, Estrella, Cloetta, S group, Kesko and Lidl would become entrant's direct competitors. Also, the diversity of products would become a disadvantage (Porter, 1998). Incumbent firms having a diversified product category would far outweigh than a new company with fewer products. Entire players would have more favours on different specific competitive strengths from having many products or service from achieving economies of scope. (Porter, 1998) .This forces new firm to build high investment cost or product diversification. In Finnish snack market, almost low cost firms have 2 or more than 2 products with nut mix and nut coated with flavours products such as Cloetta, Estrella, S group, Kesko, Orkla, Lidl. Then financial investment becomes the major issue for new entrant if they would like to invest on product diversification in low price segment. Not only production cost, the new firm also needs to have investments for other functions such as R&D or advertisement. Considerably, Orkla, Estrella and Cloetta have had highest market share in Finnish snack market with low price as their advantage. If entrant would like to compete with those dominators, intensive investment in finance is unavoidable.

Secondly, switching cost becomes a barrier for entrant. If the company switches from one industry, some costs are non-refundable such as facilities, R&D, staffs training (Porter, 1998). This would be time and money consuming for entrant. Third is the distributing channel issue. The firm needs to persuade the retailers/ wholesalers for a space on the shelf for the product with some promising merits such as promotion or hard intention on sales to that reseller customer. Entrant should convince S group, Kesko and Lidl with good margin for retailers. Some entire companies might tie with the resellers for a permanent relationship, good services or exclusive relationship that burden new entries. The Finnish retail persuasion seems to be hard. All in all, the barrier for entrant is high.

To sum up, Finnish snack market is a tight market with high retail customer bargaining power, hard competition between firms and the barrier from entrant to snack market is high.

### 3.3 Generic Competitive strategy

In fact, Finnish snack industry is tight with high rivalry from competitor, high entrant barrier and high customer power. New entrant needs to set up own strategy to cope with the tight Finnish snack market.

To yield above average industry profit, a firm must exceed its competitors in providing value to customers by having certain competitive advantage. Not surprisingly, price becomes crucial factor that determines the purchases of customers. Price is considered to be an advantage if one firm has low price. For instance: buyers do not willing to pay more than the maximum price of a certain standard product except that the product has some additional value or differences. (Porter, 1998). Meanwhile, retailers such as S group, Kesko, Lidl had price advantage with their own nut private label products. It means that they had taken role as a nut supplier and nut market is their sub market.

Porter had demonstrated that there are 3 strategies that companies can use: cost leadership, differentiation and focus on target market (Porter, 1998). Sometimes, the firm can manipulate more than one strategy but that strategic combination would rarely achieve success. (Porter, 1996).

#### 3.3.1 Cost leadership

Cost leadership means that the company has main competitive advantage from low cost achievement. To achieve the cost leadership strategy, the company must have intensive investment on scale facilities and production. Besides the high operation investment, the company can reduce the cost by earning experiences during the process of operation. Low cost would enhance the firm's position against their competitors. With low cost, it is easier to provide lower price to customers that demand favourable prices and reduce the power of buyer. Also, due to the manipulation of economies of scale, the company would buy huge amount of input from sellers and enhance more power to their suppliers. Low cost leads to low price. The threat of substitute would be decreased because the product

price is now more favourable to buyers. Meanwhile, the entrants find it hard to join the industry because of high barrier from low cost firms. At least, the entire low cost companies would have lower price product against the newcomer companies due to their effectiveness from the economies of scale. Low cost position supports firms to reduce the threats from five forces in the industry and strengthen their position. (Porter, 1998).

If new entrants can afford low cost strategy to compete in nut market, certainly their direct competitor would be S group, Kesko, Lidl, Orkla, Estrella and Cloetta while S group, Kesko, Lidl has taken role as main resellers. Anyway, due to low cost benefit, retailers would be likely accept to distribute low price nut products because there would be many end buyers and that is totally profitable for them.

Despite the undeniable benefit from low cost position, companies must have intensive financial investment. High portion in the market share or other merits would help the company to access advantageous source of input for production. High market share supports the company to achieve low input cost from suppliers and economies of scale. Intensive capital investment becomes important. High capital is favourable in purchasing equipment and economies of scale along with market share enhancement. Besides, the design for the product must be simple enough so that the production line can afford to produce widely. (Porter, 1998). New entrants have to accept the payment for those cost if they use low cost strategy as their main advantage.

Although the high capital investment is a must in the low- cost strategy, the company can earn high margin profit if the strategy is successful due to high volume of customers. The profit can be used for reinvestment in production line operation. The company would yield many benefits. (Porter, 1998).

Low cost is attractive but not applicable to Finnish market for entrant due to may reasons. Finland has around 5.5 million of population so it is considered to be a small market so it is not worthy for intensive investment if new entrant only operates in Finland. Meanwhile, there had been many low price nut products available and new nut entrants have to compete to those low price brands. Competition in low price segment involves 3 snack dominators such as Estrella, Cloetta and Orkla with 95.33% market share. It is not worthy to use low cost strategy in Finnish market due to tight competition, low profit with intensive investment.



### 3.3.2 Differentiation

Firms can differentiate themselves by one or some unique traits that competitors do not have. The differentiation can be from the services, product characteristics, brand image and so on. (Porter, 1998).

Differentiation defences the firm's position against five forces. End buyers would be less price sensitive because they would find it hard to have an alternative product. End customers have almost no choice to have the same product from another source. Not surprisingly, the firm is likely to gain high margin from less customer bargaining power. High margin, which can defence the company against the supplier's power. The company having differentiated product/ service would have a certain amount of loyal customers that make competitors find it hard to overcome their differentiation. (Porter, 1998).

This strategy is applicable to new nut entrant in Finnish snack industry. Due to having differentiated traits that can attract less sensitive price customers and get loyal customers. Due to having differentiation, new nut entrant would achieve a unique position in the market place that big retailers could be interested to distribute new differentiated products without price sensitivity.

One suggestive strategy is the differentiation in distributing channel. Nut entrant can sell their products via retailers but they can also try to convince some big customers in Horeca sectors to sell their products. Sodexo, S group hotels, Scandic hotels, Kämp Collection hotels, Picnic Café and Fazer Café chain would have possibility to become nut distributors if they get good margin. It would be hard to convince S group hotel because they had Rainbow as their nut brand and may they are likely to sell their nut brand via S group hotels. Besides, product differentiation is applicable in Finnish market. In my observation for products in Finland, there has been some healthy trends for food products such as organic and gluten free. The entrant firm should have their category with organic nuts, mix of organic nuts and nut coated flavours with gluten free as product differentiation. So entrants can set high price with their differentiated product to get customers.

### 3.3.3 Focus on a specific target market

This strategy is about the concentration on competing in certain market segment and serve better in that certain segment better than competitors which are serving in a huge market. Both low cost and differentiation strategies can be used in the segment targeted. (Porter, 1998). A target market is considered to be niche market because the focused company only works in certain targeted segment.

There are some advantages and disadvantages that the company would have if they focus in a niche market. Niche market is small that less companies involve. Not surprisingly, the competition is less than in broad market. The focus on serving a certain segment would reach the customer's desire or expectation well that build customer's loyalty is higher than in broad market. Besides, marketing is done better. Serving the small market would require less budget for marketing to reach less customer than in general market. Also, marketing direction is done more exactly due to receiving feedbacks from highly interested customers. However, the buyer amount is limited in a certain niche market that the company is likely earn limited profit. (Mello, 2015).

Because low cost strategy does not applicable in Finnish market, it would not be applicable for new entrants in smaller market in Finland. Differentiation strategy is still applicable to Finnish market so it is still applicable to target market. However, Finland is considered to be a small market so niche market in Finland is even smaller, it is uncertain that entrants can earn enough profit if they focus on niche market for nut/ snack products in Finland. Focus in a target market is applicable but it is not recommended for entrant in Finnish snack market.

## 4 CONCLUSION

The nut market has had positive growth trend and is predicted to remain that tendency. The revenue, volume consumption and price rose from 2010 to 2017 and is forecasted to rise till 2020. Meanwhile, the population, retail sales are depicted to grow from 2010 to 2020. The Finnish nut/ snack market is evaluated as positive.

Although Orkla accounted for highest market share but there were still many nut/ snack suppliers in the Finnish snack market. If companies would like to have new nut products into the market or new suppliers would join Finnish snack market, I would suggest that they should differentiate the product/themselves or differentiate their customers with HORECA clients. Entrants should not invest in low cost strategies due to small market and available low cost competitors in Finnish snack market.

In the piece of 4.67%, there are still Rainbow and Pirkka with low cost strategy. At the same time, Makua Food would become a competitor of entrant in high price in high price segment. Taking estimation of companies excluding Estrella, Orkla and Cloetta, in average, each company would account for 0.36% Finnish snack market which equal to 553,215\$. The fact is that Makua Food had accounted for 1.8% of snack market, so the market share for 12 other companies would be 2.87%. In average, each companies would achieve 0.24% which equal to 368,810\$. The market is small for entrant. If entrant joins Finnish snack market, the average revenue in 2.87% snack market portion of entrant would be 0.22% which is equal to about \$ 340,000 in revenue. The market for nut entrant in 2017 is small. Till 2020, the revenue for entrant is predicted to increase to 378,400\$ which is considered to be a small number. The market for nut entrant is considered to be small from 2017 to 2020. Finnish snack market is still considered to be small although the revenue is predicted to rise up for entrant. Entrant should not join the Finnish snack market.

Although the Finnish snack market is small and contains tight competition, if nut entrants still interested in joining the market, I would have some more suggestive strategies. Besides setting differentiation strategy in products, distributing channel, entrant should target more market instead of only one Finnish market. In addition, they should convince one or more than one big retailer in Finland for their a cooperation to distribute new nut products to Finland. Because 3 main big retailers

in Finland are Lidl, Kesko and S group, new entrant can persuade one of these retailers to do brand collaboration for a new nut name made by 2 companies. Retailers will have one more nut product in their snack categories and the entrant will get a stepping stone to join Finnish market. Because S group has had Rainbow focusing on low price segment, if the entrant can convince S group for making a product collaboration focusing on high segment, the entrant will yield most benefit because S group has been retail dominator and also been in hotel sector. Entrant can have their products in many European countries. If the persuasion for S group is unlikely to achieve, Stockmann becomes a second option. In my observation, Stockmann has focused on high segment price and they have been in many countries. Stockmann's products would be likely to appear in many countries also. Entrant will have more opportunity to join not only Finnish market but also other European countries if they collaborate the high segment product with S group or Stockmann.

Although having some recommendations for nut entrant, I have to come up with a conclusion. Finnish market is small for new nut products. Besides, the competition is tight in the market, the barrier to join the Finnish snack market is hard and retail customers has hold high control power. The potential market for nut entrant in Finland is low. Needless to say, if they can join the market, they have to face many competitors but the profit from selling to retail customers would be low. I would recommend that nut entrant should not join Finnish market or they should collaborate with S group or Stockmann for a common brand.

## 5 REFERENCES

Amcham Finland, 2017. [Online]

Available at: <https://amcham.fi/s-group-hotels/>

Cloetta, 2015. *Cloetta Annual Report 2015*, s.l.: s.n.

European Union, 2003. *European Union*. [Online]

Available at: <https://www.ecb.europa.eu/press/key/date/2003/html/sp030227.en.html>

Finder, 2015. *Makua Food Oy*. [Online]

Available at:

<https://www.finder.fi/Elintarvikkeita/Makua+Foods+Oy/Jyv%C3%A4skyl%C3%A4/yhteystiedot/2881596>

FINNISH GROCERY TRADE ASSOCIATION, 2015. *The Grocery trade market in Finland*. [Online]

Available at: <http://www.ptv.fi/front-page/finnish-grocery-trade/>

Flander Trade and Investment, 2014. *Horeca in Finland*, s.l.: s.n.

Foodie, 2017. *Prisma*. [Online]

Available at: <https://www.foodie.fi/products/search/p%C3%A4hkin%C3%A4>

Hindle, T., 2012. *The Economist Guide to Management Ideas and Gurus*. s.l.:s.n.

Historic Exchange rate, 2017. [Online]

Available at: <http://www.x-rates.com/historical/?from=USD&amount=1&date=2017-03-16>

Hollensen, S., 2011. *Global Marketing*. s.l.:s.n.

Hotel Chains, 2017. [Online]

Available at: <http://www.hotelchains.com/en/finland/helsinki/>

Kauppalehti, 2011. *NOH Oy*. [Online]

Available at: <https://www.kauppalehti.fi/yritykset/yritys/noh+oy/23246636>

Kauppalehti, 2015. *Orkla Confectionery & Snacks Finland Ab*. [Online]

Available at:

<https://www.kauppalehti.fi/yritykset/yritys/orkla+confectionery++snacks+finland+ab/02051178>

Kauppalehti, 2017. [Online]

Available at: <http://www.kauppalehti.fi/yritykset/yritys/cloetta+suomi+oy/19331213>

Kesko, 2016. *SUOMEN LÄHIKAUPPA ON NYT OSA KESKOA*. [Online]

Available at: <http://www.kesko.fi/yritys/toimialat/paivittaistavarakauppa/lahikauppa/>

Kesko, 2017. *Kesko in brief*. [Online]

Available at: <http://www.kesko.fi/en/company/kesko-in-brief/>

Lidl, 2017. [Online]

Available at: <https://www.lidl.de/de/alesto-nuts-royal/p204521>

Mello, J., 2015. *The Advantages and Disadvantages of Niche Marketing*. [Online]

Available at: <https://www.linkedin.com/pulse/advantages-disadvantages-niche-marketing-james-mello>

Porter, 1998. *Competitive Strategy*. s.l.:s.n.

Porter, M., 1996. What is strategy?. *Havard Business Review*.

Ranta, E., 2013. *Kauppan alan kiihtyvässä kilpailussa pärjää nyt se, joka myy paljon ruokaa ja halvalla. Onko tämä kuluttajan Eldorado vai johtaako kilpailu vain yhä pahempaan keskittymiseen?*. [Online]

Available at: <http://www.is.fi/taloussanomat/art-2000001793387.html>

S group, 2017. [Online]

Available at: <https://www.s-kanava.fi/web/s/en/s-ryhma-lyhyesti>

Statista, 2017. *Statista*. [Online]

Available at: [Statista.com](https://www.statista.com)

Turunen, M., 2011. *Toimitusjohtajallekin maistuvat sipsit*. [Online]

Available at: <http://www.talouselama.fi/tyoelama/toimitusjohtajallekin-maistuvat-sipsit-3416741>

USDA FOREIGN AGRICULTURE SERVICE, 2010. *Retail Food Sector Report for Sweden and Finland*, Stockholm: USDA FOREIGN AGRICULTURE SERVICE.

# APPENDIX

