

SATAKUNTA UNIVERSITY OF APPLIED SCIENCES

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MARKET RESEARCH IN THE FINNISH FOOD INDUSTRY

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FOREWORD

In order to be able to show the Finnish food industry to the case company it was important to examine the industry structure comprehensively. This took a lot of time and patience. This is why I would like to thank all the people that have been involved in the making of this thesis.

Separately I would like to thank Mr. Renson, the chief executive of the case company who was very helpful and nice to work with. In addition, I would like to thank Nikke Holopainen who helped me to see the importers' point of view.

Big thank you belongs to my friends who have been supporting me throughout the work. From the Satakunta Polytechnics side, I would like to thank my tutor, Timo Kaartinen, for questioning and giving new ideas. Also big thanks to my opponent, Juho Nummiola, for understanding and support.

ABSTRACT

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This study introduces the important factors of market research and its significance when aiming at new foreign markets. Understanding the cultural differences, the consumers and the market itself with the competitors' actions among other factors, the organization has a better chance to succeed in entering new markets.

The case company is a Belgian food industry company which is interested in the Finnish market environment with its consumers and competitors. Currently they are operating in Central European countries with a little market share. An interview was conducted in order to better understand their current situation and expectations on new markets. The company's products are sold in specialty stores and in bigger hypermarkets due to their higher image which they would like to obtain in Finland. As a small country Finland can not offer big markets but this is no obstacle for the case company since they are not looking to challenge the market leader or even the followers. Instead they are looking for a small market share as in other countries that they already operate in. By using selective distribution focused on the biggest city areas the product availability is guaranteed to the majority of the Finnish population.

The thesis emphasizes the different business chains – the different types of stores and their product variety as well as competitors and their product pricing. Among this, the importance of product visibility will be shown as the case company wishes to enter the markets with as little marketing as possible. Regulations on labelling are studied as well as there are little differences from organizations' home markets. The study also introduces a Finnish importing company that could possibly cooperate with the customer when aiming at the Finnish markets.

TIIVISTELMÄ

MARKKINATUTKIMUS SUOMEN ELINTARVIKEALALLA

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Tutkimus esittelee markkinatutkimuksen tärkeimmät osa-alueet sekä sen merkityksen tavoiteltaessa uusia markkinoita. Kulttuurillisten eroavaisuuksien, kuluttajien sekä itse markkinoiden ymmärtäminen kilpailijoihin edesauttaa yrityksen menestymistä uudella markkina-alueella.

Asiakasyritys on Belgialainen elintarvikeyritys joka kiinnostui Suomen markkinaympäristöstä, kuluttajista sekä kilpailijoista. Tällä hetkellä he toimivat Keski-Euroopan markkinoilla pienin markkinaosuuksin. Haastattelu suoritettiin jotta saataisiin selville heidän nykytilanteensa sekä tulevaisuuden näkymät uusista markkinoista. Yrityksen tuotteet ovat myynnissä erikoisliikkeissä sekä suurimmissa marketeissa korkean imagon vuoksi ja näin he toivoisivat myös tapahtuvan Suomessa. Suomessa ei ole tarjolla suuria markkinoita jo pelkästään maan koon vuoksi. Tämä ei ole kuitenkaan este asiakasyritykselle sillä he eivät lähde haastamaan markkinajohtajaa tai seuraajia, vaan tyytyvät pieneen markkinaosuuteen aivan kuten muillakin markkinoilla. Selektiivisellä tuotejakelulla, keskittyen Suomen suurimpiin kaupunkialueisiin, taataan tuotteiden saatavuus suurimmalle osalle väestöstä.

Tutkimus painottuu eri liikeketjuihin, Suomen kauppatyyppeihin ja niiden tuotevalikoiman suuruuteen sekä kilpailijoihin ja heidän tuotehinnoitteluun. Tämän lisäksi tuotteiden näkyvyyden tärkeys osoitetaan, sillä asiakasyritys toivoisi markkinoille tuloa vähäisin markkinointitoiminnoin. Pakkausmerkintäsäännökset tulevat myös esille sillä ne eroavat hieman yrityksen kotimarkkinoiden säännöksistä. Tutkimus esittelee myös suomalaisen maahantuontiyrityksen, joka voisi mahdollisesti toimia asiakasyrityksen yhteistyökumppanina Suomen markkinoille pyrittäessä.

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APPENDICES

1 INTRODUCTION

My research discusses the Finnish market environment in the food industry. Examining the industry structure enables the organization to get a better view of the market situation and its operations. Relating to this, the demand-, institutional-, and competitive environments must be taken into consideration.

Membership of the European Union has made it easier for European organizations to enter the Finnish markets, what needs to be noticed are the differences between the home and foreign environments. Companies operate within a certain legal environment that consists of important laws covering issues such as trade regulations, labeling and competitive behavior. Being aware of the regulations is crucial since ignorance or non-compliance with laws can result non-beneficial for the company in question.

In Finland the chaining and centralization of sourcing and logistics are peculiar for the retailing system which then creates stronger business chains. Selection of the distribution channel determines the market coverage and decision on store type influences the product image.

Consumers are of high importance in the markets due to which it is crucial for the organization to understand their needs, wants, values, expectations and behavior. Another important factor is the competitors. Acknowledging the competitors and their operations, access and success at the new markets is more likely to take place.

This thesis was conducted for a Belgian company Conserverie et Moutarderie Belge. The idea started to arise during another project in 2005 and became current during 2006. As the case company had little knowledge on Finland as a country and especially its retailing system, the thesis discusses issues comprehensively.

2 RETAILING SYSTEM OF DAILY GOODS

Taking a deeper look at the target markets' trade regulations, import and export rates, sales figures, distribution channel systems, chaining of businesses and their centralization, among other factors, help the organization entering new markets to better understand the current situation of the industry structure. By understanding the structure, the organization has a better chance to succeed in its desirable market. (Abrams 2003, 85.) Chapter 3.3.1 explains Michael Porter's five forces analysis that points out key structural features for determining the competitiveness of the industry. The importance of observing trends and development within the industry is discussed throughout the thesis.

On January 1st 1995 Finland became a member of the European Union. One of the main principles of the Unions' internal market is the free movement of goods and services. In practice, free movement means that all customs duties and quantity restrictions are prohibited and regulations are almost non-existent. However, member states have the right to restrict the free movement in exceptional cases, for example, when there is a possibility of risks in issues such as public health, environment, or consumer protection. (Kauppa ja Teollisuusministeriö 2006.) The free movement of goods has enabled organizations to enter new foreign markets easier than before and has resulted in an increase in both the Finnish export and import statistics (Niilola, Pulkkinen, Riipinen, Leminen, & Kiuru 2003, 17).

Organizations working in the food industry markets need to take into consideration the size and growth of the industries to which they sell. The information is to be measured as number of companies, locations, branches, employees and sales revenues. Business marketers are to look at the business trends as in consumer markets in order to find good markets for their goods and services. (Wood 2003, 27)

2.1 Distribution decisions

Distribution decisions focus on establishing a system that allows customers to gain access and purchase a marketer's product. The distribution system must be both effective; products must be delivered to the right place, in the right amount, in the right condition, and it must be efficient; deliveries must be done at the right time and for the right cost. (Seyoum 2000, 77.) The examination of distribution decisions is done from the industrial companies' and service companies' point of view. The main difference between the two is that the industrial companies put emphasis on the determination of distribution channels, while the service companies are interested in the accessibility of services. (Lahtinen & Isoviita 1994, 147.) This thesis concentrates on the distribution channels of an industrial company.

2.1.1 Distribution channels

Lahtinen & Isoviita (1994, 147) define distribution channel as "a route along which the products are marketed from the producer to the end-user." End-users are consumer households, companies, public institutions and non-profit organizations. Companies producing consumer goods can use either direct-, or indirect distribution channels. As the name of direct channel suggests, the goods are distributed to the end-users without using intermediaries while in indirect channel the situation is the opposite. (Subhash 2001, 447.) The two main categories of marketing intermediaries are wholesalers and retailers, but agents or brokers can be used as well (Subhash 2001, 447; Boone & Kurtz 2006, 431). Figure 1 below helps to understand the different routes of direct and indirect distribution.

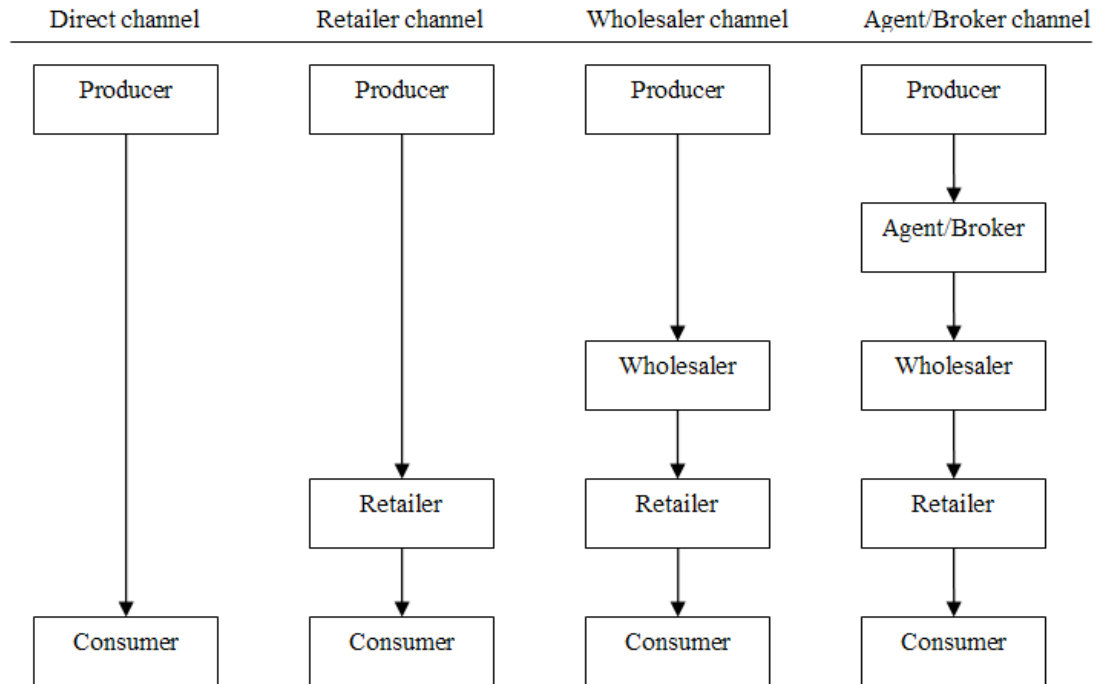


Figure 1. Distribution channels for consumer products (Rolnicki 1998, 8).

Direct channel

When a manufacturer sells its products directly to customers, the company is using direct distribution channel. Traditional methods of direct marketing include mail order, telephone selling, and door-to-door selling. The modern methods include direct radio selling, magazine and TV advertising, and internet shopping which has increased its popularity dynamically in recent years. Using a direct channel allows the organization to have complete control over the sales process and they do not need to share profits but at the same time it can be expensive and time-consuming. (Donnelly & Peter 2004, 146.)

Retailer channel

Retailers trade directly with household customers from outlets. They can be classified in ways of type of goods or services sold, by their size, ownership, location, and brand. This type of a channel is most common when the retailer is large and can purchase in bigger quantities taking an advantage of economies of scale. (Lamb, Hair & McDaniel 2004, 319.)

Wholesaler channel

Wholesalers stock a range of products from several producers and take title of the goods. The role of the wholesaler is to sell to retailers by convincing each individual store to stock the product. (Seyoum 2000, 77.)

Agent/Broker channel

The agent/broker type of a distribution channel is typically used in markets that have many small manufacturers and many retailers. Agents/brokers negotiate together with manufacturers and wholesalers through whom the ownership passes to retailers that sell the merchandise to end-users. (U.S. Department of commerce 1998, 19.)

2.1.2 Selecting the distribution channels

The organization entering new markets must decide on questions relating to the selectivity of the channel, type of stores used, number of distribution channels, and to the individual retailers that they want in their channel of distribution (Lahtinen & Isoviita 1994, 149).

Selectivity of distribution channels

The first decision should be made on the selectivity of the wanted distribution channel. The producer and exporter have three alternatives on distribution type to choose from which are intensive-, selective-, or exclusive distribution. (Subhash 2001, 457.)

Intensive distribution

The purpose of intensive distribution is to gain as much market coverage as possible due to which, the possibility of selling the product is given to all willing dealers. If the product in question is usually bought when it is visible and available, rather than

having the consumer searching for it, it is to the seller's advantage to have the product visible in as many places as possible. (Rolnicki 1998, 9-10.)

Selective distribution

Selective distribution is a strategy in which the right of reselling is given to several but not all retail outlets. This type of distribution is commonly used with such products that consumers seek based on the most attractive price or quality characteristics. (Longenecker, Moore, Petty & Palich 2006, 322.)

Exclusive distribution

Exclusive distribution means that only one company in a certain area has the right of resale of the product. This promotes dealer loyalty, better sales support, a higher degree of control over the retail market, better forecasting, and better inventory and merchandising control. This form of distribution is relevant especially for specialty goods such as Rolex watches, Gucci bags etc. (Lahtinen & Isoviita 1994, 149.)

The second decision to be made concerns the store types to be used and the organization needs to think about their wanted image for the product. If they wish to export goods as a luxury item, the retailer must be carefully evaluated and chosen in order to be able to maintain this image. Possible retailers are for example specialty stores, department stores, low-price stores, supermarkets, and company's own retail outlets etc. After this, the organization needs to discuss about the number of parallel distribution channel alternatives to be used. Apart from the typical alternatives, they may choose also net trade or their own established stores as a channel. (Onkvisit & Shaw 2004, 363-364.)

The last decision is made on the individual retailers that the organization would like to have in their distribution channel. In order for a successful selection, the requirements of desirable retailers must be defined beforehand. Few examples of statistics to examine are turnover, size of the business industry, service level, image,

and presentation of competitors' products etc. (Coughlan, Anderson, Stern & El-Ansary 2001, 292.)

2.2 Business chains

A business chain consists of physical business locations and their central unit. Depending on the nature of the chain, the central unit controls the purchasing, marketing and other cooperation decisions in different degrees. The chains are divided into multi store chains, franchise chains, and voluntary chains. (Niilola etc. 2003, 15.)

Multi store chains

The chain forms an organization that owns all the stores of the chain. The chain has combined operation models and concepts that each shop manager obeys. The central unit and administration are responsible for all the business operations such as the store network, purchasing, marketing, information systems, training etc. (Lahtinen & Isoviita 1994, 154.)

Franchise chains

The franchise chains are very typical in Finland as in other countries as well. The franchisor permits a person or an organization to be engaged in a trade in a certain way, at a certain time and at certain place and gets a financial compensation. (Lahtinen & Isoviita 2001, 160.) The three best-known franchising operation models are Straight Product Distribution Franchising in which the franchisee has the right to resale the products of the franchisor (Coca-Cola). Second, Trade Name Franchising which means that the franchisee uses the trademark or business name of the franchisor in order to sell its own products or services. This type of franchising is found, for example, among international hotel chains. Third well-known operation model is Business Format Franchising (Subway, McDonald's) which is a combination of the other two types of franchising and is found within various areas of businesses. The franchisee uses the franchisor's trademark or business name in order to distribute the franchisor's goods or services. The franchise contract regulates, among other things, the freedom of action of the franchisee when it comes

to marketing, running the business in general and choosing what goods or services to offer besides the franchisor's range. (Hukka 2005, 14-16.)

Voluntary chains

Voluntary chain is a contract-based network of independent firms and their central unit. These types of chains can be separated into wholesaler-organized-, and other chains. In other types of chains, the central units are small and they have less responsibility. Stores in these chains have the same name and logo but for example, the responsibility of store network development is on the shopkeepers' shoulders. In wholesaler-organized chains, the shopkeepers are responsible for the business operations and profitability of their own stores and the central unit takes responsibility for all the background operations of retail business. The independency of the shopkeeper is considered as both strength and a weakness. Strength because it brings flexibility and allows to take into consideration the local environment, and a weakness due to the work amount that independency brings and leaves less benefits of the cooperation. (Smith 2003, 206-207.)

2.3 Store types

Statistic centre A.C. Nielsen Finland Ltd. classifies different store types based on the surface area, assortment, service, chain, group, and location. In Finland, the most popular classification factor is the size of the store. This factor also defines the legal business hours. Table 1. illustrates the Finnish store types and their classification criteria.

Table 1. Store type classification (Päivittäistavara-kauppa 2006, 6.)

| Store type | Criteria |
|--------------------------|---|
| Hypermarket | surface area min. 2500 m ² |
| Department store | surface area: min. 2500 m ² , daily consumer goods form less than 2/3 of total sales |
| Supermarket, large | surface area: min. 1000 m ² , daily consumer goods form more than 2/3 of total sales |
| Supermarket, small | surface area: 400-999 m ² , daily consumer goods form more than 2/3 of total sales |
| Self-service shop, large | surface area: 200-399 m ² |
| Self-service shop, small | surface area: 100-199 m ² |
| Small shop and kiosk | surface area: less than 100 m ² |

Hypermarkets

A hypermarket is a superstore that combines a supermarket and a department store providing an enormous range of products under one roof. The minimum surface area is 2500 m² of which the share of foodstuffs is less than half and the sales emphasis is on the daily consumer goods. A hypermarket can be located either in the city centre or nearby, in a shopping mall or other easily accessible location. (Päivittäistavarakauppa 2006, 6.)

Department stores

A department store specializes in selling a wide range of products without a single predominant merchandise line. Department stores usually sell products including apparel, furniture, appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewellery, toys, and sporting goods. (Seth & Randall 1999, 19.) The minimum surface area is 2500 m² as in hypermarkets, and none of the commodity groups hold a share of more than half of the whole area. The product assortments of different departments equals to the ones of specialized stores. Department stores are found in city centers or shopping malls. (Bromley & Thomas 2003, 126; (Päivittäistavarakauppa 2006, 6.)

Supermarkets

A supermarket is a departmentalized self-service store offering a wide variety of food and household merchandise. A big supermarket has minimum surface area of

1000 m² and the daily consumer goods form more than 2/3 of total sales. Small supermarket, also called a grocery store, differs in a way of surface area being 400 – 1000 m². Supermarkets are traditionally situated near a residential area in order to be convenient to consumers. (Päivittäistavarakauppa 2006, 6.)

Self-service shops

Self-service shops differ from supermarkets mainly by their size, product assortment, and prices. Large shops have a surface area of 200 m² to 399 m² and small shops are those of 100 m² to 199 m². Usually they are located for instance in railway stations and other densely populated areas. Self-service stores have the permit to be open on Sundays whereas the bigger stores need to be closed. (Päivittäistavarakauppa 2006, 6.)

Small shops and kiosks

Shops in this category include shops and kiosks of a maximum of 100 m² that are usually self-service stores. Specialty shops are small stores that specialize in a specific range of merchandise and related items. Most stores have an extensive width and depth of stock in the items that they specialize in and provide high levels of service and expertise. The pricing policy is generally in the medium to high range. The Finnish kiosks differ from the standard European kiosk booths by their size, style and product variety. Because of the small size, this store type enjoys the right of free business hours. Kiosks are popular in Finland and are found in almost everywhere while the specialized shops have recently had a noticeable decrease in their share of overall sales. (Väliniemi & Kyto 2007, 23.)

3 THE MARKETING ENVIRONMENT

The business environment of a company is an entity of factors that influence an organization, but that are out of their direct control (Kotler & Armstrong 2006, 65; Taipale 2006, 9). The forces in this environment include demand-, competitive-, production-, and institutional environments. The business environment defines the choices used when developing the company's functions. (Marketing Teacher Ltd. 2007.) This thesis discusses the demand-, competitive-, and institutional environments.

3.1 Demand environment

According to Lahtinen & Isoviita (2001, 19) the psychological, social, and buying power factors form the demand environment. This environment has a valuable role in the business environment since this is from where the marketer learns about the customer's needs, purchase motive, and expectations (Taipale 2006, 11). This environment emphasizes the customers: their behavior, needs, wants, values, and expectations as well as the fashion and trends that need to be taken into consideration (Lahtinen & Isoviita 2001, 19-20).

Demand and consumption

Demand is based on the customers' need to which the consumer buys the product for. Sometimes the customer does not realize the need for service or product until it is offered to him, due to which, a marketer has to provide the customer with a motive and a reasonable argumentation of acquiring the product from them, instead of a competitor. Aggregate demand is the estimated total sales of a branch of business. Big changes in demand are usual and might depend on seasonal-, or business trends. Aggregate demand includes demand from different segments. One example of segmented buyers is groups such as expensive-, medium-, and budget class buyers. Demand and consumption are concepts close to each other but instead of the desired

sales, consumption refers to the money spent. As consumption changes, observation is crucial for estimating the products that should be marketed. (Taipale 2006, 9-11.)

Market

The size and shape of the market changes continuously and companies need to be ready to react quickly to the new situations. Due to the difficulty of estimating the number of customers, the market is defined in monetary value, number of products, or some other unit of measurement. (Lahtinen & Isoviita 1994, 59.) Table 2, illustrates the three categories that the markets are grouped into.

Table 2. Market types.

| Market type | Customer type | Object of demand |
|----------------------|--|---|
| Consumer Market | Individuals | Consumer goods and services |
| Industrial Market | Domestic and foreign companies, industrial companies, retailers | Industrial goods and services |
| Institutional Market | Public-sector (municipalities, federations of municipalities, government institutions and organizations) | Both consumer and industrial goods and services |

When entering into new business environment an organization must decide the type of market that they want to compete in and define their potential buyers. From these potential buyers the organization then selects the most suitable audience for its marketing through segmentation. An organization must take this vital step due to the wide selection of markets. They must consider that a proportion, or possibly a large proportion, will have no interest in the product or service marketed. (Groucutt, Leadley & Forsyth 2004, 128-129.)

3.1.1 Buying decision process

The consumer buying decision process is a complex matter as many internal and external factors have an impact on the buying decisions of the consumer (Kotler 2006, 172.) This chapter discusses the different types of consumer decisions and one of the models of consumer buying decision process.

Customers go through a buying decision process when they search for a decision on a product or service they wish to acquire. Engel, Blackwell, and Miniard (1990) developed one of the few models available of this process (Figure 2.) which implies that consumers go through all five stages when acquiring a new product or service. This is usually the case in high-involvement purchases whereas in low-involvement purchases consumers may skip or reverse some of these stages. (Groucutt et al. 2004, 96.)

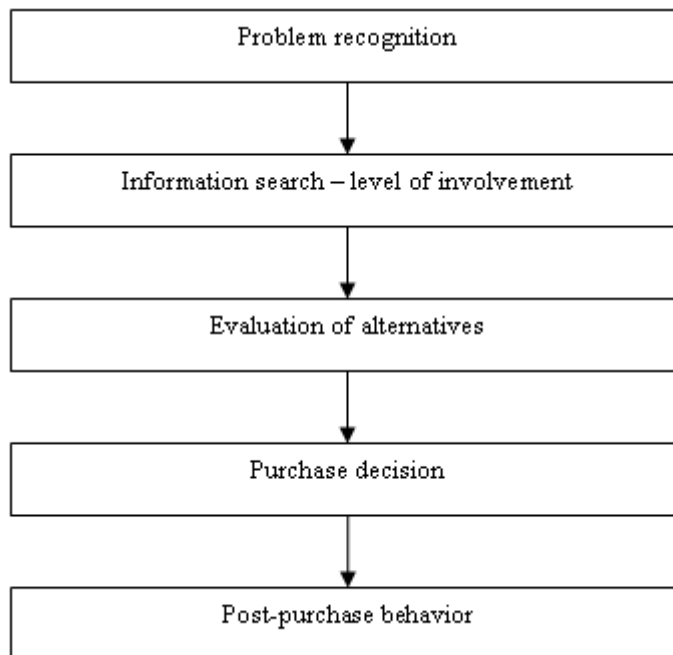


Figure 2. The buying decision process (Groucutt et al. 2004, 96).

As seen from figure 2 the process begins before the actual purchase and leads to the consumer's behavior after the purchase. In order to acquire a product or service, the consumer makes a decision on what to buy for how much of an investment. This requires desire for purchase as well as purchase power. Psychological factors such as needs, beliefs and attitudes, motives, and lifestyles, and social factors such as family, consumer small groups as well as social class influence on purchase will of a

consumer. Purchase power is influenced by the economical factors. (Lahtinen & Isoviita 2001, 21.) All these factors are discussed in more detail afterwards.

The process starts with the problem recognition, in which the customer identifies a problem or a need and takes action to resolve it. After recognizing this, the customer decides how much time and effort – involvement, she will invest into satisfying a need and starts searching for information on available alternatives. Two types of involvements exist: high-, and low. With a high involvement, the customer searches and evaluates information actively before making the final purchase decision. For example in a case of acquiring a new laptop, after recognizing a need for the product, the customer seeks for information on various brands, models, and stores in order to consider factors such as performance, reliability, after sales service, prices, and payment options. The information may be gathered from brochures, internet, commercials, magazines, etc. (Hansen & Christensen 2003, 356-357.) The final decision is many times consulted and influenced by e.g. family. In a case of a low involvement purchase, the customer is most likely already familiar with the product or service to be acquired which leads to little information search if at all. Some individuals prefer certain brands, and some others. If a customer has bought the same milk for 20 years, he is most likely to continue this habitual purchasing not considering the alternatives. Impulse buying is another example of low involvement since the customer has no time to research for information. It is important to realize that consumers are individuals, and what constitutes high involvement for one person might not for other. (Gilligan & Wilson 2003, 236-238.)

In the third stage of the buying decision process, the consumer evaluates the alternatives found by the information search and then forms preferences in prior to making a decision to purchase or not, or to wait for more alternatives to come available on the markets. As a result of evaluation the consumer has formed a purchase intention to buy the most preferred brand and product. (Kotler & Scheff 1997, 87.) However, two factors can intervene between the purchase intention and the actual decision: the attitudes of others, and, unanticipated situational factors (Figure 3) (Sandhusen 2000, 232-233; Hisrich 2000, 128-129).

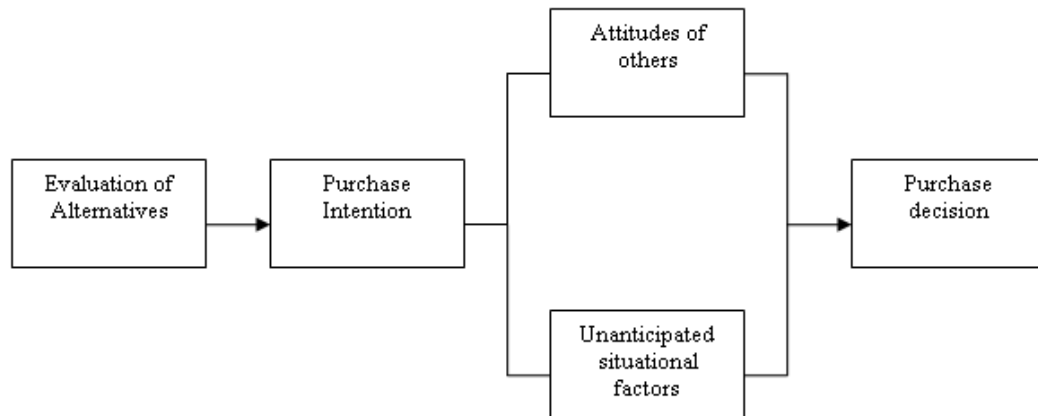


Figure 3. Steps between evaluation of alternatives and purchase decision.
(Kotler 2006, 258.)

Attitudes of others can have a large impact on the buying decision. These others are usually family members or good friends. They might have very negative or on the other hand, positive experiences of the product or service in need and by sharing these, effect the buying decision. (Sandhusen 2000, 234-235.) Unanticipated situational factors are for example illness, loss of job leading to money matters etc. Once the consumer has decided to execute a purchase intention, she will make up to five purchase sub-decisions

- 1) what brand to purchase
- 2) where to buy it
- 3) how many
- 4) when to buy it
- 5) how to pay for it

(Kotler, 2006, 257-258).

The buying decision process does not end to the execution of a purchase decision but continues with post-purchase behavior. After the product acquisition, the consumer will feel some level of satisfaction or doubt that the correct product decision was made. From a consumer perspective, acquiring a product marks the beginning of using the product and satisfying the need that is behind the purchase. For many reasons consumers want access to different resources such as service and repair as they use the product. For marketers this stage is very important since a satisfied

customer might turn this experience into loyalty and pass on her good experiences to other people. (Pal & Rangaswamy 2003, 70.)

3.1.2 Psychological factors

Every buyer differs from each other due to our individual needs, beliefs and attitudes, motives, and lifestyles. All of these psychological factors are linked to each other. Consumers use these factors to interact with their world and use these tools to recognize their feelings, gather and analyze information, formulate thoughts and opinions, and take action. The environment that the person is living can affect these psychological tools. (Lamb, Hair & McDaniel 2004,140-141.)

Need

Need is the basis for purchase. Consumer needs to have a positive attitude towards the organization and its products, after which the purchase behavior changes and the consumer has a motive for purchasing a specific product or service. (Mercer 2001, 67.) Needs can be divided into two categories: biogenic needs and psychogenic needs. Biogenic needs are crucial for the human race to survive, such as needs for food, drink, sleep and safety. Psychogenic needs are about a certain level of satisfying a need and are involved with comfort, pleasure, self-expression, and self-development. A gourmet dinner or sleeping in a luxury hotel on a vacation are just a few examples of psychogenic needs. (Gilligan & Wilson 2003, 228-229.)

Beliefs and attitudes

People form their beliefs and attitudes that affect their buying behavior through doing and learning. A belief is a thought that a person holds towards something and can be based on real knowledge, faith or opinion. An attitude on its behalf describes ones consistent evaluations, feelings and so on towards an idea or object. People have attitudes regards to almost everything, religion, music, clothes, food, and so on. (Isoviita & Lahtinen 2001, 23-24.) The environment one lives in has a great impact on her attitudes that are influenced and formed by different resources. One is inclined

to marketing while reading magazines or advertising letters or watching television. Family, friends, and groups such as sports club, peer students and working colleagues influence on the attitudes of others by their behavior. Also a satisfactory experience shapes up to a positive attitude where as a negative experience usually derives to a negative attitude. Due to the difficult nature of changing one's attitude, organizations should usually try to fit their products to existing attitudes instead of trying to change them. (Kotler 2006, 249.)

Motives

According to Isoviita et Lahtinen (2001, 24), a motive is a reason or an influencer for people's behavior. We are well motivated when there is a sense of purpose in what we do. Motives can be either conscious or unconscious and recognizing the presence is crucial due to a great risk of using the wrong marketing methods if the motives are identified wrong. Rarely our behavior is a result of one single motive, but a bunch that usually are mutually enhancing and of which the strongest one defines the buying behavior. (Grikscheit, Cash & Young 1993, 128-129.)

Personality and Lifestyles

Everybody gets a personality when born and it is impossible to change this character of human nature. Human behavior on the other hand is changeable and some of the nature characteristics can be hidden. Due to the influence of personality on consumer buying behavior, marketers need to design their products in a way that they have characteristics appealing to their target groups. People's lifestyles are defined according to how they live and to what they spend time and money. Consumer's buying behavior can be better understood by first examining and then understanding consumer's lifestyles instead of for example identifying their age and sex. Analysts measure consumer's lifestyles by using attitude, interests and opinions together with demographic factors. (Oldroyd 2006, 141.)

3.1.3 Social factors

The social factors of purchasing, most importantly, family and different small groups have a great impact on the purchasing behavior with their opinions. Due to their influence, organizations should consider these factors while designing their marketing strategies. (Isoviita & Lahtinen 2001, 24.)

All humans belong into some type of a group, family, different types of associations, teams, parties, clubs, and work-, and study groups. Every group has an opinion leader, a member that has a greater influence on the others leading to formulating the buying behavior and favors the consumption of certain products and brands. Family members influence largely on the decisions made. Parents have an impact on the children's behavior, spouses on each other, and siblings, especially older influence on the younger ones purchase behavior. Children can also influence on the parents decisions e.g. in a situation of a family holiday (Lahtinen & Isoviita 1994, 68.) Consumer lifestyles form an important factor when studying the behavior. Mainly everywhere in the world, the wife usually has the buyer role of the family when talking about for example food, household products or clothing. The change in the number of family members and their age influence on the products and services acquired (Figure 4). If the family size and age increases, consumption grows as well. (Boone & Kurtz 2005, 262-263.)

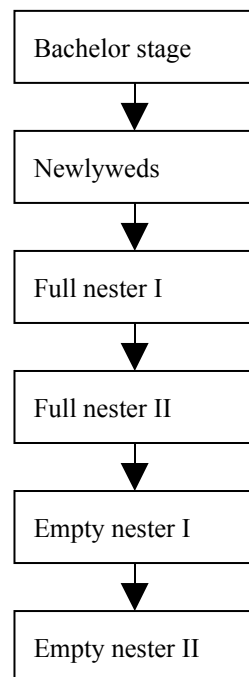


Figure 4. Stages of the family life cycle (Lahtinen&Isoviita 1994, 68).

The first stage of the chart is the bachelor stage, which illustrates a one-person household where money is spent of studies and leisure time. This stage is either temporary or permanent stage. The newlyweds describe a childless couple that has a double income that is spent on studies, home entertainment and saving. Full nester I is a couple with children under school age. The money is spent on food, clothing, buying a house and decorating. Full nester II means a couple with children of school age. Their money goes to family hobbies and vacations. Empty nester I is a couple whose children have left home and their money is spent on studies, grandchildren and own hobbies. The last stage described in the chart is the empty nester II. Their money goes to traveling, recreation, and redecorating the home. (Lahtinen&Isoviita 1994, 68.)

Social class

Social class is determined as variables such as occupation, income, education and values. These characteristics are discussed in the next chapter. People belonging to the same social class tend to be more similar to each other than to the members of

other social classes. Most of us behave according to what is expected from that particular class. If one wants to make an impression of a high social class status, she will wear expensive clothing and behave according to the norms of that class. A person can move from one social class to another as an impact of e.g. loss of a job or a promotion. (Gilligan & Wilson 2003, 227.)

3.1.4 Economical factors

In order to be able to execute a purchase, one needs to have both purchase will and power. Factors that affect consumer purchasing power and spending patterns form the economical environment of the markets together with the demographics. (Isoviita & Lahtinen 2001, 27.) There are large differences in the levels and distribution of income in different countries. Countries that have subsistence economies offer few market opportunities since people consume most of their agricultural and industrial output. The other extreme are countries with industrial economies meaning that they form potential markets for many different kinds of goods. (Kotler & Armstrong 2006, 79-80.) There are often large gaps between disposable incomes and prices in one area relative to another part of the country. Due to the difference of countries and within a country, marketers are to pay close attention to trends and consumer buying patterns on a local, regional, national, and global basis. (Wood 2003, 31.)

Demography is the study of the distribution, density, and vital statistics of populations. People make up the markets and this is why the demographic environment gains large interest from the marketers. (Kotler & Armstrong 2006, 69.) Population trends and characteristics suggest the size of the market and strength of demand. Due to the rapidly changing market nature, these demographic trends must be updated regularly. (Wood 2003 27.)

Marketers need to follow the population trends in the areas where they are already doing business and are planning to do business. Population growth creates and expands markets around the world – either by higher birth rates, lower death rates or immigration. At the same time, the population is shrinking in some areas. The management should take a deeper look at the consumer population, its age, gender,

ethnic and religious construction, education, occupation, household size, and income, and also pay attention to the trends of these characteristics. (Wood 2003, 27.)

3.2 Institutional environment

The institutional environment including the political and legal factors, are a part of a business external environment. Legislation, ethics, distribution channels, politics, and different contract and negotiation systems, as well as the society's culture create restrictions and challenges for the organizations. (Boone & Kurtz 2005, 84.) Being aware of the opinions of the political decision-makers and their fellow citizens allows the company to know where and what type of changes are expected. (Lahtinen & Isoviita 2001, 34.)

3.2.1 Cultural factors

Culture is commonly considered as the meanings that are shared by most people in a social group. Extensively, cultural meanings include common affective reactions, typical beliefs, and characteristic patterns of behavior. These forces formulate the cultural environment of the markets. Each society has their own way of understanding and visioning the world, which is constructed by creating and using meanings to represent important statuses. (Kotler & Armstrong 2006, 89.)

Elements of Culture

Social structure, language, and values and attitudes are few of the basic elements of culture. Social structure presents an idea that society is grouped into structures with different functions, meanings or purposes. These determine the roles of individuals in a society, which is related to social stratification referring to the idea that society is separated into different strata, according to social distinctions such as race, class, and gender. Social structure also determines individuals' mobility in a society. Societies

involve individuals living in family units and working with others in groups. Societies are not identical since they have their own definitions on family and their role division within a group. Cultures view family differently, for example some might consider family as the parents and children, others view it as the whole clan and some cultures see family as something in the between these two. This should be taken into account when conducting a market research since it has an impact on consumption patterns. (Czinkota, Rivoli & Ronkainen 1992, 213-214.) Societies also differ in their degree of social stratification. All societies categorize people based on their birth, occupation, educational achievements, and other attributes and determine the importance of these categories. Social mobility means the ability of individuals to move from one part of a society to another. Individuals' attitudes and behaviors towards labor relations, human capital formation, risk taking, and entrepreneurship are often affected by social mobility or the lack of it. (Griffin & Pustay 2002, 86-88.)

Language

Society's members communicate with each other by language, which makes it a primary characteristic of cultural groups. Language influences the way society's members see the world, shapes one's perceptions of the world, and it provides clues about the cultural values of that society. If a country enjoys more than one language group it is a signal about the diversity of a country's population and might suggest possible differences in income, work ethic, and/or educational achievement. Marketers need to take into consideration language when entering new markets. For example, Kellogg renamed their Brand Buds in Sweden since when translated it meant "burned farmer". (Czinkota etc. 1992, 204-206.)

Values and Attitudes

People in a given society hold two different kinds of beliefs and values, core, and secondary beliefs. People create their own views, basic beliefs and values according to what they are been brought up to. The core beliefs and values have a high degree of persistence and they shape more specific attitudes and behaviors that are used in every day life. Core values are abstract end goals that people aim to achieve in their lives. These basic beliefs are passed on from parents to children and are given more

attention and influence by schools, churches, and government. Marketers can gain great advantage on understanding the basis for the customers by examining the core values of people in a society. (Peter & Olson 2005, 287.) Secondary beliefs and values are more sensitive for change. Marketers have little chance to change core beliefs but they have more power on influencing people's secondary beliefs. Secondary values can change constantly which might impact on the success of a company's marketing strategies. As consumers' values change, their actions with existing products and brands also change leading to a possible change in the consumer-product relationship. (Kotler & Armstrong 2006, 89.)

Changes in values and beliefs can create both problems and opportunities for marketers. Weakening economy can cause smaller sales that can lead to a product or brand image change. An example of a new marketing opportunity by cultural change took place in the food industry when consumers started to value healthier products. Many manufacturers and restaurants started added new "healthy" substitute products such as, products with reduced levels of fat, sugar, and cholesterol, to their product lines and menus. Changes in cultural values reflect to changes in behavior that are taught in terms of lifestyles meaning the typical ways in which people live their lives to achieve their end goals or values. (Peter & Olson 2005, 292-294.)

3.2.2 Political and legal factors

The government controls the factors in the businesses political and legal environment and their responsibilities to businesses are much greater than the obligations of those to the government. They have the power to control and guide as well as the resources to shape the businesses growth in a country. (Reidenbach, Goeke & McClung 2002,128.) As a member of the European Union, the business operators in Finland are subject to European Commission, individual market state and specific local regulations. Numbers of reasons exist for legislation. First, it exists for protecting companies from each other by defining and preventing unfair competition. Second, it is to protect consumers from unfair business practices such as low-quality products and false advertising. Third purpose of government regulation is to protect the interests of society against aggressive business behavior by ensuring that companies

take responsibility for the social costs of their production or products. (Kotler & Armstrong 2006, 159.)

Since the political arena has a significant influence upon the regulation of businesses, and the buying power of consumers and other businesses, organizations must take into consideration several other issues. Stability of the political environment indicates that the business will grow better as executives are more ready to shoulder risks. If the business is under political instability, uncertainties and risk in business will increase and therefore individuals will hesitate to join or diversify the business. Examining political stability begins with clarifying the concept of politics and the political structure. The government's position on marketing ethics, their policy on the economy, as well as their possible view on culture and religion are also worthy of a comprehensive examination in order to avoid major mistakes for example in marketing. (Goyal 2002, 22.)

Companies operate within a certain legal environment that consists of laws covering areas such as competitive behavior, trade regulations and tariffs, pricing, taxation, and labeling among others. Organizations aiming at entering new foreign markets must examine the above-mentioned elements since ignorance or non-compliance with laws and regulations can result in fines, negative publicity, or civil damage suits. (Needham, Dransfield, Coles, Harris, Rawlinson 1999, 26.)

3.3 Competitive environment

Organizations tend to satisfy customers and as this interactive exchange takes place, it creates the competitive environment. Marketing decisions of each company influence on other peoples' responses in the markets due to which very few organizations are able to function without some form of competition. (Boone et al. 2005, 64.) Competition means that there are two or more organizations trying to provide a product or service which aims in satisfying

the consumers' needs. The amount of competition varies between organizations and industries but it always has an influence on the organizations' actions and their level of success. The competitive environment can be analyzed with the help of Michael Porter's five forces model (Figure 5), which is discussed in more detail later in this chapter. (Brumfitt, Barnes, Norris, Jones 2001, 9.)

When examining the competitive environment the organization should find answers to questions such as:

- 1) What companies and products are our competitors?
- 2) What type of marketing they do?
- 3) What are our competitors' strengths and weaknesses?
- 4) What is their price setting like?
- 5) Can we expect new entrants or withdrawing organizations in these markets?
- 6) In what possible ways will our competitors react to our actions?
- 7) What type of cooperation could we do with our competitors?

(Lahtinen et al. 2001, 30; Subhash 2001, 92.)

3.3.1 Five forces analysis

Michael Porter developed a framework called the five forces model for understanding the competitive environment. This model points out five key structural features that determine the strength of the competitive forces within an industry and hence industry profitability. Porter considers customers, suppliers, new entrants, and substitute products or services as potential competitors and therefore the organizations objective is to determine how it can defend itself against these forces or how it can influence them in a way that they profit the most. Analyzing these five forces enables an organization to build up a picture of whether the industry is a highly competitive low profit market or a low competition market with high profits. (McIvor 2005, 122.)

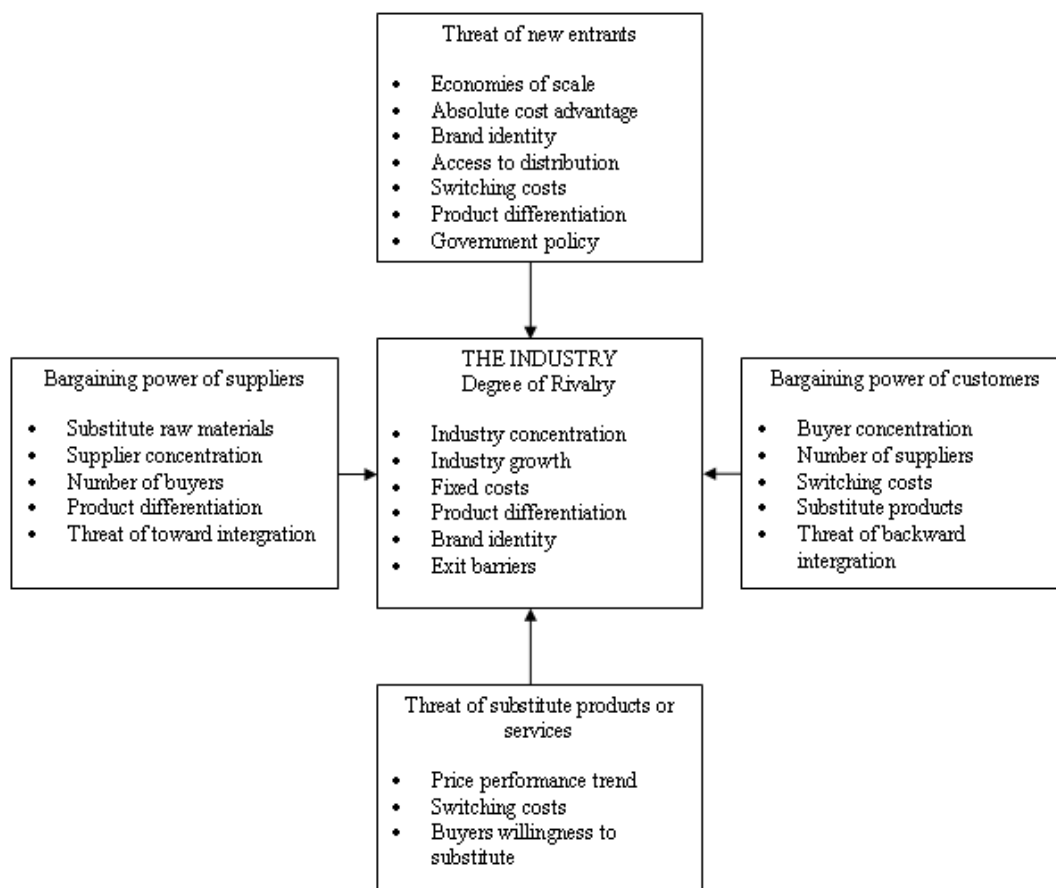


Figure 5. Michael Porter's five forces model. (Subhash 2001, 93.)

Degree of Rivalry

The degree of rivalry in the industry is the central force in the model that measures the intensity of competition. Indicators of industry concentration measure rivalry. An example measure is the Concentration Ratio, which indicates the percent of market share held by the four largest firms. A high ratio implies that the industry is concentrated and there are only few firms holding a large market share. A lower concentration ratio indicates that many rivals exist, none of which has a significant market share. If the rivalry among organizations is low, the industry is considered as disciplined which might result from e.g. the industry's history of competition or the role of the leading organization. (Campbell, Stonehouse, & Houston 2002, 140.)

A larger number of firms increase rivalry because there are more organizations competing for the same customers. If these firms have similar market share, the rivalry expands. Slow market growth causes organizations to fight for market share when a growing market enables them to improve revenues. Industries with high fixed costs tend to be more competitive because competing firms are forced to cut prices in order to operate at capacity. A low level of product differentiation is associated with higher levels of rivalry while brand identification tends to enforce rivalry. When barriers to leaving an industry are high, competitors tend to exhibit greater rivalry. (David 2005, 94-95.)

Threat of new entrants

Both potential and existing competitors influence average industry profitability. The threat of new entrants is usually based on the market entry barriers that can take diverse forms. (Subhash 2001, 94.) Brumfitt defines economies of scale to characterize a production process in which an increase in the number of units produced causes a decrease in the average fixed cost of each unit. Economies of scale require potential entrants that either establish high levels of production or accept a cost disadvantage. An absolute cost advantage exists when a company has e.g. cheaper source of raw materials, cheaper manufacturing or assembly costs, or similar benefits. In addition, existing loyalty to major brands, the ease of access to distribution channels, high switching costs i.e., the cost to a buyer to changing suppliers, product differentiation, and government restrictions or legislations can function as a market entry barrier. (Brumfitt et al. 2001, 18-19)

Threat of substitute products or services

A substitute product or service that serves the same function is another source of competition. The threat that substitute products pose to an industry's profitability depends on the relative price-to-performance ratios of the different types of products or services to which customers can turn to in order to satisfy the same basic need. The switching costs that occur when a customer decides to switch to a different type of product or service also create a threat. If the

switching cost is low, it then poses to be a serious threat. In addition, a product's price elasticity is affected by substitute products bringing more availability and alternatives to the markets. **(Hellriegel, Slocum, & Jackson 2004, 82.)**

Bargaining power of suppliers

Subhash (1999, 94) defines bargaining power of suppliers as the degree to which suppliers of the industry's raw materials have the ability to force the industry to accept changes in prices or level of service without affecting profits. If suppliers have high bargaining power over a company, the industry of a company is less attractive. The high bargaining power is achieved when e.g. there are many buyers and few dominant suppliers or there are undifferentiated and highly valued products, and the suppliers' threat to integrate forward into the industry. An example of integrating forward is if a manufacturer plans to set up their own retail outlets. Furthermore, the ease for suppliers to find new customers affects on the bargaining power of suppliers. (Bengtsson 1998, 30.)

Bargaining power of customers

The bargaining power of customers refers to the ability of the industry's customers to influence on the prices or to the amount of features offered. When there are few buyers, their purchase volume is larger and as a result, their bargaining power is greater. The bargaining power reduces if the industry in question is concentrated and the players are large compared to the buyers. Other factors influencing the bargaining power of buyers are the switching costs and the availability of substitute products. If the switching costs of substitutes are low, then buyers enjoy a more powerful position due to the inability of industry players to inflate their prices. Customers' also gain greater bargaining power when they pose a credible threat of backward integration. (Campbell, Stonehouse & Houston 2004, 138-139.)

3.3.2 Competition types and roles

When discussing competition types, the number of organizations and their sold products' diversity are under observation from the customers' point of view. If there are no considerable differences in the brands or their providers, the products are homogenous. If the situation is diverse and the buyer notices big differences, the products are heterogeneous. When the markets are observed from an organizations' perspective, terms such as pure competition, monopolistic competition, oligopoly, and monopoly are used. (Kerin, Hartley & Rudelius, 2004, 71.) Table 3. illustrates the different types of competition.

Table 3. Types of competition. (Boone et al. 2005, 80)

| Characteristics | Pure Competition | Monopolistic Competition | Oligopoly | Monopoly |
|--|-------------------------|---------------------------------|----------------------|---|
| Number of competitors | Many | Few to many | Few | No direct competition |
| Ease of entry into industry by new firms | Easy | Somewhat difficult | Difficult | Regulated by government |
| Similarity of goods or services offered by competing firms | Similar | Different | Similar or different | No directly competing products |
| Control over price by individual firms | None | Some | Some | Considerable in a pure monopoly; little in a regulated monopoly |

Pure competition exists when there are such a great number of both sellers and buyers that no one in particular has an influence on the market price of goods and they all have a comparatively small market share. The goods are homogeneous and the sellers and buyers both have a perfect knowledge about the prices and other features of them. In addition, all goods have a free entrance to the markets and no restrictions exist on the right to produce or sell. Pure competition in practice is hard to find but an example is the fruit and vegetable sale in a marketplace. (Boone et al. 2005, 80.) Pure competition is a simplified model of an achieved balance in the markets where the demand and supply are equal. Monopolistic competition is close to pure competition, the difference is that the goods are similar to each other but differ to a buyer in a sense of a name or few product features. An example of

monopolistic competition is coffee sold with many different names even though the product is somewhat the same. (Brumfitt et al. 2001, 27.)

Oligopoly is a common industry structure in which there are a few companies with a large market sale competing against each other and defining the prices of goods. Usually oligopoly companies obey a pricing formality where the prices are changed only in situations where their expenses change. (Kerin et al. 2004,72.) This type of a market offers room for smaller companies as well and able those to sell similar products with the prices set by the bigger organizations. In monopoly, there are only one seller or manufacturer and many buyers. The prices are defined by the organization enjoying monopoly and the buyers decide what they buy and how much. Typically, the state or federal government regulates the marketing in monopoly. Oligopoly is more common than monopoly. Examples of oligopoly in Finland are the central wholesalers of food industry such as S-group, Kesko, Spar and Tradeka while Alko has the monopoly in selling spirits. (Vives, 2001, 17.)

Organizations form specific operation modes in the markets. These modes are called competition roles based on which companies are recognized. (Yrittäjyyden portaati 2007.) Identifying competitors' operation modes enables each owner of a business to forecast the necessary actions to take in the future. Terms such as market leader, challenger, follower, and nicher are used when describing the competition roles. (Gilligan et al. 2003, 541.)

Market leader has the largest market share and usually leads other companies in price changes, new product introductions, distribution coverage, and promotion spending. Usually their objectives are to expand total market usage of the product in order to protect their current market share. Competitors focus on market leaders either as a company to challenge, imitate, or avoid. Depending on the size of the market and the number of competitors, market challengers are generally those organizations positioned to the second, third, and fourth place in market share. To gain market share, the challengers may attack specifically against the market leader and their identified weakness, but also the smaller competitors. (Epstein 2005, 271-272.)

Market followers duplicate the market leader in all that they do (Ashford & Beamish, 2006, 62). If the leader increases the prices, so does the follower and vice versa. It is very unlikely to see a follower challenging the leader. Market nichers are smaller companies that appeal to a particular segment due to their unique strengths. They focus on quality and service and have a wide selection of products. A large market share is not a first priority of a market nicher; instead, they are satisfied with a smaller share. Many starting companies choose either a market-nicher or a follower position. (Stevens, Sherwood, Dunn, Loudon 2006.63.)

4 THE AIM AND CONCEPTUAL FRAMEWORK OF THE STUDY

The aim of this thesis is to study the market environment of the Finnish food industry and its different retailer possibilities as well as the main competitors and their product pricing. The case company is also interested in the Finnish consumers and their buying behavior and the regulations concerning package labelling.

This study is made for a Belgian company Conserverie et Moutarderie Belge, CMB, that specializes in producing different types of frozen ready cooked dishes, sauces and mustards. They are already exporting to the Netherlands, Luxembourg, France and Germany and now wish to expand their business to Finland with their mustard product line. The purpose is to analyze the current situation and show different possibilities on distribution channels in the Finnish markets.

The questions guiding this research are:

- What is the Finnish market environment?
- Which business chains are the main players in the industry?
- Who are the most desirable retailers?
- How are the Finnish consumers and their buying behaviors?
- Who are the main competitors and what is their price setting?
- What are the regulations on package labelling?

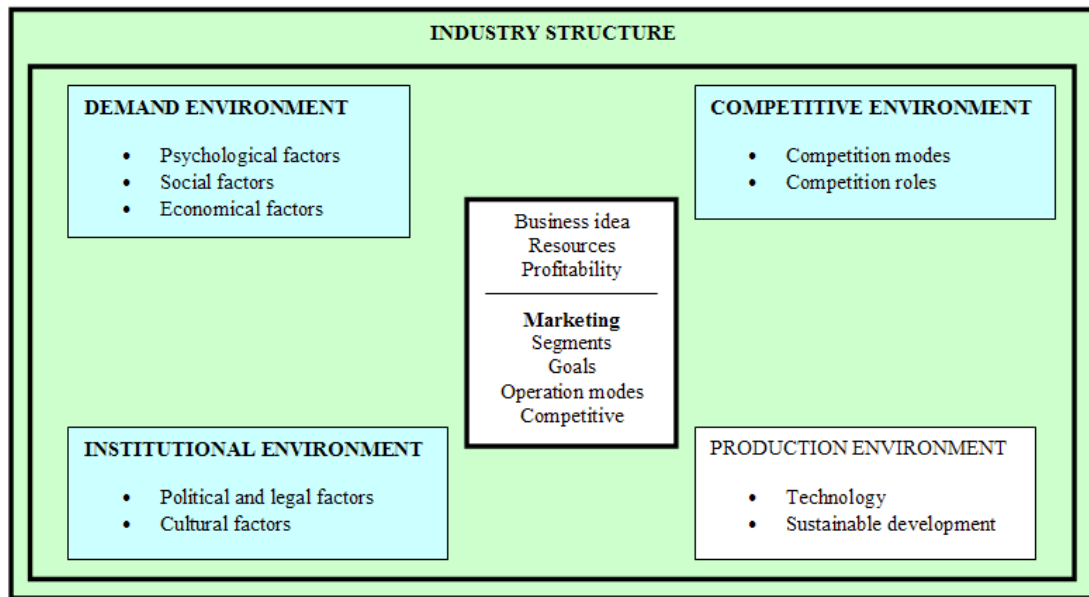


Figure 6. Conceptual framework of the study: the marketing environment. (Modified from Lahtinen & Isoviita 2001, 19.)

Companies operate within a marketing environment built of internal-, and external parts. The internal environment consists of factors inside the company, whereas the external factors are out of their direct control. Examining the industry structure enables the organization to get a better view of the situation at the markets and its operations. Related to the industry structure is the external marketing environment. This thesis concentrates on the demand-, competitive-, and institutional environments, illustrated in blue color, since they are issues of great importance for the case company's purposes. Environments illustrated in white color in the conceptual framework are not part of the study.

5 RESEARCH METHODOLOGY

The method in which the research is carried out is based on the research objective. Some objectives put greater emphasis on qualitative research, and others on quantitative research and some require both methods. The material can be collected for example in forms of interviews, questionnaires, or by using secondary data from previous publications. Usually always both, primary and secondary data is needed for conducting a research. (Kumar 2005, 17)

In quantitative research a large group of respondents provide data which are statistically analyzed. By analyzing the material gathered, the researcher aims at understanding a societal phenomenon and then making generalizations. In quantitative research, the research problems are designed accurately beforehand. (Black 1999, 23.)

Qualitative research is a set of research techniques, used in marketing and the social sciences, in which data are obtained from a relatively small group of respondents. The researcher describes kinds of characteristics of people and events without comparing them in terms of measurements or amounts. The research problem is not designed as in quantitative method since it may change during conducting the research. (Eskola & Suoranta 2003. 26)

5.1 Data gathering

My thesis consists of theoretical and empirical parts. The first part is written by using secondary data in order to provide a basis for the study. The information is gathered from books, internet sources and publications. The empirical study is carried out through collecting and analyzing secondary data as well as primary data provided by the case company and an importer. The interviews cover issues such as current business operations, expectations of the Finnish markets, product image, and product acquisition among others.

The first interview was conducted on February 10 2007 via phone with the Chief Executive of the case company Conserverie et Moutarderie Belge, Mr. Renson. The questions were sent to him beforehand so that he could have prepared himself for the interview. The session lasted approximately 20 minutes.

The second interview took place in Helsinki at the office of Aurinko N T on April 14 2008. The interviewee was Nikke Holopainen, an importer and a founder of the company. The interview with a quick tour in the company took approximately 30 minutes.

In order to get some idea on the pricing of competitors I conducted a price level enquiry, which is found in appendix 3. The data was gathered on 15 April 2008 by personal observation. In more detail, by visiting stores of each chain in the Helsinki city area and one store in Hyvinkää. The list of stores visited is found in the appendix.



5.2 Quality assessment

The conclusions drawn through the interpretation of the results of data should be *objective*, that is, they should be based on the facts of the findings originated from actual data instead of one's own subjective or emotional values. *Reliability* is shown by proving the research tools consistent and stable, and, hence, predictable and accurate. The greater the degree of consistency and stability is the greater is its reliability. (Kumar 2005, 152.)

Validity of research represents whether the research is really measuring what it claims to be measuring. Internal validity refers to the whole picture of the issue while external environment refers to the generalization of results. *Utilization* means the usage of the data gathered and the benefits of it to the case company. (Creswell 2008, 159-160.)

As mentioned before, the data gathered for this thesis was conducted by using both primary and secondary data. The primary data was obtained from two interviews,

one with the case company and the other one with a Finnish importer. The secondary data used was gathered from books, internet sources and other publications. Results for quantitative part on the Finnish consumers were found from different secondary data surveys made by Finnish research organizations such as A.C. Nielsen, kuluttajatutkimuskeskus and TNS Gallup. Other secondary data used was gathered from business chain's annual reports, their internet pages and books, most of which published after year 2000. The research was to measure the Finnish retailing industry and the consumers. The study results support the theory and the questions guiding this research were answered by the study results.

6 RESEARCH FINDINGS AND ANALYSIS

Next I will introduce the findings of the study. The material was gathered mainly by searching secondary data but also an interview was made with the chief executive of CMB, Mr. Mathijs Renson. The interview was made on 10 February 2007 via phone and included issues on current business situation and procedures and the desired market position in the Finnish markets. Another interview was made with a Finnish importer Nikke Holopainen. The interview took place in Helsinki on 14 April 2008.

6.1 Finnish retailing system of daily goods

The European Union membership has benefited both the Finnish and foreign organizations in terms of trade. As free trade takes place in the Unions' internal markets, it is easier for the Finnish retailers to get access to foreign products as well as it is to the foreign organizations to deliver them to Finland. This has affected both the import and export rates of foodstuffs. (Figure 7)

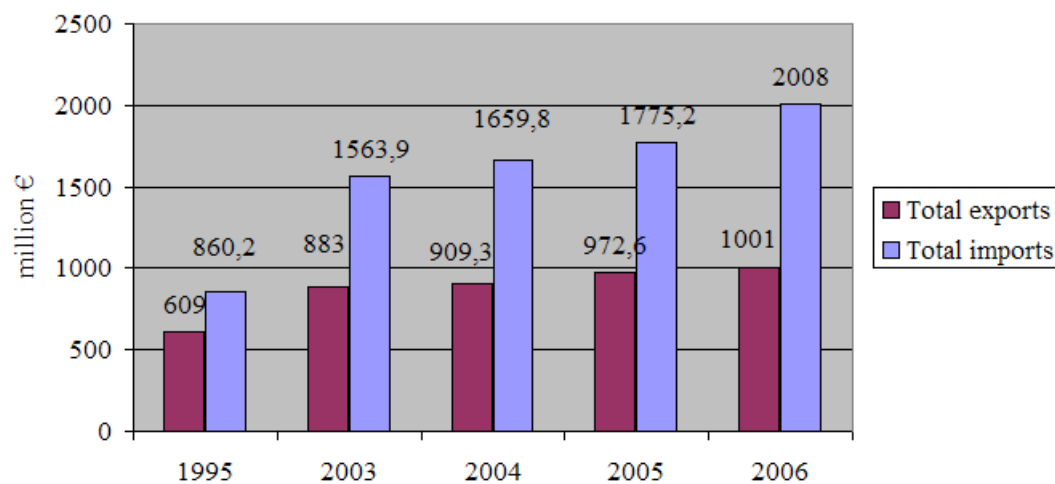


Figure 7. Total imports and exports of foodstuffs.

In 1995, the worth of total exports of the Finnish foodstuffs was 609 million euros. There is a noticeable change in the value after joining the European Union. Year 2006 was the record year for the foodstuffs exports with a worth of approximately 1 billion, which is almost 14 % more than in 2005. This is not only because of the free

trade but also with the market situation in Russia making it the main target with a 23 % share of the exports. Other important countries for Finland's exports are Sweden (16 %), and Estonia (10 %). Dairy products are the biggest group of Finnish exports. (Finfood 2007, 21-22.)

The worth of total imports has increased briskly as well. In 1995 imports were done with 860,2 million euros and in 2006 with approximately 2 billion, which is 8 % more than in 2005. In the last five years, the amount of imports to Finland has increased by 33%. Main import products include fish, meat, and cheese and about 70% of the imports come from the old European Union countries such as Germany, Sweden, and the Netherlands. (Finfood 2007, 23.)

Figure 8 illustrates the division of the food imports and exports in Finland that consist of industrial goods, agricultural products and animal feed. Industrial goods are goods such as alcohol beverages, animal-, and vegetable oils, canned fruits, -vegetables, and -fish products, meat, dairy products, chocolate and sweets, mustard etc. In 2007 this group formed 67% of the food imports and 90 % of food exports in Finland. 27 % of imports were agricultural products such as fruits, raw coffee, and vegetables while their share of exports was 8%. The last division is animal feed of which 6 % was imported and only 2 % exported. (Elintarviketeollisuusliitto ry, 2007.)

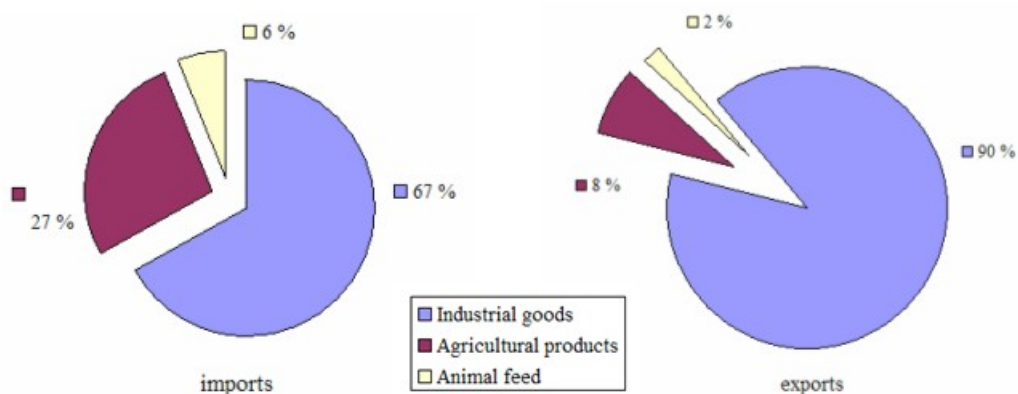


Figure 8. Food imports and exports 2007.

The share of mustard imports and exports (Figure 9) is quite small of the total statistics. While imports have increased since 1995 until a slight decrease in 2006,

exports have experienced both decrease and increase. The difference between these two is apparent: the role of mustard imports is greater than exports. In 1995 mustard exports were worth of 0,4 million euros while imports were worth of one million euros. Ten years later, exports had decreased by 0,1 million and imports increased by 3,7 million euros totaling to 4,7 million. Competition between business chains and the consumers' increasing courage to try new products has put pressure on food imports. (Elintarviketeollisuusliitto ry, 2007.)

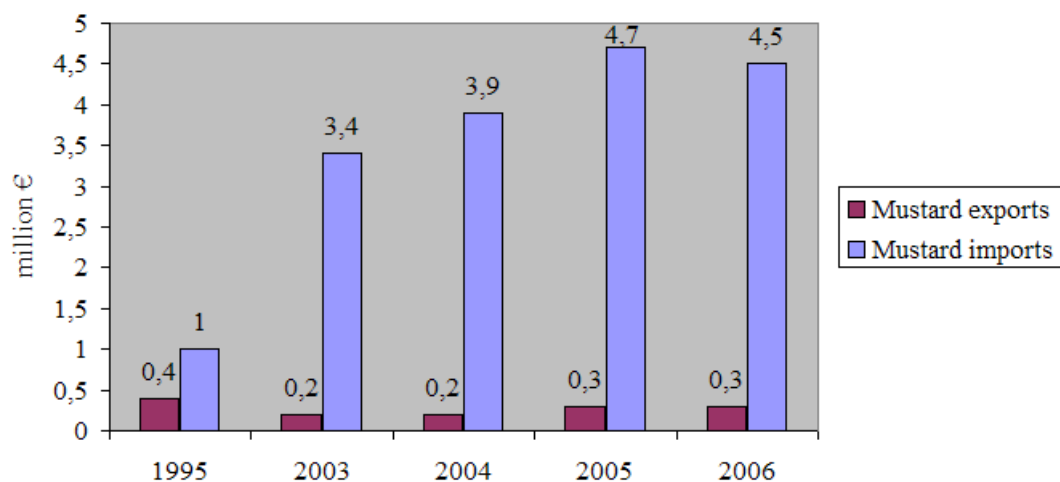


Figure 9. Mustard imports and exports in Finland 1995 and 2003-2006 (Finfood 2007, 21-22).

Mustard is the most used spice in Finland right after ketchup. It is used on bread, sausages and in other cooking. Finnish people consume approximately 4 073 000 kg's of mustard yearly which equals nearly to 0.8 kg per person. In year 2004, households purchased 2,7 million kg's of mustard and restaurant etc. the remaining 1.3 million kg's. (Vaara 2004.)

The daily consumer goods trade employed an average of 254 000 people in 2005. Retail trade had an average of 135 700 employees, wholesale approximately 78 000 and the remaining wage earners were employed in vehicle and gasoline sales among others. Retail sales of daily consumer goods employed some 50 000 and department stores 22 000 people. Wholesale and logistics operations employed another 20 000 employees. (Finnish Food Marketing Association [FFMA] 2006, 4-5.)

Business chains

Chaining and centralization of sourcing and logistics are peculiar for the Finnish retailing system. This phenomenon creates stronger business chains which can be seen in Finland as the three main alliances, S-Group, K-Group, and Tradeka, described later on, hold together 85,2 % of the retail market for daily goods in 2006 while others, such as Stockmann and Lidl share the remaining 14,80% of the markets (Figure 10). On the same year the Finnish grocery retail market totaled approximately €12.5 billion. When the industry is at the situation that it is in Finland, it means that the organization searching for purchasers for their products has a very few alternatives for distribution channels. (FFMA 2006, 14.)

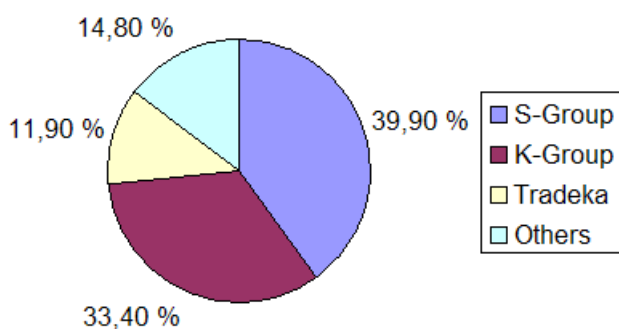


Figure 10. Market share of the alliances in 2006.

S-group

The S-group comprises cooperative enterprises, as well as Suomen Osuuskauppojen Keskuskunta (SOK) and its subsidiaries. It provides services for the supermarket, service station and fuel trade, department stores and specialty shops, hotels and restaurants, as well as the automobile, hardware and agriculture business. The S-Group has 745 grocery stores in Finland with total sales of € 5 306 million in 2006. National chain brands of the S-Group in the area of food trade are Prisma, S-market, Sale, and Alepa. They also have five Prisma stores in Estonia and one in Latvia. (SOK 2008; FFMA 2006, 14.)

Prisma stores are described as family friendly hypermarket where shopping is made as easy as possible, price level is affordable and product variety is extensive. The

stores are located in a way that customers have an easy access by car as well as public transportation. Usually other services such as banks, petrol distribution cafeterias etc. are provided in the context of Prisma stores. At the end of 2006, 47 Prisma hypermarkets existed and their sales were €2 056 million. The size of the stores vary between 4 000 m² and 12 000 m². (SOK 2008.)

Versatile S-Market stores form the biggest daily goods chain of the S-Group as their sales were € 2 681 million. In 2006, the S-Group had 409 S-Market stores located around the whole country with a variety of 4 000 – 10 000 products. They are between 600 m² and 3 000 m², depending on the locations. The smallest stores are in suburbs and densely populated areas, medium sized stores are in district and city centers and the biggest stores are located in the urban environment near heavy traffic. The main principles of the store chain are affordable price level at all times, versatile and good quality product variety, and the ease of shopping. Price level is not based on daily offers, but on sustainable budget pricing. (SOK 2007.)

Sale stores form a chain that offers every day foodstuff and hygiene products for its customers. This large self-service store type is found around Finland excluding the metropolitan area and the 207 stores are located in city centers, suburbs, and rural centers. The size of the stores vary between 200 m² and 400 m² and depending on the location and size, they carry a product variety of 1 700 – 3 000. (SOK 2007.)

Alepa food stores are close to their customers in the metropolitan area and are open 7 days a week. 82 Alepa stores are located in places where people live and work. The lifestyle and needs of consumers in the Helsinki area are taken into consideration as their product variety consists of everyday food as well as ready cooked dishes and snacks. (SOK 2007.)

K-Group

Kesko company was established in 1940 by merging four regional wholesaling companies. Today, Kesko is a retail specialist whose stores offer quality to the daily lives of consumers through valued products and services at competitive prices in

business divisions from hardware to groceries. In 1990's Kesko started transferring to chain operations as their main focus was on grocery trade. More customer-oriented, profit-targeted operating model was created as the chain units and profit groups were formed. (Kesko 2008.)

Kesko Food manages K-food store chains and combines their purchasing power, arranges efficient logistics, acquires store sites and guarantees strong marketing and development support for K-food stores. In this voluntary chain, the retailers are locally committed to satisfying the needs of their customers and keeping the service pledge. The concepts of the stores are developed for various consumer needs from hypermarkets to self-service stores and have a customer promise that the retailers are responsible for. In 2007 the number of K-food stores in Finland exceeded 1070 (Table 4) in which everyday approximately 750 000 customers shopped. Kesko Food's retail chains are K-Citymarket, K-Supermarket, K-Market and K-Extra. These chains form the most comprehensive store network in Finland. (Kesko 2007; FFMA 2006, 15.)

Key retail store chains

K-Citymarkets are versatile, low priced hypermarkets that have large selections of groceries and home and specialty goods. The strength of these hypermarkets is the variety and quality of domestic, foreign and own brand products. Apart from national wide goods, K-Citymarkets offer goods from regional and local suppliers. The chain's customer promise is "Best brands, one-stop shopping at low prices!". In 2007 the group had opened 14 new K-Citymarkets since 2001 totaling in 56 stores located in 42 different sites. Their sales had increased from 1271 million euros in 2001 to 1808 million in 2007. (Kesko 2002, 22; Kesko 2007, 20.)

The competitive advantages of K-Supermarket include food expertise as well as wide range and versatile selections of fresh products. The chain's customer promise is "A better than average food store". 158 K-Supermarkets existed (year 2007) in 106 different sites with sales increase from 1232 million to 1478 million within the years of 2001-2007. (Kesko 2007, 20.)

K-Markets are high quality and reliable food stores that offer competitively priced groceries with a friendly service. They are located in or near the customers' neighborhoods. The customer promise is "Retailer takes care of it". (Kesko 2007, 20.)

K-Extra stores are self-service shops in which customers can find daily essentials and which focus on personal service. Additionally, as the name implies, many K-extras located in the countryside offer extra services, such as the sale of agricultural and builders' supplies, fuel distribution, lottery and postal services. The customer promise of the K-extra chain is "Good service for you". These stores are usually smaller than 400 m², which gives them the advantage of Sunday sales around the year. (Kesko 2007, 20.)

In 2001, K-Food had five store chains similar to K-Market and K-Extra due to which the statistics on numbers of stores and their sales were combined. During the years, the chains were divided into these two concepts. In 2007 the group had 453 K-Market stores meaning that 64 new ones were opened within three years and the sales increased from 1128 million euros in 2005 to 1349 million in 2007. As the number of bigger stores had increased, 46 smaller shops such as K-Extra and mobile stores folded up. (Kesko 2002, 22; Kesko 2007, 20.)

Table 4. K-Food stores and their sales in 2001 and 2005-2007.

| Store | Number 2001 | Sales 2001/€ million | Number 2005 | Sales 2005/€ million | Number 2006 | Sales 2006/€ million | Number 2007 | Sales 2007/€ million |
|---------------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|
| K-Citymarket | 42 | 1271 | 53 | 1615 | 54 | 1700 | 56 | 1808 |
| K-Supermarket | 123 | 1232 | 150 | 1325 | 152 | 1360 | 158 | 1478 |
| K-Market | 861 | 1684 | 389 | 1128 | 428 | 1227 | 453 | 1349 |
| K-Extra and mobile stores | | | 449 | 400 | 437 | 413 | 403 | 410 |
| TOTAL | 1026 | 4187 | 1041 | 4468 | 1071 | 4700 | 1070 | 5046 |

Tradeka

Tradeka Ltd is a centrally organized retailing company with a multiple chain store structure. Its business is divided into three nationwide store brands: Siwa, Valintatalo, and Euromarket. In 2007 Tradeka owned 757 grocery stores in Finland and three outlets in Russia and employs approximately 7 000 people. With its 544 Siwa and 184 Valintatalo outlets (table 5), Tradeka owns Finland's largest chain of neighborhood stores. (Tradeka 2008; FFMA 2006,16.)

Euromarket is a hypermarket for ordinary Finnish households, offering the most needed products – foodstuffs, clothing, household goods, and equipment for leisure activities. These hypermarkets are located in selected major cities and in December 2007, Tradeka had 26 Euromarket outlets in Finland. The annual net turnover in 2006 was around € 313 million. (Tradeka 2008.)

Valintatalo is a fast growing supermarket type of retail chain that has been popular in cities and among urbanites since its establishment in 1966. In 2007 there were 184 Valintatalo stores in the country with their size varying between 300 – 1800 m². Product variety includes 4000 – 17 000 different products offering consumers a wide selection of daily-, and special occasion goods. Their annual net turnover exceeded nearly 447 million in 2006. (Tradeka 2008.)

Siwa is the most popular self-service shop in Finland. It has managed to obtain success throughout the country, in countryside as well as in the heart of cities and suburban districts. The shops are open daily and offer a product selection of the most common daily goods. Siwa has three customer guarantees; price-, quality-, and freshness guarantee. If a consumer finds a product that has passed its expiration date or there is a different price marked than charged, the customer gets the product for free. In case of dissatisfaction on the quality of the product, the consumer has the right to either replacement product or to refund. Other services offered include money withdrawal and post package pick-ups. Their annual net turnover was € 596,7 million in 2007. (Tradeka 2008.)

Table 5. Tradeka stores and their sales in 2005 - 2007.

| Store | Number 2005 | Sales 2005/ € million | Number 2006 | Sales 2006/ € million | Number 2007 | Sales 2007/ € million |
|-------------|-------------|--------------------------|-------------|--------------------------|-------------|--------------------------|
| Euromarket | 21 | 293,3 | 26 | 312,6 | 26 | 322,4 |
| Valintatalo | 133 | 266,9 | 183 | 415,1 | 184 | 446,9 |
| Siwa | 492 | 483,5 | 540 | 585,7 | 544 | 596,7 |
| Total | 646 | 1043,7 | 749 | 1313,4 | 754 | 1366 |

Stockmann

Stockmann is a Finnish listed company engaged in the retail trade established in 1862 and holds a central objective of customer satisfaction. It is found in Finland, Russia, Estonia, Latvia, and Lithuania. Stockmann has three divisions, Department Store Division, Hobby Hall specializing in mail order, and Seppälä, a chain of fashion stores. As seen from Figure 11, biggest sales comes from Finland with a share of 76 %, the Russian market brings 13% and the Baltic region 11%. When looking at the sales sector wise, 49 % of it comes from fashion, food being second with the share of 18%. (FFMA 2006, 17)

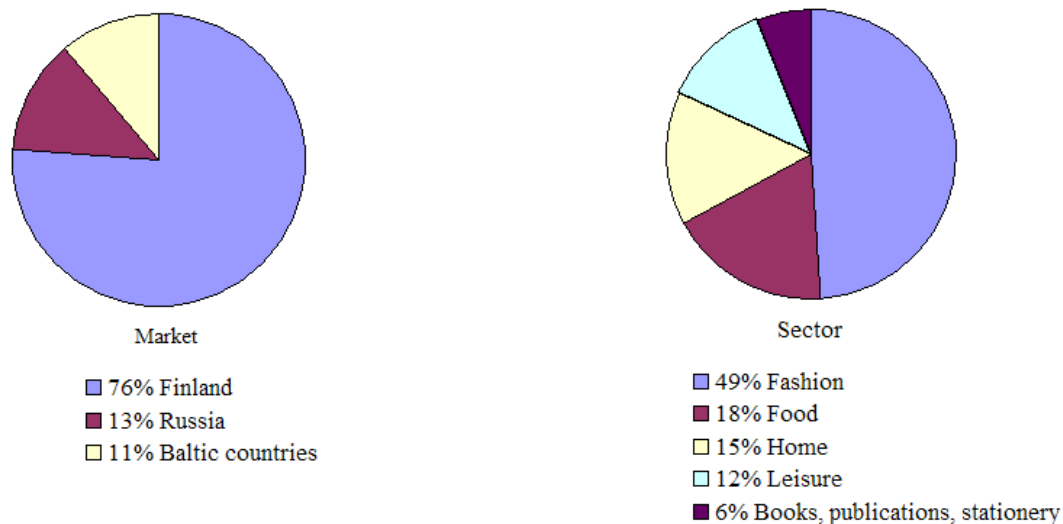


Figure 11. Stockmann's sales by market and sector in 2006 (Stockmann 2007).

Stockmann's department store division offers customers a congenial shopping environment and good service. Stockmann is known for its unique and broad product assortment at competitive prices. In Finland, seven Stockmann department stores are found in the cities of Helsinki, Tampere, Turku, Vantaa, Espoo and Oulu and this

division also comprises the Academic Bookstores and the specialty chains Stockmann Beauty and Zara. The Helsinki department store amounts for 32% of the sales while other units in Finland total in 42% leaving the rest, 26% for international department stores. Fashion is still the main sector holding a 40% of the sales and food comes second with a sales percentage of 27. (Figure 12.) (Stockmann 2007.)

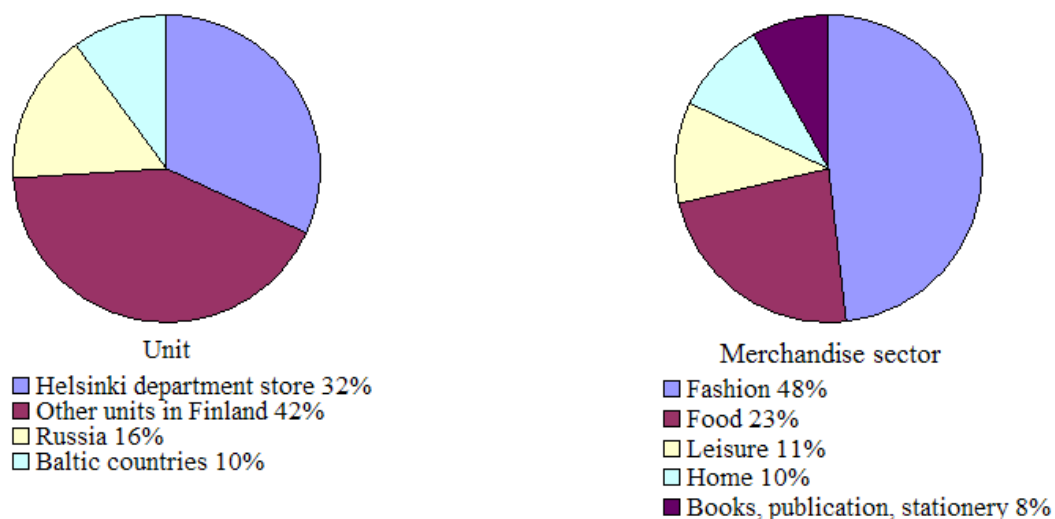


Figure 12. Distribution of department store division's sales by unit and merchandise sector in 2006 (Stockmann 2007).

The Helsinki department store started a major enlargement and reinvigoration program in 2006 and it will be completed in 2010. The project will add 10 000 m² of new retail space for example to a new car park and Stockmann Delicatessen which will then be the largest grocery store in Finland. The enlargement will offer customers more convenient shopping and is expected to boost sales substantially. The delicatessen section is known for its wide range of goods, both specialty and common food products, and its expert personnel. They strive to offer their customers only the best and introduce new tastes and food of the season. They provide recipes and ingredients for everyday meals as well as for special occasions. The price range is somewhat higher than in most grocery stores but the product selection is one of a kind. (Stockmann 2007.)

Rautakirja Ltd practices retail of daily consumer goods via kiosk chain called R-kioski. These kiosks form a national chain that offers its customers entertainment and daily goods during the whole day. There are approximately 700 R-kiosks in Finland of which 1/3 are franchise and rest under private owners. The chain acquires most of its products straight from manufacturers. R-Kiosks form 40 % of the total number of kiosks in Finland but their sales are more than 60 % of the total in the kiosk market. (FFMA 2006, 18.)

Internet

Finnish consumers have the possibility to order groceries from the internet page www.ruokatori.fi. This service is provided in the city areas of Tampere, Turku, Oulu, Kuopio, Kokkola, Loimaa, Forssa, and the capital city. Deliveries are made twice a day on weekdays and once on Saturdays in Tampere and Turku areas. (Gagar Oy 2008.) Although the possibility of Internet shopping for food products exists, it is not very common in Finland. In 2006 only 2 % of all internet shopping was made on food products. (Tilastokeskus 2007)

6.2 Case company interview

In order to clarify the wants and aims of CMB I had the chance to interview Mr. Renson, the CEO of CMB. The following information is the complete interview with the questions concerning the current markets and distribution channels as well as the desired distribution methods and market coverage.

Please describe your current business operations (countries, market share etc.)

Belgium is our home market and we export to Luxemburg, Germany, France, and to the Netherlands. Since many wholesalers often prefer their own brand name, our products are not always sold under CMB name, which makes it more difficult to give correct market share numbers. We are doing satisfactory, our aim is to offer

consumers high quality products and do all with love and passion. We are not aiming at high market shares, not even in Belgium.

What are the current distribution methods? Do you have your own outlets or retailers sell your products and if so, what is the route that they get to the end users?

In Belgium we sell directly to retailers and restaurants but abroad we use mainly agents. Our products are found in supermarkets and in specialty stores. As mentioned earlier, part of our sales are under a wholesalers own brand name.

What is the image of CMB products, especially mustard, in the operating countries and who are the end users?

Our products in general have an image of luxury items. This is also the case with our mustard product line. The image is the same in all countries that we operate in, especially in our home country Belgium. Our end users are restaurants and normal household consumers that like to enjoy good food with family and friends. Of course as luxury products, our items are of a higher price than regular similar products but our consumers are willing to invest in quality.

What are your strengths?

We have opted for the strategy of specialization and differentiation by best quality. Our price level is generally high but we are able to negotiate the sales price, give volume discounts for larger orders. We consider this as strength thus competitive advantage as being able to produce a small volume of a product adapted to the wishes of the consumers. We are constantly improving our products and developing the recipes. Our mustards come in many different flavours and this is also what we consider as strength since we are able to offer consumers new delicious experiments.

Is there a special reason for your interest in entering the Finnish markets?

This is something that has not been our first issue on the agenda but as this idea was introduced to us we got interested and it has risen over time. We also acknowledge

the fact that entering the Finnish markets could stand as a gate for other market entries, e.g. other Nordic countries, Russia and the Baltic countries.

Do you wish to maintain your current image or are you looking for a change in the Finnish markets? Who are the desired end users?

Of course we would like to maintain the same image in all our markets but we have to take into consideration the Finnish culture, consumption and spending patterns etc. This is one issue that we are looking forward to learn by this analysis. Our focus is on the consumer markets, not on industrial or institutional markets but of course if such opportunities are offered to us we will not ignore them.

What is the desired distribution coverage? (whole country/capital area/big cities)

As we are not aiming at becoming the market leader we do not find it necessary to have our products available in whole Finland. As we know, Finland is a large country area wise but the population is distributed unevenly. We would be satisfied with having coverage in the bigger cities. What needs to be kept in mind is our product positioning to up markets and so we need to be sure that our future partners in Finland fulfill our criteria meaning that the products are sold in places that meet our product image.

So what are your criteria?

As we want to hold on to our product image our wish is to have our products in a specialty stores. Of course, first we need to familiarize ourselves with the Finnish markets, the store types, the culture etc. Only after that we can make our decisions. We want our products to be sold in a store with good reputation.

Are the CMB products available on the internet? Have you thought of this type of distribution channel possibility for the Finnish markets?

We are aware of the increasing sales possibilities over the internet but have decided not to take part in this. As we are not aiming at high market shares, we find normal store sales being enough for our products.

What is the market share you wish to obtain in the Finnish markets?

We want to provide consumers with quality products and realize that not all are able or willing to access this. As a company producing luxury products, we are not aiming at conquering the markets and take the market leader position but rather stay in the back and hold on to our image. Of course this all depends on the image that we obtain in Finland.

Our turnover amounts to 3 300 000 € and the exports represent 20% of that. We would like to increase our exports to 30 % in the future, how big of a part Finland has, time will tell.

What type of marketing have you imaged to be used while entering the Finnish markets?

In Belgium and other operating countries we use almost zero marketing. This is also what we would like to do with entering the Finnish markets. We have invested in brochures and this is also something we could consider using in Finland as well. We have also taken part in a trade fair called ANUGA which is organized in Cologne Germany. This is how we managed to get our first clients abroad, 53% of the visitors at the trade fair are foreign. When it comes to Finland we need to weigh in the different possibilities and options and choose the most suitable one for us but we wish to do this whole thing with as little marketing as possible.

(M. Renson, personal communication on 10 February 2007.)

6.3 Importer interview

In order to examine different possibilities for distribution channels I was able to interview a Finnish importer Nikke Holopainen from Aurinko N T. Below is the outcome of the interview that took place in Helsinki on 14 April 2008.

What is Aurinko N T?

Aurinko was established in August 2007 with the idea of bringing different types of products from around the world. We have no limits so to say; we can make the goods either under our customers' own brand name or under the producers' brand name. Currently we are for example importing goods from Asia and Europe to Kesko under the brand name Pirkka. We listen to our customers and give them what they want. We are specialized mainly in products of restaurant and institutional catering sectors (HoReCa) as well as in food-, and retail products. Our goal is to work persistently with a customer oriented mind in order to find the best possible product for the end user. Our main customers include S-group and Kesko.

How does the product acquisition procedure go?

Everything starts by the customer telling us what they are looking for. Then we find samples from the factories and transform the product to meet the customers' wants and needs. When the customer is satisfied then the final cooperation starts. All goods go directly to customers' warehouse, Aurinko has a little warehouse in Helsinki but of course when talking about big customers such as Kesko, we do not have the space for whole order.

In addition, we of course also follow the trends so that we are ready to make suggestions to our customer on possible new products. This is our everyday routine that nowadays comes naturally. I observe people, their consumption-, eating-, drinking habits etc. and get ideas of new products that way.

How would you describe the product selection procedure of the three main chains, Kesko, S-Group and Tradeka?

Kesko chooses its product selection by first having the supplier introduce their product to the buyer of the organization who then introduces it to another and so on. Usually they favour only the big and well known suppliers who get their products quickly to Keskos' selection. Smaller brands of course have a chance as well but they need to put more effort on convincing the buyers. After the product has been approved it is classified to either A or B category. Products in the A category are compulsory for all retailers and B category includes only optional products.

Tradeka mainly operates the same way as Kesko but they also import goods to Finland by themselves. They have a product selection planner who receives the products and introduces them inside the company and then make decisions together. All goods are distributed to the wholesaler who then sells onto the retailers.

In S-group the product is introduced to the department buyer who then makes the decision on selecting the product or not. After approving the product, order is made and stocked in the wholesaler warehouse who then sells the product to retailers. S-group is ready for quick changes and products can be found in their selections in only few months.

All these chains purchase their goods mainly straight from the producer but importers like us are used for getting more specialized or cost effective products. The advantage about using an importer is that we supervise the whole process from manufacturing to unloading. In addition, all actions such as reclamations are easier and faster to do via an importer. (N. Holopainen, personal communication on 14 April 2008.)

6.4 The marketing environment – Finnish consumer

6.4.1 Demand environment

As mentioned earlier in this empirical part, mustard is the second most used spice in Finland. In 2006, households purchased approximately 2,7 million kg's mustard which equals to 0,8 kg per person. As a normal food product, mustard is a low involvement purchase product meaning that the 5 step consumer buying decision process may skip or reverse some stages.

Figure 13 illustrates the media used for information search on nutrition, food, and cooking. The survey was made in 2006 by kuluttajatutkimuskeskus and had 504 respondents who were asked to name three most important information sources on each part. They were also given a possibility to answer not interested in information search.

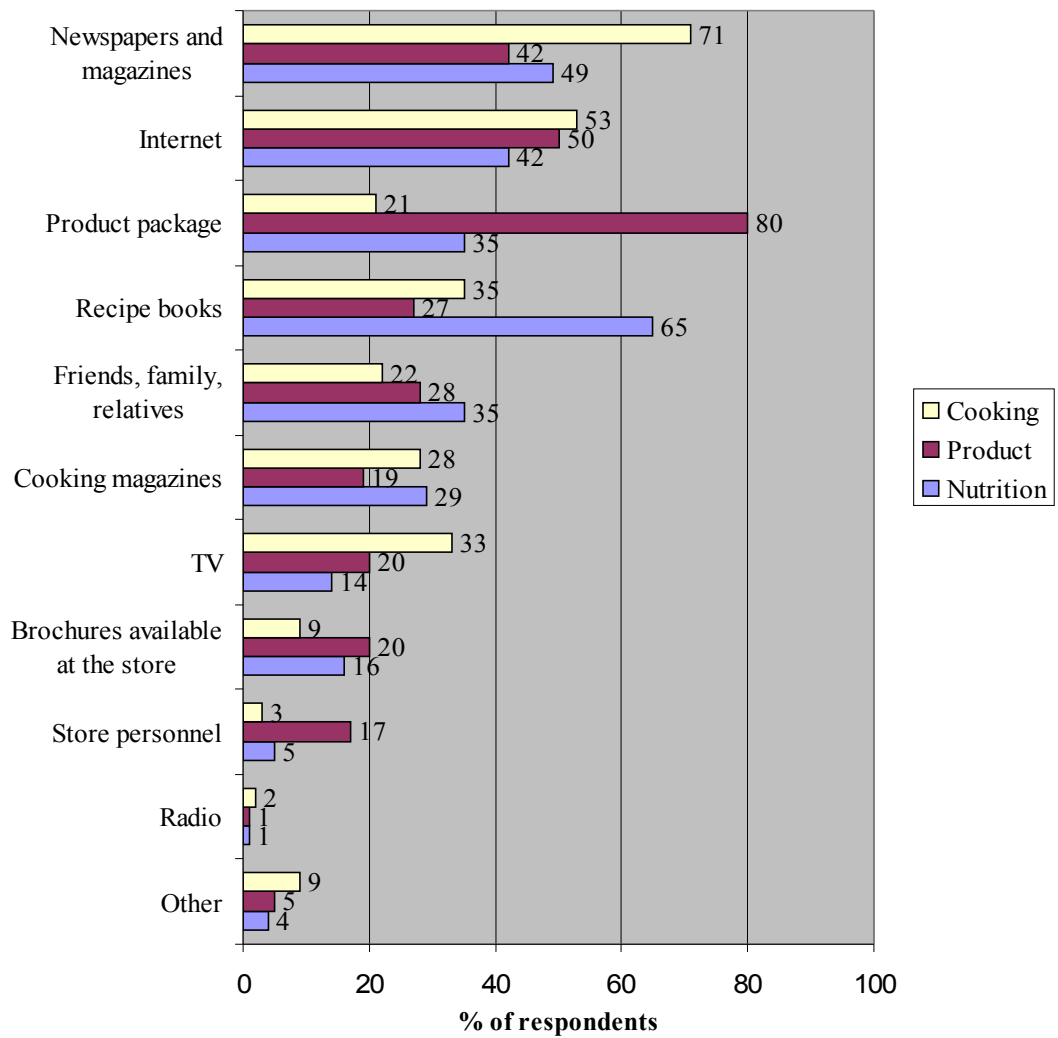


Figure 13. Information sources.

(Hyvönen, Korhonen, Mäkelä, Piironen & Raijas 2006, 15)

All respondents expressed to search information and many mentioned more than one important source. 71 % searched information concerning cooking from newspapers and magazines and over half of respondents used the internet. Other important sources were television and cooking magazines. Most popular tools used for information search on nutrition included the traditional recipe books, newspapers and magazines and well as internet. For product information search 80 % of the respondents found the package as an important source of information. 50 % used the internet and 42 % newspapers and magazines, also friends and family, literature, TV, and store personnel were used for product information search. (Hyvönen, Korhonen, Mäkelä, Piironen & Raijas 2006, 15)

The survey shows that respondents use many different sources while looking for information related to food. Most versatile sources are newspapers and magazines as well as the internet.

Another survey was made in order to examine and clarify the main selection criteria of the Finnish consumers for foodstuffs. The survey was made in 2006 and 1778 respondents answered the question "When choosing food in a store, how important do you consider the following characteristics of a product?" Food purchases are usually routine purchases, with exceptions of course, and characteristics for selection criteria are not evaluated at each time, instead a consumer purchases a product as a habit. The results of the study are shown in Figure 14.

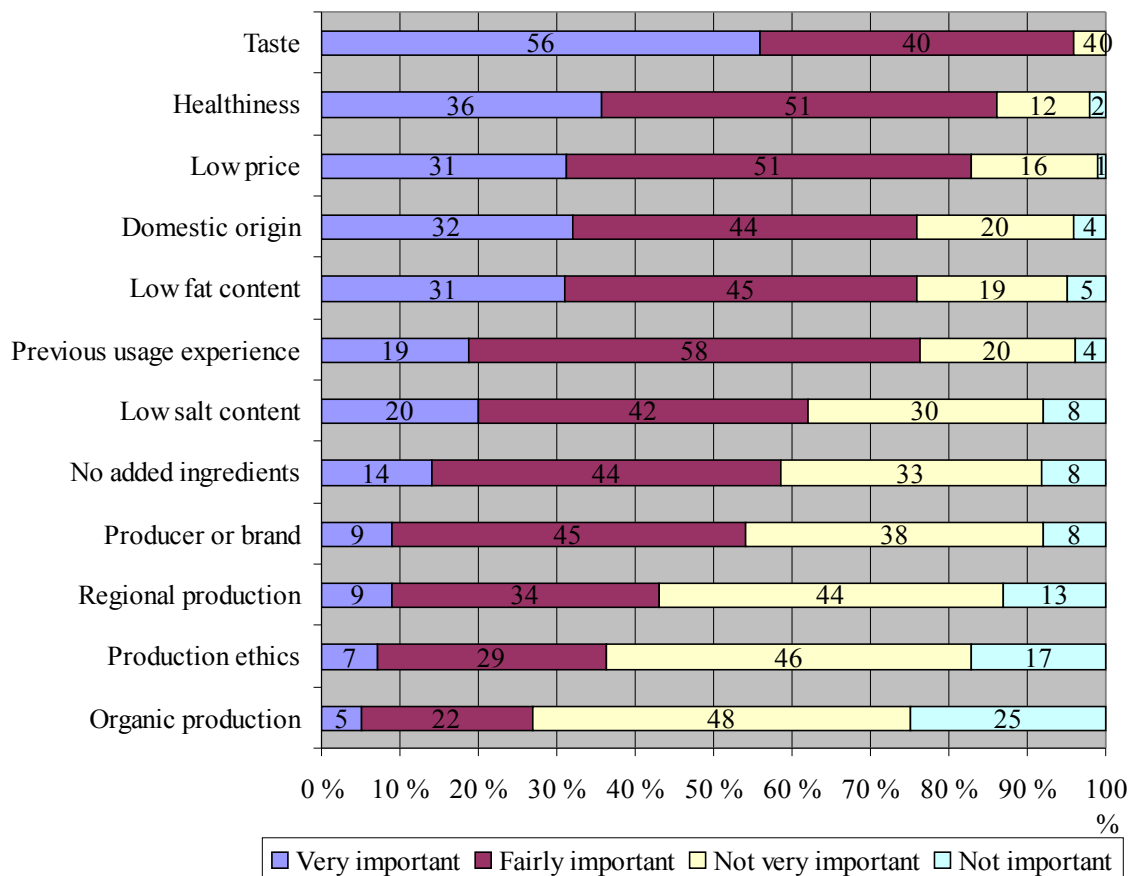


Figure 14. Importance of food characteristics

As the figure shows, the two most important criteria are taste and healthiness. Only 14 % of respondents felt healthiness is not important. However, when breaking down this issue to characteristics such as low fat and low salt contents, the importance of these was not as high as healthiness in general. 82 % found low price and 76 % domestic origin either very or fairly important. Approximately 1/4 found little importance for domestic origin while 1/6 felt the same about low price. Production matters were the least important characteristics even though they also got some support. The results show that consumer value many different criteria. (Järvelä & Piironen 2006, 19)

Customers also need to make decisions on where to buy the product. According to A.C. Nielsen survey in 2006, 54 % of households found location of the shopping place, more importantly its closeness, as the main criteria. Second with a 37 % vote came product selection. Also regular customer benefits, price/quality relation and the

ease or fastness of shopping were highly appreciated. Criteria in more detail is found below in table 6.

Table 6. Criteria for store selection.

| | |
|---------------------------|------|
| Location (Closeness) | 54 % |
| Selection | 37 % |
| Regular customer benefits | 35 % |
| Price/Quality | 34 % |
| Transaction ease/fastness | 30 % |
| Price level | 26 % |
| Product freshness | 18 % |
| Opening hours | 14 % |
| Service | 14 % |
| Parking space | 11 % |
| Service counters | 8 % |

Consumers' buying behavior changes by location, consumer groups and situation. As behavior forms as a function of desire and possibility one consumer might behave differently each day. Consumer does not need whatever store near to him, but the closest store that meets his other requirements such as quality and selection.

(FFMA 2006, 9.)

TNS Gallup Ltd conducted a survey with 2 398 respondents in spring 2007 on the Finns attitudes towards food and cooking. Below are results of the survey.

The Finns can be divided into 5 different types of cooks; some being typical home cooks while some are modern and respects good food. Purity of domestic food and self made healthy food combine traditional and experimental cooks, both groups being very female emphasized. Experimental cooks are slightly younger and are more enthusiastic on trying new recipes and products. They consider using ready prepared food reasonable on weekdays, differently than traditional cooks. (Aikakausmedia 2007)

Modern food travellers group consists of 60 % women and 40 % men. This group has no prejudices towards new recipes and exotic dishes. Food travellers are in a

good occupational status and live mainly in the capital city area. They as well value the purity and domestic origin of food and are willing to try new recipes and new products. (Aikakausmedia 2007)

One group that was discovered in the survey is called "friends of good food". This group consists mainly of men, 59 %, and are between 12 and 44 years old, busy citizens who put effort on weekend cooking when new products and strong flavors are tasted. This group usually falls down to impulse buying and also eats out more than other groups. Another manly group, 75 %, is known as "Eat for living" group. Members of this are usually workers or students that do not make decisions on the households' purchases. (Aikakausmedia 2007)

Figure 15 illustrates the consumption expenditure of foodstuffs by family life cycle stage. A new view for the model described in chapter 3.1.3 is the single parent households which expenditures have increased the least. Newlyweds and empty nester I and II have increased their expenditures as a result of raised incomes. In addition, the consumption expenditures of full nester I and II have increased noticeably. Households purchase more cultivated and healthier food than before but also at the same time more money is spent on chocolate bars and other snacks. The attempt of healthier diet and pampering oneself with sweets influences on the food expenditure of the Finnish households. Other main objects of expenses in 2006 were free-time and culture, data communication, and clothing. (Tilastokeskus 2008b.)

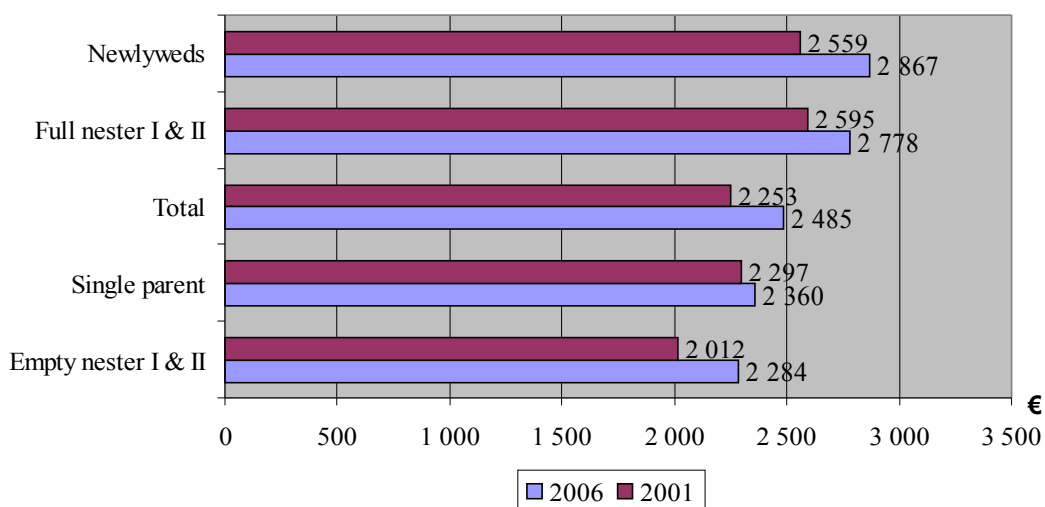


Figure 15. Food consumption expenditure by family life cycle stage in 2001 and 2006.

6.4.2 Institutional environment

Cultural factors

Finland's estimated population in July 2007 was 5 238 460 (Tilastokeskus 2008a). As mentioned in chapter 3.3.1 a society is separated into different strata according to social distinctions such as age, race and gender. Age structure of Finnish is divided into three groups (table 7.)

Table 7. Age structure in Finland July 2007.

| Age | Percentage of the population | Male | Female |
|-------------------|------------------------------|-----------|-----------|
| 0-14 years | 16.9% | 449 548 | 433 253 |
| 15-64 years | 66.7% | 1 768 996 | 1 727 143 |
| 65 years and over | 16.4% | 344 798 | 514 722 |

The population growth rate is 0.127% and birth rate 10.2 births/1 000 population whereas death rate is 9.93 deaths/1 000 population. Life expectancy at birth for total population is 78.66 years, for males 75.15 years and females 82.31 years. As table 8. illustrates, majority of the population are Finns with a 93.4% and Swedish come second with a percentage of 5.7. Smaller groups are Russian, Estonian, Roman and the Sami. Finnish language is the main spoken language with 91.51 % share and Swedish second with 5.49 %. (Table 9) Although Finnish is the main official language English is a common language in business and education and causes no problem to many Finns. (Tilastokeskus 2008a.) 82.4 % of the population belongs to Lutheran Church of Finland, 14.5 % belongs to none (Table 10) (Kirkko & Kaupunki 2008, 11).

Table 8. Ethnic groups in Finland 2007.

| Finnish | Swedish | Russian | Estonian | Roma (Gypsy) | Sami |
|---------|---------|---------|----------|--------------|------|
| 93.4% | 5.7% | 0.4% | 0.2% | 0.2% | 0.1% |

Table 9. Languages in Finland 2006.

| Finnish | Swedish | Russian | Sami | Other |
|---------|---------|---------|--------|--------|
| 91.51 % | 5.49 % | 0.80 % | 0.03 % | 2.17 % |

Table 10. Religions in Finland 2007.

| | | | |
|----------------------------|-----------------|-------|--------|
| Lutheran Church of Finland | Orthodox Church | Other | None |
| 82.4 % | 1.2 % | 1.3 % | 15.1 % |

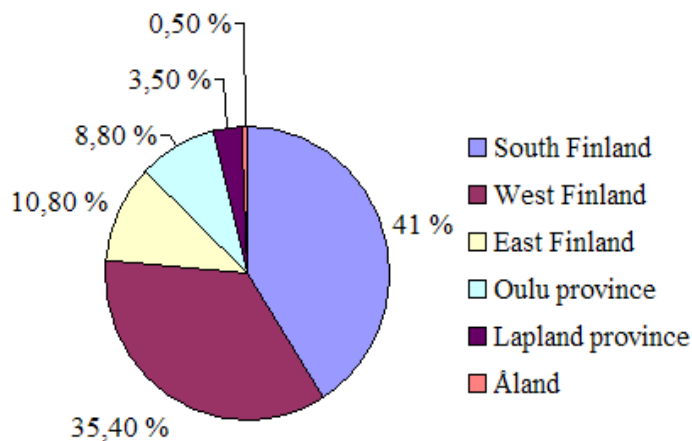


Figure 16. Regional distribution of the population 31.12.2007

The population is distributed unevenly which (Figure 16) illustrates the resources available in different parts of the country. Finland's most densely populated and urbanized areas lie in the south and west of the country, 41% or the population live in the south whereas only 3.5 % live in Lapland province. Table 11 illustrates the six most populated cities in the country. Five cities out of the six are located in either south or west of Finland, Oulu being an exception with its 131 585 inhabitants (31.12.2007) located in North Ostrobothnia (fin. Pohjois-Pohjanmaa). (Suomi.fi 2008.) Appendix 2 illustrates the regional structure of Finland.

Table 11. Six most populated cities in Finland.

| City | Population 31.12.2007 |
|----------|--------------------------|
| Helsinki | 568 531 |
| Espoo | 238 047 |
| Tampere | 207 866 |
| Vantaa | 192 522 |
| Turku | 175 286 |
| Oulu | 131 585 |

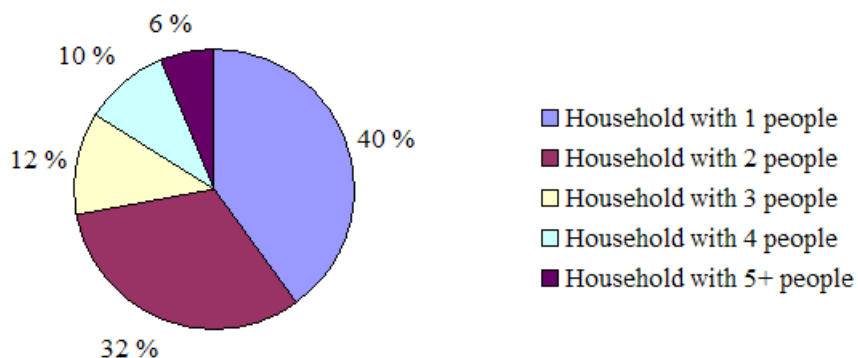


Figure 17. Households by size 2007.

In 2006 there were 2 455 000 households in Finland, the average size being 2.1 persons per household. The number of households has increased steadily through the years resulting in increased consumption as many daily goods are essential in both single and family households. Majority of the population lives in a single or 2 person household as shown in figure 17. (Suomi.fi 2008.)

The average yearly income in 2006 was 22 621 € per income earner. A noticeable difference is between men and women since men's average was 26 842 € and women's 18 688 €. Incomes in the Uusimaa region are approximately 17 % higher than in rest of Finland but also living expenses are much higher. (Tilastokeskus 2008b.)

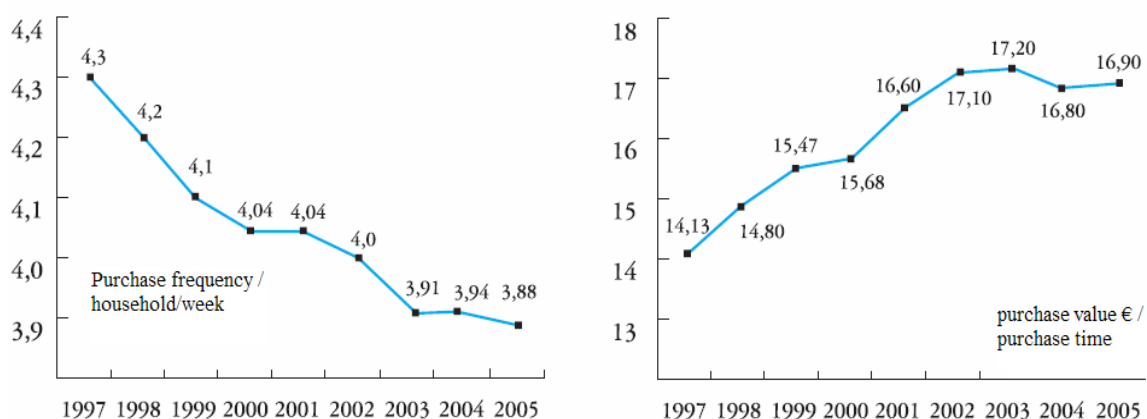


Figure 18. Shopping frequency and average purchase value 1997-2005.

Figure 18 illustrates the shopping frequency and average purchase value of Finnish consumers in 1997-2005. In 2005 the average shopping frequency was 3.88 per household in a week. This number has decreased since 1997 almost with no

exceptions. Households purchase more at once and with bigger quantities which is financially beneficial. The average purchase value however has had more fluctuations. In 1997 the average value was 14,13 € per time, in 2005 it was 16,90 €. (FFMA 2006, 9.)

Political and legal factors

Finland has a mixed presidential/parliamentary system with executive powers divided between the president, Tarja Halonen, who has primary responsibility for national security and foreign affairs, and the Prime Minister, Matti Vanhanen, who has primary responsibility for all other areas, including EU issues. Finland enjoys one of the best modern free-market economies in Europe. The growth is steady and public finance is under control.

As stated in chapter 3.2.2 the business operators in Finland are subject to the European Commission, individual market state and specific local regulations. Even before the EU membership, Finland changed its foodstuffs Act equivalent to the Unions. Main areas of study are laws and regulations concerning labelling, marketing, and taxation.

Labelling

Majority of food is bought ready compressed. As consumers are incapable to see, smell, taste or feel the food product before making the final purchase decision, adequate labeling is crucial especially for consumers suffering from allergies.

According to the foodstuffs Act, all packing must have at least the following information in both Finnish and Swedish:

1. name of the product
1. list of ingredients (material and added ingredients)
2. amount, weight or dimension of the content
3. expiration date or best before

4. producer, packer or name of the seller or company operating in EU and their address
5. Country of origin or area
6. Batch code
7. Storing instruction if needed
8. Manual if needed
9. Warning sign if needed

Marketing

The producer of the food product is obligated to give customers correct and adequate information. According to the EU Regulation on nutrition and health claims made on foods, a health claim is any claim that states, suggests or implies that a relationship exists between a food category, a food or one of its constituents and health. A pictorial, graphic or symbolic representation in any form can also be considered a claim. Examples of health claims are:

- Component A of this product promotes bowel function
- Raw material B is a stimulant
- Component C suppresses your appetite and helps with weight control

A nutrition claim is any claim which states, suggests or implies that a food has particular beneficial nutritional properties with regard to nutrients or other substances it contains, contains in reduced or increased proportions, or does not contain. Examples of nutrition claims are:

- High-fibre, or a source of fibre,
- High vitamin or mineral content
- Low-fat

Health claims shall only be permitted if the following information is included in the labelling, or if no such labelling exists, in the presentation and advertising:

- A statement indicating the importance of a varied and balanced diet and a healthy lifestyle
- The quantity of the food and pattern of consumption required to obtain the claimed beneficial effect

- Where appropriate, a statement addressed to persons who should avoid using the food
- An appropriate warning for products that are likely to present a health risk if consumed to excess

(FFMA 2008, 27-29.)

Taxation

Currently, 2008, the value added tax, VAT, on food in Finland is 17% while in other Europe the average is 7 %. The Finnish government has planned and confirmed to decrease this high tax to 12% in October 2009 resulting to approximately 3.5% deduction on food prices. (Virtanen, J. 2008)

6.4.3 Competitive Environment

The Finnish mustard market has an oligopoly nature with the main players being Turun sinappi, Auran sinappi, Koti-, and Meiran sinappi, all discussed in more detail below. These dominate the markets with a total of 85,6% market share (figure 19). All are marketed in the forms of TV commercials, newspaper and magazine advertisements and even with some radio advertising. They all also have information available about their products on their internet pages.

Turun Sinappi (Turku mustard)

Jalostaja started its mild and strong mustard production under the brand name Turun Sinappi in 1948 in Turku, Finland. Aside from mustard, the organization also produced canned fish, vegetables, fruit and mushrooms, among others. In 1992, Unilever bought Jalostaja and in 1998 the production was sold through Nestlé to Lunden in Finland. In 2002, the manufacturing of Turun Sinappi was moved to Sweden and in 2008 Unilever will move it to Poland. When the mustard was manufactured in Finland, Turun Sinappi was dominating the markets with over a 60 % market share while today it is under 40 % but is still holds the market leader position. The selection consists of four popular mustards:

Mild – Plastic bottle 490g and tube 125g and 275g

Strong – Plastic bottle 490g and tube 125g and 275g

Hot – Tube 125g and 275g

Linna – Tube 125g and 275g

The prices of Turun Sinappi mustards vary between 0,99 € and 2,50 € depending on the flavour, size and store. Detailed price list is found in appendix 3.

(Turun Sinappi 2008.)

Auran Sinappi

After Unilever had decided to move the manufacturing of Turun Sinappi to Sweden, Lunden decided to start their own mustard brand. A name competition was arranged and Auran Sinappi (Aura Mustard) was chosen as name for the new mustard. The product was launched in March 2003. It is an official secret that the mustard seeds from which Auran Sinappi is made are ground in the company's own mills, whereas other manufacturers use ready-made mustard flour in the preparation.

In the beginning Unilever and Lunden debated sometimes very intensely and even in court whether Auran Sinappi is a copy of Turun Sinappi with regard to the appearance as well as to the taste. The outcome was positive from Lunden's point of view. Unilever's rights had not been violated and impartial taste tests confirmed clear differences between the two mustards. The product quickly found its way to the Finnish consumers households and is now the market challenger with a 25% market share (2006). Auran Sinappi mustard selection is:

Bottled mustard:

Sweet –300g

Traditional –300g

White Mayonnaise mustard –270g

Tube mustard:

Mild –125g and 275g

Hot –125g and 275g

Spicy –125g and 275g

Glass jars mustard:

Honey mustard –150g

Dijon –150g

Other:

Mustard powder – box 100g

Prices of the products vary between 0,85€ and 1,90€. (see appendix 3)
(Auran sinappi 2008.)

Kotisinappi

Kotisinappi mustard is produced by Mausteaitta Ltd, which is a family company established in 1980 and is located in Naantali in Southwest Finland. In 2005 they launched a new, stronger Väkevä Kotisinappi, which has quickly become one of the most popular mustards in Finland. Kotisinappi is part of the product range of all the central retail organisations and food store chains. It is packed in 300 g squeeze bottles for households and in 5 kg pails for industrial use. Kotisinappi has no additives. (Kotisinappi 2008.) The average cost for traditional Kotisinappi is 2,05€ and for strong Kotisinappi 2,20 €. Prices in more detail are found in appendix 3.

Meiran Sinappi

Meira Ltd. was established 1914 in Helsinki. The company started as a coffee roasting house and has since expanded its business. Today, the organization is a leading spice producer under the line Á la Meira. Their wide selection of products include spices, baking products, salad dressings, ketchup etc. and of course, mustards. All products have a low salt content and are also lactose- and gluten free. These factors as well as lower price and domestic origin are company strengths. Meira produces a million kilos of mustard yearly, both to the Finnish and the export markets. Prices vary between 0,70€ and 2,00€. (Appendix 3) Their mustard selection is as follows:

Bottled mustard:

Meiran Sinappi – 500g and 1kg

Tube mustard:

Mild – 125g and 275g

Strong – 125g and 275g

Hot – 125g

Garlic – 125g

Glass jars mustard:

Cognac mustard – 170g

Strong mustard – 170g

(Meira 2008.)

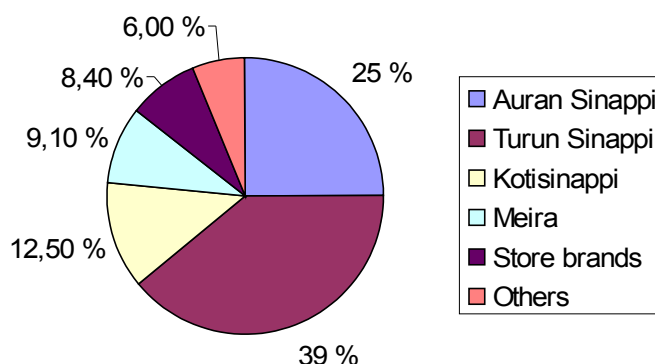


Figure 19. Market share of mustard producer 31.11.2006

When measuring the degree of rivalry in the Finnish mustard market we can notice that the four largest firms dominate it with a total market share of 85,6 % making the industry concentrated. Turun Sinappi has been the market leader for many years but has lost some of its power to competitors after shifting its production to Unilever in Sweden. Other major brands in the market are Auran Sinappi with a 25% share, Koti Sinappi, 12,50% and Meira with a 9,10% market share. Customers can freely switch from one product to another and low level of product differentiation exists, both associated with higher levels of rivalry. On the other hand, brand identification is high which constrains rivalry.

As seen in Figure 19, the dominating brands are domestic, including Turun Sinappi as its origin is in Finland. Great brand awareness and loyalty exists and no big changes have occurred between the main players. All CMB products are positioned up market and the prices are higher than competitors. However, the price level in this

sector is higher in Finland than in Belgium due to cheaper manufacturing and raw material costs. The Finnish Government has created no restrictions for market entry in this industry that would affect on CMB's intentions. In addition, an access to distribution channels and customers' low switching costs are not functioning as market entry barriers.

Many substitute products serving the same function as CMB mustard exist in Finland bringing more elasticity to demand and constraining the ability of competitors to raise prices. As the Finnish mustard markets have few dominating players, the industry is concentrated and customers have less bargaining power than the suppliers.

7 CONCLUSION AND RECOMMENDATIONS

Even though the EU membership has eased the access to foreign markets, Finland as a small country offers small markets. This should not be seen as an obstacle since CMB is not seeking for the market leader position in the Finnish mustard markets, instead, with a selective product distribution coverage it could gain the market nicher position. Majority of the Finnish population is distributed in south and west of the country which supports the idea of selective product distribution. Majority of the most populated cities are in the south and west parts of the country but also the city of Oulu in the north (over 130 000 inhabitants) should be taken into account. The fact that their target end-users are household consumers limits the retailer selection. As the Finnish markets are very centralized, both business chain and competitor wise, it is important to be well prepared and have all aspects taken into account while introducing the products to the business chains. The dominant players in the mustard markets are all domestic and all practise at least little marketing. Prices vary but not substantially and mainly area wise. Living expenses, including food are more expensive in the capital city area than other parts of Finland. This study introduced the Helsinki prices. CMB mustards are considered of a higher price in Belgium, but in Finland they would actually be one of the cheapest ones.

Due to a luxury item image CMB products in Belgium are found in specialized stores if sold under the company's own name or, they are found in normal supermarkets sold under the wholesalers' own brand name. The Finnish grocery stores differ from the Belgian especially by size and product selection. All stores of Tradeka, Kesko, and S-group are known of good quality and show no reasons not to meet CMBs' criteria. However, the main focus could lie on the hypermarkets and large-, and small supermarkets such as Euromarket, Citymarket, and Prisma as their product selection is wider than for example in self service shops such as Sale, K-Extra or Siwa. All three chains also have whole country coverage, especially the bigger cities. Another considerable option is the Stockmann Deli grocery chain which is also found in the bigger cities. As Stockmann has probably the most specialized product selection, it would meet CMB criteria with no doubt. All chains and their hyper-, and super

markets meet the Finnish consumers' criteria of choosing the shopping place. All have good locations, wide selections and they all offer regular customer benefits among other.

CMB could use an importer to introduce their products or they could contact the chains directly. All these chains participate in the Finnish Food trade fair (Ruoka Messut) which takes place every two years in Helsinki. Most of the visitors are from Finland due to which it could offer a great opportunity for CMB to meet with possible distributors. This requires of course well prepared performance, brochures and web pages in English would be crucial.

Even though CMB is planning to enter the Finnish markets with as little marketing as possible, I recommend them to put emphasis on getting the product visible. The three most important information sources on the product for Finnish consumers are the product package, internet, and, magazines and newspapers. As mentioned before, if CMB would take part in a trade fair they should publish their web page also in English maybe even in Finnish so that it would better function as an information source for the consumers. The most valued source is the product package in which, from my point of view, they should invest and do it carefully with as much important information as possible, with clear markings and of course, obeying the law. This should cause no problem since Belgium and Finland are both subject to the European Commission and the law should be the same. However, it is good to notice that in Finland the information must be in both official languages, Finnish and Swedish. Media placement is not a major promotional tool of the company because most of their customers are wholesalers. Nevertheless, it might be advantageous to negotiate some kind of contract with the distributor to make some advertising of CMB products in regional media. Stockmann for example sends out a monthly advertising brochure where as others, S-group, Kesko, and Tradeka use their own brochures as well as nearly daily advertising in newspapers and magazines as well as TV advertising.

8 SUMMARY

The subject for this study was a creation of cooperation with the case company Conserverie et Moutarderie Belge, CMB. The idea started during another project and became current in 2006. The company was interested in entering to the Finnish markets with their mustard product line. Currently they operate in their home markets in Belgium, the Netherlands, Germany, France and Luxembourg.

Theoretical part of the study presents the Finnish retailing system of daily goods and the importance of distribution decisions to be made as well as the marketing environment. The organization must make decisions on the type of distribution channels to use as well as the desired store types and selectivity of the product distribution. Understanding the customer is a valuable asset and helps the organization to succeed in the market. Beside this, it is very important to be aware of the competitive environment.

Empirical study supports the theoretical part of this thesis. The study expresses the reasons for the need of understanding the market, consumers and their behavior among other factors. Chaining and centralization creates stronger business chains which can be seen in the Finnish markets as there are three main alliances with a share of 85,2 % dominating the markets. The main media for information search on food are product package, internet and newspapers and magazines. This emphasizes the importance of making the product visible in the new markets. When examining the mustard markets in Finland one can notice that there are four brands dominating the markets with a share of 85,6%, which shows great brand awareness and loyalty.

As the case company is constantly developing their products to meet the customers wants, a follow-up subject for a study could be made in the area of consumers, a detailed research on their preferences. This would allow the case company to customize their products and direct them to the Finnish markets.

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BODY FOR INTERVIEW WITH THE CASE COMPANY

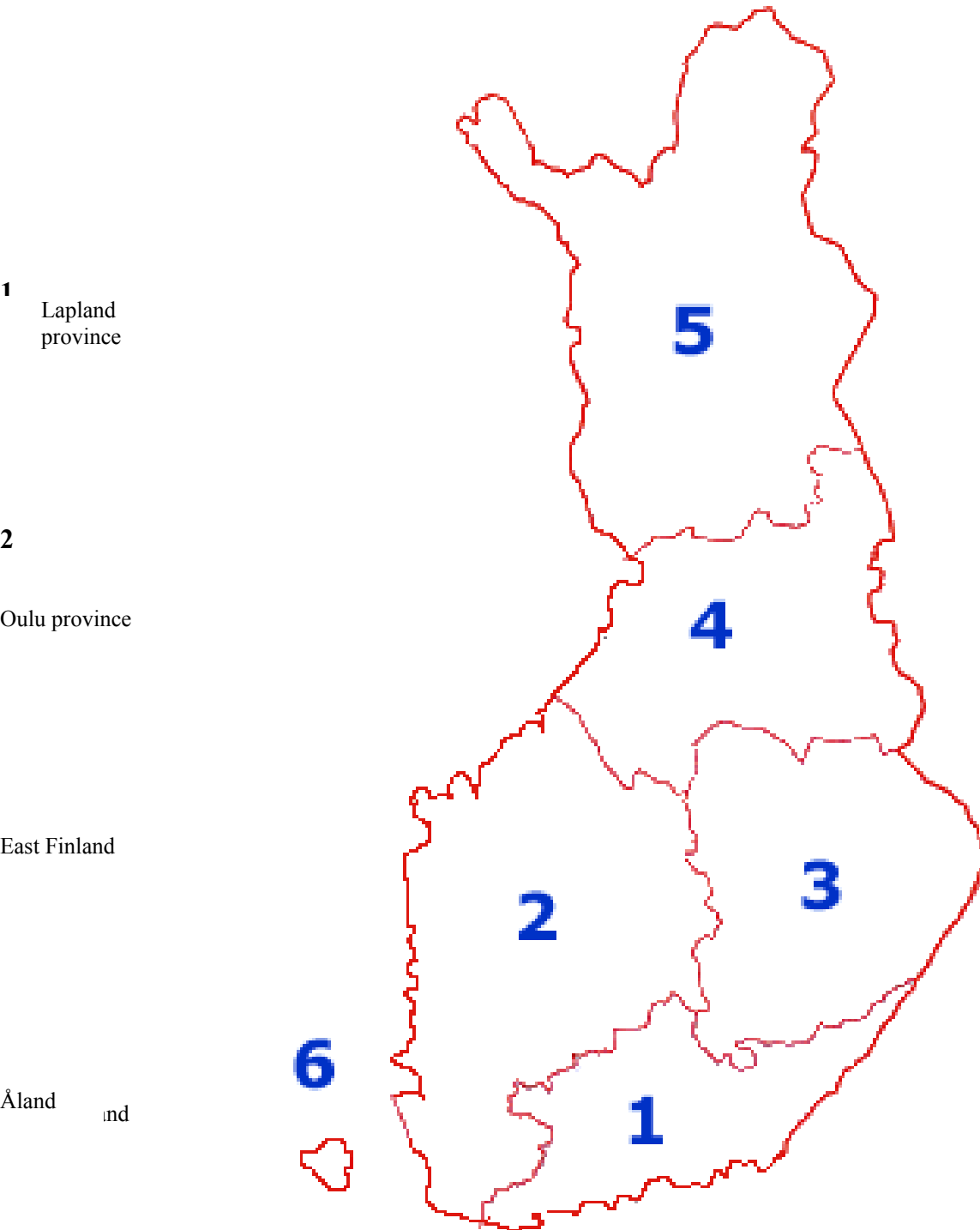
This interview was made via phone on 10 February 2007.

1. Please describe your current business operations (countries, market share etc.)
2. What are the current distribution methods? Do you have your own outlets or retailers sell your products and if so, what is the route that they get to the end users?
3. What is the image of CMB products, especially mustard, in the operating countries and who are the end users?
4. What are your strengths?
5. Is there a special reason for your interest in entering the Finnish markets?
6. Do you wish to maintain your current image or are you looking for a change in the Finnish markets? Who are the desired end users?
8. What is the desired distribution coverage? (whole country/capital area/big cities)
9. So what are your criteria?
7. Are the CMB products available on the internet? Have you thought of this type of distribution channel possibility for the Finnish markets?
10. What is the market share you wish to obtain in the Finnish markets?
11. What type of marketing have you imaged to be used while entering the Finnish markets?

- Province:
A South Finland
B West Finland
C East Finland
D Oulu province
E Lapland province
F Åland

APPENDIX 2

FIN



MUSTARD PRICES IN HELSINKI* 15 APRIL 2008

* Euromarket in
Hyvinkää

| | www.nuokatori.fi | KESKO | | | S-GROUP | | | TRADEKA | | | |
|----------------------|--|------------------|----------|---------|---------|--------------|-------|------------------------|-------------|------|--|
| | | K-City market | K-Market | K-Extra | Prisma | S- Market | Alepa | Euromarket Hyvinkää | Valintatalo | Siwa | |
| Turun Sinappi | | | | | | | | | | | |
| Mild | 1,30 | 0,99 | 1,05 | 1,15 | 1,02 | 1,05 | 1,20 | 1,10 | 1,13 | 1,20 | |
| | na | 1,75 | 1,80 | 1,90 | 1,75 | 1,75 | 1,90 | 1,85 | 1,90 | 2,00 | |
| | na | 2,45 | 2,45 | 2,50 | 2,45 | na | 2,50 | 2,45 | 2,50 | 2,55 | |
| Strong | 1,30 | 0,99 | 1,05 | 1,15 | 1,02 | 1,05 | 1,20 | 1,10 | 1,13 | 1,20 | |
| | na | 1,75 | 1,80 | 1,90 | 1,75 | 1,75 | 1,90 | 1,85 | 1,90 | 2,00 | |
| | na | 2,45 | 2,45 | 2,50 | 2,45 | na | 2,50 | 2,45 | 2,50 | 2,55 | |
| Hot | 1,30 | 0,99 | 1,05 | 1,15 | 1,02 | 1,05 | 1,20 | 1,10 | 1,13 | 1,20 | |
| | na | 1,75 | 1,80 | 1,90 | 1,75 | 1,75 | na | 1,85 | 1,85 | 2,00 | |
| Linna | na | 1,20 | 1,20 | na | 1,05 | 1,05 | na | 1,10 | 1,15 | na | |
| | na | 1,85 | 1,85 | na | 1,80 | 1,80 | na | 1,85 | 1,90 | na | |
| Auran Sinappi | | | | | | | | | | | |
| Sweet | na | 1,68 | 1,68 | 1,80 | 1,65 | 1,68 | 1,81 | 1,70 | 1,75 | na | |
| Traditional | na | 1,68 | 1,68 | 1,80 | 1,65 | 1,68 | 1,81 | 1,70 | 1,75 | 1,90 | |
| Mild | na | 0,89 | 0,92 | 1,05 | 0,85 | 0,89 | 1,02 | 0,9 | 0,95 | 0,99 | |
| | na | 1,60 | 1,65 | na | 1,60 | 1,65 | 1,80 | 1,68 | 1,70 | 1,80 | |
| Hot | na | 0,89 | 0,92 | 1,05 | 0,85 | 0,89 | 1,02 | 0,9 | 0,95 | na | |
| | na | 1,60 | 1,65 | na | 1,60 | 1,65 | 1,80 | 1,68 | na | na | |
| Spicy | na | 0,89 | 0,92 | na | 0,85 | 0,89 | na | 0,9 | 0,95 | na | |
| | na | 1,60 | 1,65 | na | 1,60 | 1,65 | na | 1,68 | na | na | |

| | www.ruokatori.fi | KESKO | | | S-GROUP | | | TRADEKA | | |
|--------------------|--|---------------|----------|---------|---------|----------|-------|---------------------|-------------|------|
| | | K-City market | K-Market | K-Extra | Prisma | S-Market | Alepa | Euromarket Hyvinkää | Valintatalo | Siwa |
| Kotisinappi | | | | | | | | | | |
| Traditional | 2,30 | 1,90 | 2,00 | 2,20 | 1,85 | 2,00 | 2,20 | 2,00 | 2,05 | 2,20 |
| Hot | na | 2,05 | 2,20 | 2,30 | 2,10 | 2,20 | 2,25 | 2,15 | 2,25 | 2,30 |
| Meira | | | | | | | | | | |
| Bottled | | | | | | | | | | |
| 500g | na | 0,89 | 0,90 | 0,99 | 0,85 | 0,85 | 1,10 | 0,90 | 0,99 | na |
| 1kg | na | 1,55 | 1,59 | 1,80 | 1,50 | 1,55 | 1,98 | 1,60 | 1,70 | 2,00 |
| Mild | | | | | | | | | | |
| 125g | na | 0,72 | 0,75 | 0,85 | 0,70 | 0,71 | 1,10 | 0,75 | 0,78 | 0,85 |
| 275g | na | 1,28 | 1,30 | na | 1,25 | 1,30 | 1,62 | 1,30 | 1,34 | 1,39 |
| Strong | | | | | | | | | | |
| 125g | na | 0,72 | 0,75 | 0,85 | 0,70 | 0,71 | na | 0,75 | 0,78 | 0,85 |
| 275g | na | 1,28 | 1,30 | na | 1,25 | 1,30 | na | 1,30 | 1,34 | 1,39 |
| Hot | | | | | | | | | | |
| 125g | na | 0,72 | 0,80 | 0,85 | 0,70 | 0,71 | na | 0,75 | 0,78 | na |
| Garlic | | | | | | | | | | |
| 125g | na | 0,82 | na | na | 1,25 | 1,30 | na | 1,50 | na | na |

STORES VISITED:

K-Citymarket Ruoholahti
K-Market Ruoholahti
K-Extra Lauttasaari

Prisma Viikki
S-Market Ruoholahti
Alepa Kamppi

Euromarket Hyvinkää
Valintatalo
Siwa

Itämerenkatu 21-23, 00180 HELSINKI
Itämerenkatu 14, 00180 HELSINKI
Lauttasaarentie 5, 00200 HELSINKI

Viikintie 3, 00790 HELSINKI
Itämerentori 2, 00180 HELSINKI
Salomonkatu 19, 00100 HELSINKI

Hämeenkatu 2-4, 05800 HYVINKÄÄ
Annankatu 18, 00120 HELSINKI
Eerikinkatu 39, 00180 HELSINKI