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Turning Cultural Differences into Sustainable Competitive Advantage

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<p>As we approach world that is getting more and more smaller, compact and the mentality is almost "one culture fits all". People are working in increasingly amount in more international environment, in work or personal life. Trying to avoid any sort of culture shock, education is needed helping to adapt to new circumstances and to learn how to turn the differences into Sustainable Competitive Advantage in business. Quite often one spends time to strengthen the weaknesses instead of making what is working to work even more better in trade between different cultures.</p> <p>One of the objectives of this research is defining what culture is and to study the theories of marketing and culture and how combining the knowledge of both, the desired goal will be achieved. The main purpose of this study was to find out if the assumption that culture is not been taken enough into consideration when marketing especially food products in trade between Finland and Japan. The aim was to do research on Japanese visitors about the source of their information and the main reason for their visit in order to find out if the right kind of channel is used for marketing and are the marketed products appealing enough or are the products sold something that the seller thinks the customers want without doing any proper research about the needs and wants.</p> <p>Both qualitative and quantitative research was made to get info from the companies that have trade in Japan about where, what and how they advertise and if they had any issues in trade, and if it is because of cultural differences. From the consumers point of view where they get the information and is the product they wanted. In addition, the relevant literature about the theories were reviewed in order to analyzing the results in a proper business method way.</p> <p>Finally, the author summarizes the findings, offers recommendations for further research since the result was the opposite that was the original assumption that culture has not been taken into consideration in marketing when it comes to food and beverages exported from Finland into Japan.</p>	
Keywords	

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1 Introduction

We live in a world that getting smaller and smaller, and international and global business is most likely a part of everyday life even in a small company. Multicultural work environment is more and more common as is working in global scale and interaction in various ways with people coming from different cultural background. It has become more of a norm than exception, and this may create challenges to companies.

To understand and to accept the fact that we are not all similar and our business partners might not be the same as us. They might have different customs and beliefs than us. Learning this, in business, and in many other fields, requires lifelong learning and constant education through our professional career. Work and private life can't always be separate, so it is important to acknowledge that this often applies to our personal life too. Nevertheless, this is a necessity to master in rapidly changing world and work environment. It applies to both companies doing business or a private individual aiming keeping up with the world that is developing faster and faster, and more demanding at the same time. The difference between the individuals and the cultures should be considered as beneficial for business. As an equity, that can be beneficial used in a correct way. Being able to give different perspective, and in best case scenario, providing the company with sustainable competitive advantage compared to the competition.

Culture is often referred as an onion with multiple layers. One does not always see culture with a bare eye, and it requires deeper understanding to the whole versatility of it and how deep the roots are in every different tribe, country or society. To fully understand the affect culture has on trade between countries so different yet so similar requires a deeper insight to the layers, therefore this research involves several theories regarding fields like marketing and culture focused in this dissertation.

2 Research process

This dissertation is first to study theories about marketing and culture. Tie the theories and practice together when it comes to trade and marketing between Finland and Japan. Aiming to reach the very best result in business requires right kind of communication.

Being able to communicate the right way, and to achieve the desired outcome requires great deal of knowledge, education and understanding about the other cultures and marketing. Understand the difference when working locally in one's own area and working abroad in different kind of environment and culture. After studying the theories to do survey and analyze the results to find out is there enough marketing, is it the right kind of marketing and are the most efficient channels used to reach the aimed target market. One purpose of the survey was also to find out if culture has any effect on the way Finnish companies market and in the way Japanese understand the message of the advertisements.

2.1 Background and motivation

Trade has been part of human society from the beginning of our time and with trade there has been also marketing in different kinds of forms. Marketing is needed to succeed in trade and being able to follow the current trends and what and how to make a profit. Minor details can often "make or break" the deal and earning how your business partner behave and respecting the foreign culture offers knowledge how to avoid situations that can cause quite serious misunderstanding and is expected to be profitable trade into major loss when "devil is in the details".

Communicating across cultures, and successfully manage multicultural work environment is an ever more current issue. It involves more and more people to be aware of all the aspect of international trade and multicultural work environment. There have been some big marketing disasters that could have been avoided with a little bit of research about culture. One example Nike's "black & tan" campaign intended to celebrate St Patrick 's Day using stout and lager representing the colors of Irish flag, but more commonly phrase was used about the paramilitary Royal Irish Constabulary Reserve Force taking part of the revolution in Ireland Washington Post (March 15, 2012, Maura Judkis) One example that could have been avoided with some research about the local culture. The authors personal experience for years of having Asian, especially Japanese visitors looking for a certain restaurant that resulted to have this topic. It is human nature to be interested in something different than what is already familiar to you. It is in other hand very different, but similar enough to be comfortable to adapt. The number of Asian visitors has increased quite steadily in Finland. As a business student following the growth of Asian market made it an interesting subject.

2.2 Research objectives

As culture is a complex concept, it is important for this study to cover all the aspects of culture and marketing when it comes to the trade between countries from different cultures, and the affect it has on trade. The theories used in this study are mainly from the Dutch researchers Geert Hofstede and Fons Trompenaars. As mentioned, the devil is often in the details, it might be the color used in marketing or even the font. The details make a huge difference in used communication channels and how the message is interpreted. Therefore, ongoing education is needed to in this case to improve the efficiency of marketing Finnish Food and Beverages in Japan, and since it is quite new, and growing in very rapid speed. The upcoming free trade agreement with significant decreases in taxes will make Japan even more attractive trade partner. Learning these understanding of the concepts of these theories, fully understand them and successfully implement in one's business is what the author wishes to gain with this study. And have the theoretical reasoning for good relations in trade between Finland and Japan, and more precisely why is the Finnish food so important in Japan and vice versa and how it is marketed in Japan.

The aim of this study is to define the following concepts;

- Maslow's hierarchy of needs
- Porter's five forces
- Marketing
- International marketing
- Culture

And in addition to study the possible affect, if any culture has on marketing between these countries. If there is importance in the quality of the differences or is that not important in this case.

2.3 Structure of this Thesis

In the first part the author introduces the topic and background information. In this part also the motivation, scope, aim and purpose are more explained in this section.

The second part is about the theoretical background of the study, literature review. It includes the context of the theories and studies used in supporting this dissertation.

The third part introduces the used methodology of this study with more details about the approach and methods used in this study. The validity and limitation of this study are explained in this part.

The fourth part concentrates on the empirical part of the study with more information about the empirical research with analyses of the findings of the research.

In the last part consists of the authors personal findings and suggestions and conclusion and this part links the theory to the study and possible future challenges are elaborated.

2.4 Research questions and Hypotheses

Main resource questions

1. What are the factors that make Finland attractive to Japanese visitors?
2. How are they taking into consideration the cultural difference?
3. Have the target group found the information?
4. Has the information been correctly interpreted?

Minor resource questions

1. Has the company reacted to anticipated or surprising challenges they have met?
2. What media are the companies using to reach the target group (Japanese tourist visiting Finland)?

2.5 Limitations

One of the main limitations in this case was language. Original intention was to do survey in Helsinki and Tokyo. Unfortunately, due to the lack of authors Japanese and the lack of English in Tokyo, it was not possible to conduct the survey in Tokyo. The language barrier between the researcher and the interviewee may also raise some questions about the reliability if the questions have been understood correctly. The aim was to keep the

questions simple enough to be easily understood and giving the outcome that was aimed and reliable. The fact that the author was not supervising the filling of the questionnaires personally and explain or help in case needed could also have possibly some effect on the result. General comprehension on the other hand was, what was seen on the location of the survey, was that the staff did assist with possible questions making sure that the questions were understood correctly. One limitation was also due to the language the lack of resources to perform more profound and personal interviews to receive more detailed info about companies in Japan to receive the Japanese take on business wise. Information from Finnish companies according to the result of the research offers rather good general idea about the company usage of media. There was no personal information asked hence it does not affect the outcome and asking for personal info was avoided due to the laws and regulations for collecting personal info. The amount of times visited in Finland was considered important and affect to the reliability of the interviewee, since according to Inkeri Mentzoni from Kidemaa, the reputation and acceptance plays an important role in Asian culture. If the interviewee has a strong, positive experience about Finland, and a status in the society that allows him/her to make it acceptable to visit Finland. These visitors act as a sort of “Gatekeepers” of information, and that is important since according to Mentzoni. Japanese are hesitant to try new products because it is a possibility to “loose face”. One limitation was also not being able to cooperate with the major exporters and have access to their data, so there is only the secondary public data in addition with the research done in Tokyo in September 2017.

3 Literature review

The literature review consists of several of the books with the main theories about marketing, international marketing and culture. Other dissertations about relevant subjects and statistics about Japanese visitors in Finland were also used to support for analyzing the data. These sources were chosen so the author can present the basic theory and works on marketing, international marketing and statistic to support the study.

3.1 Maslow’s hierarchy of needs

As one of the fundamental questions when it comes to marketing is asking what, to whom and how to sell and therefore it is crucial to have a basic understanding about human function of need in being able to appeal to a person. One significant part of marketing is

need, no matter if it is conscious or subconscious it is also important to study the concept of need and in the next paragraph is about the theory of Abraham Harold Maslow, an American psychologist who created the known “pyramid of needs” illustrated in figure 1.

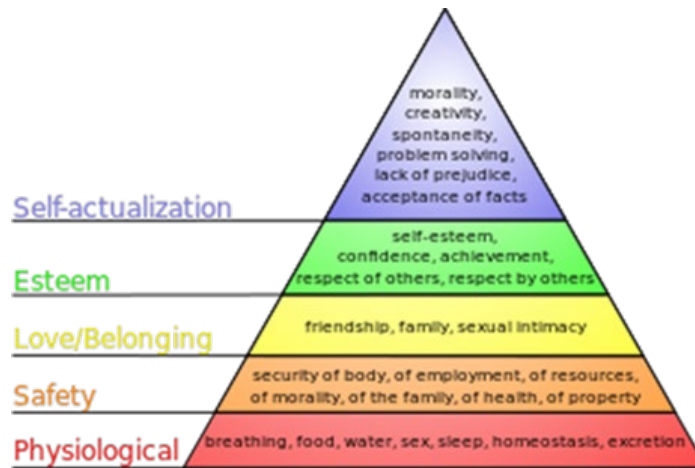


Figure 1 Maslow's hierarchy of needs, Simply Psychology Saul McLeod updated 2018

According to Maslow, people are motivated by needs, and he states that needs have a certain hierarchy and can be divided as follows: The hierarchy of needs by Abraham Maslow in his paper from year 1943 “A Theory of Human Motivation” introduces five different levels that needs to be fulfilled starting from the bottom. The first parts needs can't be made- up but they are needs to everyday survival. The three upper ones are more complex and can't be fulfilled before the upper levels can be fulfilled. This model often described as a pyramid that has five layers and they can be divided into two categories. The two bottom ones are called deficiency needs (D- needs) and three top ones are called growth or being needs (B- needs).

The needs can be divided into three categories according to Maslow:

Basic needs:

Basic needs are the two bottom ones. Safety and Physiological parts. Representing the basic functions that are needed in order to survive.

Physiological needs:

Physiological need are esteem and love and belonging. Gain success and appreciation and satisfaction of own accomplishments but also among friends and relatives.

Self-fulfilment needs:

Self-actualization needs where crucial since a person is not capable of receiving fulfilment in needs on higher level, if the basic need like water and food are not filled.

3.2 Porter's diamond

After a company has discovered that they have a product or a service that they wish to export abroad, it is important to perform a competitor analysis in the country they wish to export, and the mode of entry. This needs to be done carefully as by creating or being able to fulfil a need it may create Sustainable Competitive Advantage by offering consumers a product or a service that is unique. To this has Michael E. Porter who is the Bishop William Lawrence University Professor, created model that is called "Five Forces Diamond Model". This model provides tools that able us to determine if the product or service company is offering does have Competitive Advantage. This research was to inspect the products and service that are offered to Japanese visitors in Finland if they meet these criterions as figure 2 demonstrates.



Figure 2 Five Competitive Forces that determine Industry Competition, Porter, *The Competitive Advantage of Nations*, 1990, p. 35

Industry Competitors

This is the core of the model. How does a company place in comparison toward the competitive products or service when it comes to trade between Finland and Japan. Let us take as an example Finnish food, nature, Marimekko and Moomin that were the most

popular reasons according to the questionnaires to visit Finland. There is no such industry in Japan like Iittala, Marimekko or food like Finnish food.

Bargaining power of the Buyers

The demand in Asian market according to Riku Nordqvist is getting bigger and bigger. This creates a good kind of pressure for the suppliers wanting to meet the demand. In Nordqvist tea wanting to deliver the kind of product that customers are looking for, including modifying the product according to needs. According to the interviews the companies are more and more heading to Asian markets and working to be successful there. The advantage in this case is that the Finnish products are quite unique and can't be found anywhere else. Nature being a good example being the main reason why Japanese travel to Finland. Having one of the purest natures in the world, it can't be transferred. The Finnish Lakeland is a unique area and main attractions and being called a country of "Thousand Lakes". Travel business aspect is that people are looking for whole unique experience and that is what Finland is offering.

Bargaining buyers of Suppliers

As mentioned, the forest or the lakes can't be moved so definitely an advantage. The Moomin are unique and a Moomin Park is opening in Tokyo, Japan this autumn. Finnish design like Marimekko does have a sizeable store in Japan, but what is a common feature now is selling the story behind the product. Inkeri Mentzoni was emphasizing the fact in the interview, that to be successful the product needs to have a story to tell. Mentzoni tells Japanese loves stories.

Substitutes

To these products it is very hard to find a substitute. Experience of listening to the silence in the forest after the endless noises in Tokyo or handpicking blueberries and eating them straight from the bushes can be memorable. There is no substitute to a unique saga or a product that can only be found in Finland. Food wise this is bilberry, cloudberry, lingonberry or reindeer meat. Stars of the Nordic cuisine and Mentzoni tells exactly what Japanese are looking for. Something that is local, pure and unique.

Potential Entrances

For some areas there are rivalry and new entrants, but one of the advantages is the uniqueness of the products and services. One example of being successful in very competitive fields are Kyrö Distillery, focusing on rye, and winning multiple prizes for their Gin products and Nordqvist or Fazer with their Moomin food product line. With a superb product, and by understanding the value of packaging they are able to succeed even better.

Government

This is an additional power that can have influence in the balance of all the five power. It is mentioned here since it is current now when EU and Japan are signing a free trade agreement lowering or removes taxes from many taxes increasing Japan's attractiveness as a business partner. Mentzoni agrees in her interview that it is going to have great effects, since according to her many products that earlier had for example 15 % tax, are now around 2%, or even 0%.

3.3 Competitive Scope

One of the most important things that company needs to establish is a positioning of their product or service and create the strategy how to enter the market. This should also like in Porter's five forces model, be done very carefully. If the company manages to succeed in this, it may be successful even in not in favor of the markets creating sustainable competitive advantage also in this way. Michael Porter introduces three generic strategy in figure 3 that may help the companies to position their product or service.

Cost Leadership

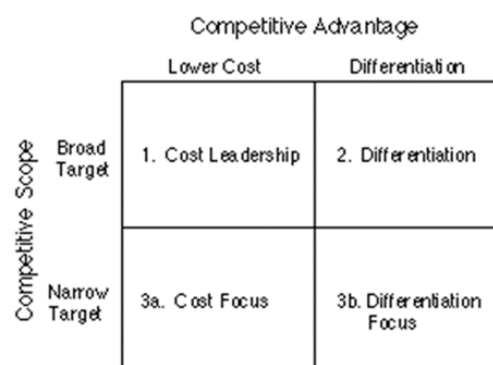


Figure 3 Generic Strategies, Porter, The Competitive Advantage of Nations, 1990, p. 39

In cost leadership the company's aim is to become the low-cost producer in its industry. This requires that the company operates in a wide scale product wise and in connected industries. In this case this is not the aim, as the products are unique and selling experience, not a bulk product or service.

Differentiation

In differentiation the company defines its special feature that makes the product or service more desirable than competition. Very strong point in this case as these products and services these companies offer are very different from the competitor, if there is any. Many, if any has similar products like lingonberry or blueberry unique super foods. And most importantly, they often have a story to tell making them different.

3 A Cost Focus

In cost focus the company is looking to gain extra value against the competition with cost advantage in the company's target segment. As these are unique products and services, the companies can have a relatively high price on their products or services.

3 B Differentiation Focus

In differentiation focus the company is pointing how the product or service is different from the competition and superiority. Main point as the products and services are different. Kidemaa selling Finnish education products that are highly valued all over, so it is a very suitable product with the education focused country like Japan. Or Moomin Land in Naantali where they have weddings. That, if any is a very different experience.

4 Marketing

Marketing has existed from the beginning of trade and it has changed its form during the years. In the beginning it was basically seller's market when almost everything was sold without any kind of marketing. As the society got wealthier and the range of products got wider, the consumers had more option which product or service they wished to purchase. Today the marketing is overwhelming with so much information about countless products or services to choose from. The marketing is getting more personalized

and customized and targeted, and it requires great deal of effort to adjust to the markets that are constantly changing, and its demands.

Kotler et al. (2010) introduces the reader to basics of modern marketing and his theory is in most parts the foundation of the theoretical part of marketing in this study. The authors are mostly focusing for getting Value for your customers and not pay that much attention to cultural factors.

4.1 Definition of Marketing

“A process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return” (Kotler et Al, 2010, p 29)

Marketing is about wants, needs and demands. Kotler points out that “The most basic concept underlying marketing is that of human needs”. (Kotler et al. p 30) I figure 4:

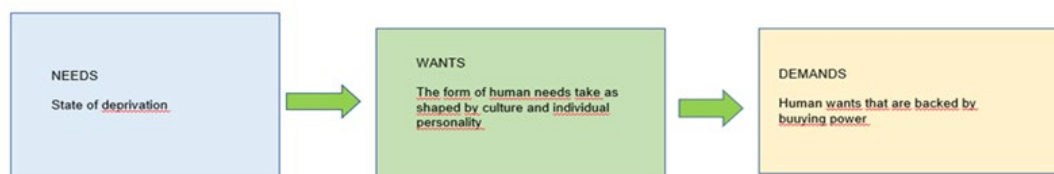


Figure 4 Needs, wants and demands, Kotler & Armstrong p. 30

In his book *Competitive Marketing A Strategic Approach* O’Shaughnessy offers a more analytical approach to marketing and defines marketing as follows:

“Marketing covers those activities that relate the organization to those parts of the outside world that use, buy, sell or influence the outputs its produces and the benefits and services it offers” (O’Shaughnessy, 1992, p. 4

4.2 Importance of marketing

In today’s over saturated markets, where the competition is hard and there are endless products and services that it is virtually impossible to keep up with everything and that is why gaining Sustainable Competitive Advantage is important. The form of marketing is changing a rapid pace, but the core message is the same as it has been from the beginning.

Kotler states that there are certain steps in the marketing process that needs to be taken to gain advantage for the entrepreneur and adding customer value Kotler defines the simple marketing process with as follows in figure 5 :

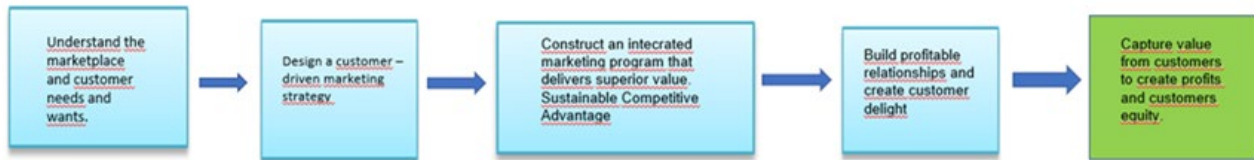


Figure 5 Kotler's of the Simple Model Marketing Process, Kotler& Armstrong, p.29

4.3 International marketing

Ghauri and Cateora (2010) are pointing out the changes that took place in international marketing, and how the rapidly changing economic and political situation affects marketing worldwide. They are also in their work trying to clarify the concept of globalization because it is quite often used incorrect way, misunderstood and caused unnecessary problems. Their theory is different since they believe that each modern market requires its own culturally adapted marketing strategy. Explaining that the task in international marketing is double since there is domestic and foreign aspect to consider

5 Culture

So that we can understand and study the possible effect culture may have in marketing, it is important to define what culture is and what includes. The theories from Hofstede (Cultures and organizations, software of the mind 2010) and Trompenaars (Riding the Waves, 1995) suggests that culture can be divided into layers according to this model Geerd Hofstede and Fons Trompenaars are both Dutch researchers that have studied the culture and whose theories are used worldwide. They research the roots of the culture and how it effects the people's behavior, possible problems and possible solutions to them. Hofstede (1991) demonstrates in his book that by education there is a way to gain effective intercultural cooperation. His research defining what cultures is and includes and teaching that there is a difference implementing it domestically and

globally. In his book Hofstede gives detailed examples and situation about how to learn intercultural cooperation and make it beneficial for both parties. Trompenaars (1998) in his book "Riding the Waves of Culture" he divides the nations cultural differences and explains how this affects the way people do business and manage. Trompenaars believes that there is no "one best way", but in order understanding the background of someone's behaviour, knowledge helps to gain the best results. And by understanding and expecting these differences, understands the fact that what works in certain market area, might not work in markets with other cultures. Trompenaars and Wooliams (2004) in Marketing Across Cultures is a in mainly sequel to previous "Riding the Waves of Culture" written later focusing on marketing aspect providing case studies and repeats the cultural dimensions to those who are not yet familiar with it. As I mentioned earlier that due to the rapid change in trade and the power of Internet increasing in pace that is almost impossible to keep up. The book Riding the waves of culture explains in examples in problem areas in marketing aspect that have appear and how to solve them, since still the power of the culture is not acknowledged.

5.1 Definition of Culture

Merriam-Webster dictionary defines culture as follow:

"a: the customary beliefs, social forms, and material traits of a racial, religious, or social group; also: the characteristic features of everyday existence (such as diversions or a way of life) shared by people in a place or time

b: the set of shared attitudes, values, goals, and practices that characterizes an institution or organization a corporate culture focused on the bottom line

c: the set of values, conventions, or social practices associated with in a particular field , activity, or societal characteristic studying the effect of computers on print culture

d: the integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for learning and transmitting knowledge to succeeding generations"

5.2 Importance of culture

Trompenaars compares (Trompenaars, 1995, p 21) culture to a fish out of water, and only notice it needs it when it is not in the water, its natural environment. It is a necessity to humans, and we don't survive without it. As it is the language we speak, the kind of

food we eat etc. Culture has caused wars at its worst, but it also can bring the best out of people, causing pride and unity.

5.3 Culture according to Hofstede

Hofstede describes culture as an onion with layers illustrated in figure 6 that are both superficial and visible for the eye or hidden under the surface. This describes the complexity of culture and that “there is more than meets the eye” and to totally understand how deep impact it has on a person.

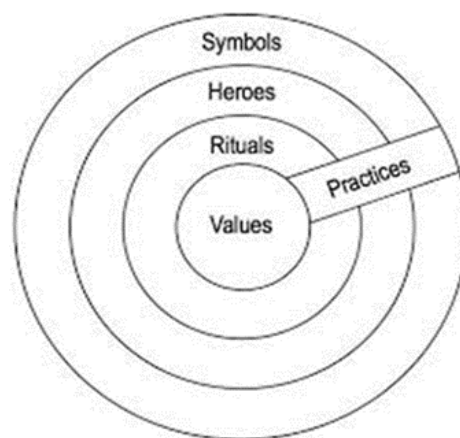


Figure 6 Manifestations of Culture at Different levels of Depth, Hofstede,2010, p 22.

Symbols

Symbols includes in most part the same as Trompenaars for example language, gestures or pictures that holds a specific meaning for those coming from the same culture.

Heroes

Represents people that can be alive or already passed, they can be real or imaginary.

Rituals

Rituals includes things like greeting or general treatment of one towards others and also social or religious ceremonies. In business can be a meeting that is perhaps mainly for building the sense of togetherness and sense of belonging into a certain group. This is including the way of communicating and what kind of language is used in written and spoken language.

Practices

Are the factors of symbols, heroes and rituals that are visible for everyone regardless of what their cultural heritage is.

Values

The Values are what makes the heart and foundation of culture. Values represents the attitude towards things and can have a positive, or negative side and can be put into pairs;

- Evil versus good
- Dirty versus clean
- Dangerous versus safe
- Forbidden versus permitted
- Decent versus indecent
- Moral versus immoral
- Ugly versus beautiful
- Unnatural versus natural
- Abnormal versus normal
- Paradoxical versus logical
- Irrational versus rational

History of the countries

As discovered, there are many factors that affect to cultures. And history is a factor that shapes the nations and their identity, values and institutions as shown in figure 7. As Hofstede shows in his figure, these factors are something that unites Finland and Japan.

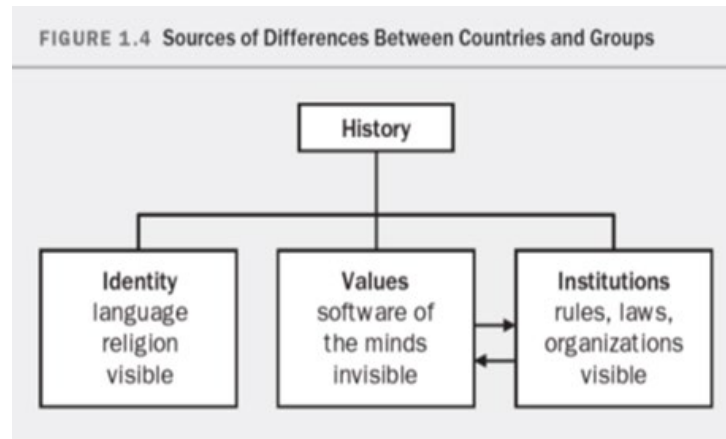


Figure 7 Sources of Difference Between Countries and Groups, Hofstede, Cultures and Organizations, p.22

Both languages are among the hardest in the world. Religion plays rather important part in both countries and both are very rule and law obeying countries. What they also have in common that is not so often taken into consideration or mentioned that they both are small countries that fought a major war against bigger country and survived it as a true winner. Finland being the only country that paid all its war reparations after WW2, and Japan surviving in a short time from country in great depth also after now both being a leading technological country in the world. The firm believe and investing in education and innovation is a factor that both countries respect in each other.

5.4 Other significant culture theories

There are several theories beside Hofstede but being probably the most known with good amount of data to use. The other theory that is well known theory is the theory of fellow Dutchman Fons Trompenaars.

5.5 Culture according to Trompenaars

Trompenaars says in his “Riding the waves of culture, understanding cultural Diversity in Business (1995, p11) that there is “no one best way of managing” and often even the bit more difficult dilemmas can be solved as seen in figure 8. Trompenaars came from a Dutch – French and like many studies, started from the own experience and interest that why the one management style is not working with people from another country

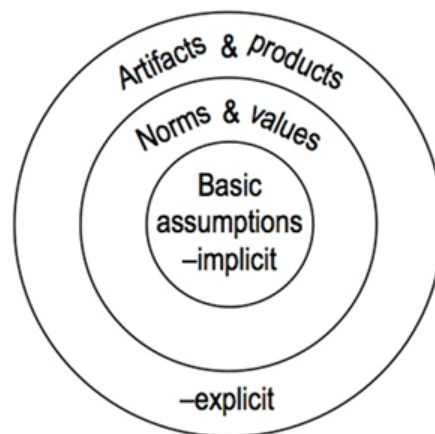


Figure 8 Figure 8 A model of culture (Trompenaars, 1995, p23)

Explicit, the outer layer:

Consisting of the visible features of the new country we may be visiting such as language, food, what people may be wearing and architecture. Representing the culture in the deeper level that might not be known to us yet. One example being Väiski, or Kalottihattu originated from the Finnish saga Kalevala as a sign of being trustworthy. Simi-lar hats also worn in the Jewish community kipa or pileolus / zucchetto worn by catholic priests.

Norms and values

This layer refers to more deeper layers representing the “right and the wrong” mutually agreed inside of a certain group. This can be a written law or refer to unwritten law that has become a commonly excepted norm or value.

Existence in the center

The core is the heart of existence of a culture. Trompenaars (riding, 1995, p 23) Maslow pointed out the basic need is to survive. In Finland the rough conditions have developed a thing called Sisu. Giving strength according to saga Kalevala to plough the fields of rocks to grow crop.

5.6 Hofstede's Dimension of National Culture

The study of a Dutch social psychologist Geer Hofstede who working for IBM in the 60's one might argue was "at the right time in the right place". Working for a multinational country at the time when the computers got more common and the World Wide Web was developed. Being able to work with people from another cultures and having access to data that abled him to conduct a study that is still widely used all around the world. One might claim that it is too old data and including only IBM employees is not covering enough. But after the first book, Hofstede tells he kept on testing it with help of his readers willing to help and the book Cultures and Organizations has been updated several times during the years. Last time This in 2010. This argument that the data is out dated only proves how deep the roots of culture one is born are. Culture is consisting of so many factors that have so deep impact on an individual, they are not so fast changing like a fashion item but represent that proudness of the person wearing it.

In his study he focused on three major point that Hofstede suggests that "the following Issues qualify as common basic problems worldwide, with consequences for the functioning of societies, of groups within those societies and of within these groups" (Hofstede, 2010 Cultures and Organizations p. 29)

Today it is relatively easy to find these numbers. Website Hofstede-Insight offers a Country Comparison tool used in figure 8 to demonstrate the figures of Finland and Japan. Very simple tool to pick the countries you wish to compare and find the meanings of those numbers.

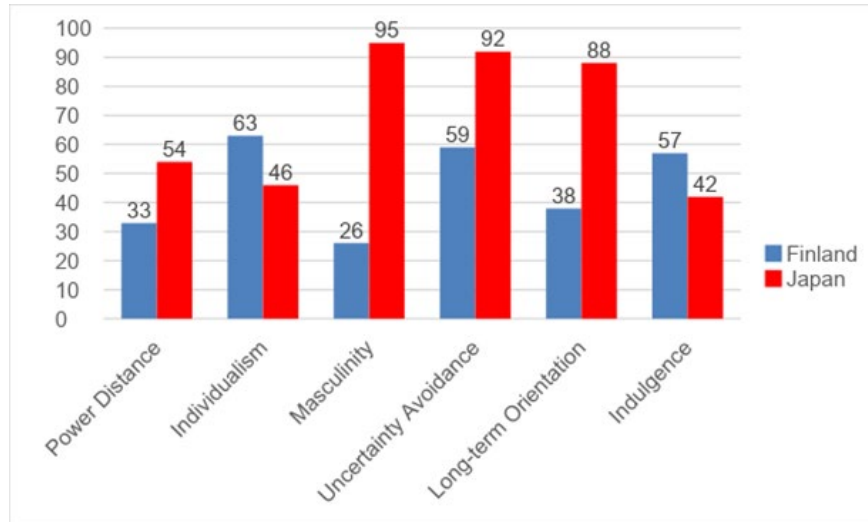


Figure 9 Country comparison, Hofstede Insight, accessed 8.10.2018

5.7 Power Distance defined

Power distance Index measures the amount of inequality in the nation. More precisely the attitude how the less powerful against the more powerful individual. As in some, having high-power-distance nations it is considered natural that some are intitled to more than others and the more powerful person is obeyed. In low-power-distance nations it is more equal and more consultations style than obeyed without any questions. In the study there were three question to identify the way an individual feel towards hers/his less or more powerful person and to formulate the Power Distance Index and they were:

1. Answers by nonmanagerial employees to the question “How frequently, in your experience, does the following problem occur: employees being afraid to express disagreement with their managers? (mean score on a 1-5 scale from “very frequently” to “very seldom”)
2. Subordinates’ perception of the boss’s actual decision-making style (percentage choosing the description of either an autocratic style or a paternalistic style, out of four possible styles plus a “none of these”)

3. Subordinates' preference for their boss's decision-making style (percentage preferring a paternalistic style, or, on the contrary, a style based on majority vote, but not a consultative style) (Hofstede, Cultures and Organizations, 2010, p. 56)

Both countries have rather low Power Distance Index as seen in figure 10. Finland's 33 points request that it is very independent, and hierarchy is a necessity, considered an inconvenience. People have equal rights, superiors are easily accessible, coaching style of leading. Management are there for facilitate and empowering subordinates. Power is usually decentralized and managers often count on the experience and knowledge of their team members.

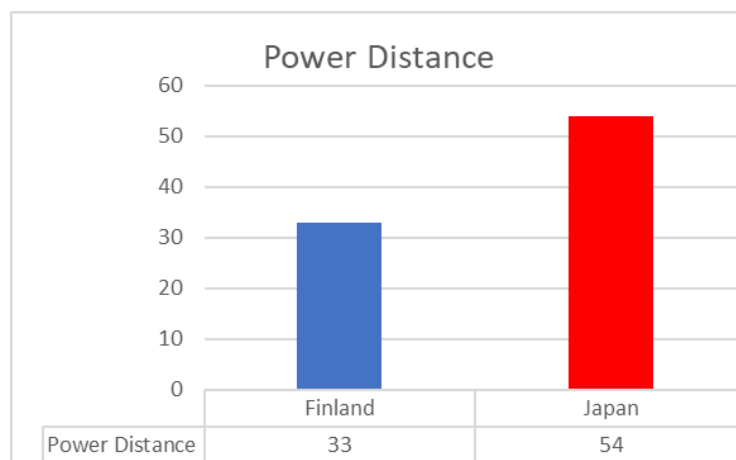


Figure 10 Power Distance, Hofstede Insight, accessed 8.10.2018

Employees often expect to be consulted and be involved with decision making. Control is not appreciated. The relationship between managers are informal and titles are not used. The style of communication is quite direct and participative. Japan's score indicates that it is in an edge of being hierarchical. Both nations believe that they are able be whatever she/he wants regardless of the origin.

5.8 Individualism

This indicates if the people of the nation are considering themselves as "I" or "We". "I" nations the people are expected to take care of themselves or the closest family at the most. "We" nation on the other hand act as a group and take care of the whole family and expects the same from them.

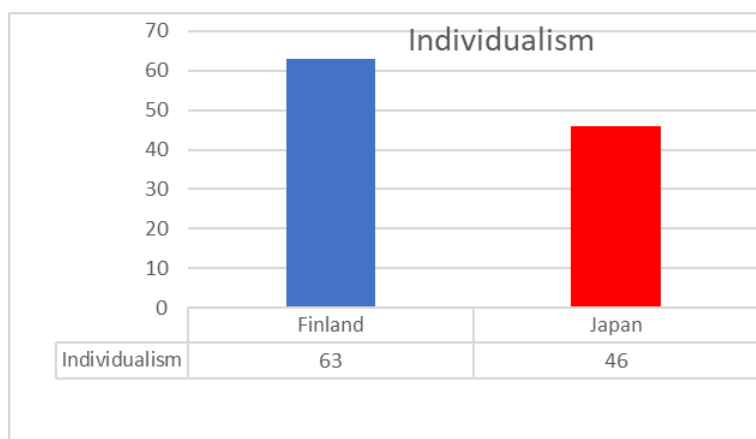


Figure 11 Individualism, Hofstede Insight accessed 8.10.2018

In figure 11 see the Finland's high score 63 shows that it is very Individualist nation. Family ties are not that tight, and work is only a contract that you can sign out from without hesitation. Career wise it is up to oneself to succeed and not about your family ties. Japan with its 46 is in between. It is famous about its workers to aim to a good company and be loyal to it till the retirement. Nevertheless, other Asians see Japan as individualistic country whereas Western countries consider Japan as rather collectivistic country.

5.9 Masculinity

Masculinity in nation shows that the nation thrives on competition, achievements and success. Success is only defined by the best. This is learned from the school and stays with the people, so it has long roots in the individuals and braking from the norms is not considered to be desired or acceptable. As figure 12 shows, in this Finland and Japan are quite far away from each other.

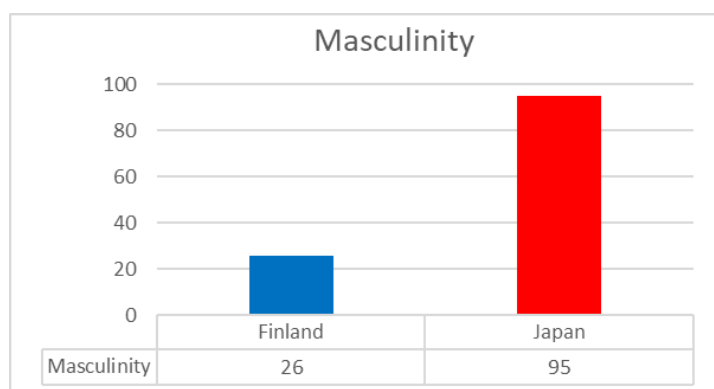


Figure 12 Masculinity, Hofstede Insight, accessed 8.10.2018

Finland has a very low score stating that Finland has score of 26 and it is very Feminine country. Soft values are valued and empathy and caring for others is important as is quality of life. The saying is “work for living” and not “live for working” in Finland. The separation of free-time and work is preferred. Managers are there to support you. Japanese score 95 reflects that they are pure perfectionist and thrive on excellence. Hence this study is about food it is worth mentioning that in Hofstede-insight webpages they emphasize the importance of gift wrapping and presentation of the food. A point that was also pointed out that in the research interviewees emphasized that, and Kidemaa is in the future organizing consultation regarding the issue for their clients.

5.10 Uncertainty Avoidance

As the title indicates, it shows the nations attitude toward change and to the undeniable fact that one can't predict the future and figure 13 how different Finland and Japan are in this area.

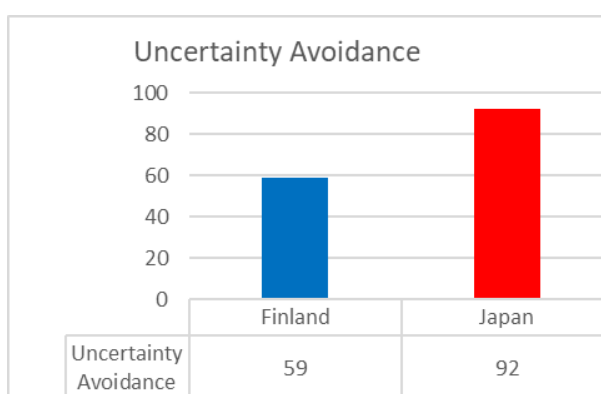


Figure 13 Uncertainty Avoidance, Hofstede Insight, accessed 8.10.2018

Should be controlled or cope whatever is coming. Japan is highly scored with 92, but it can be explained by the severe weather conditions they have faced and taught them to be prepared. They have ancient traditions to many things, often the clothing or ceremonies stays the same making the change sometimes more challenging. Finland also with the score of 59 is quite reluctant to change. Even if Finnish seems to not like the rules, but they need to exist, or it causes uncertainty.

5.11 Long-term Orientation

In country comparison tool in Hofstede Insight, they define this as follows;

“This dimension describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future” And the countries figures as seen in figure 14 that the countries have quite different approach to this aspect.

(Hofstede Insight, accessed 9.11.2018)

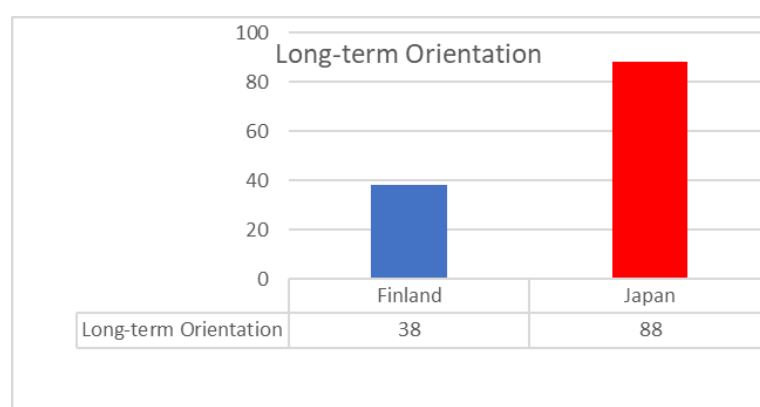


Figure 14 Long-term Orientation, Hofstede Insight, accessed 8.10.2018

With a low score of 38, Finland can be described as very prescriptive country. They can be said to have great respect for the traditions but have tendency to think so much long ahead making long-time plans. Truth is to be respected and goals must be achieved as quickly as possible. Japan on the other hand is one of the highest scores in long-term orientation. A human life is a very short period of history, and that is way thinking in long-term is essential. According to the description in Hofstede Insight, this can be seen in corporate Japan in very high investments in R&D, even when economic growth is not so strong.

5.12 Indulgence

This figure describes in to what extent the people can control their wants, needs and desires according to their upbringing.

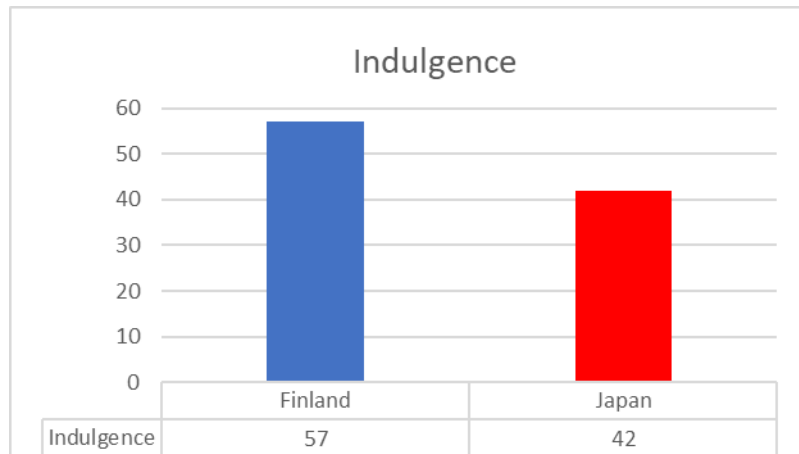


Figure 15 Indulgence, Hofstede Insight, accessed 8.10.2018

Seen in figure 15 Japan with the quite low 42 can be considered as a very restraint nation. Finland with rather high score 57 indicates a willingness to enjoy life and think positively. Finns really value their free-time, separated from work and have control to what they spend the money they have been working so hard in.

5.12.1 Criticism on Hofstede

There has a fair share of criticism against Hofstede with different kinds of opinions depending which angle one is taking. In my research I took four articles and their aspects.

The most common criticism was that it is not extent enough, and they all raise some good questions about different areas of Hofstede's theory and methods.

One of the articles has linguistic approach and only inspects the power distance by Annelise Ly "A critical discussion of Hofstede's concept of power distance, 2013". In her article she is breaking it into two parts. In the first part she discusses the definition and the extent of the research and second part is about the formulation of the questions. according to Ly there were flaws in both. Ly claims that the questions were culturally bias as they were designed mostly to support his own theory and did not take into consideration the fact that English is not everyone's native tongue. The fact that is very common today. The dilemma of presenting the questions that people from all backgrounds understand it the same way. The good everyday example would be a written math test. They too are quite often formulated in a way that the problem is not the task itself rather

than to understand what is being asked. She also claims that the number of questions is not enough to give a proper answer.

In “Are Hofstede’s dimension valid? A test for measurement invariance of Uncertainty Avoidance, 2014” Dr’s Lena Schmitz and Wiebke Weber raise an interesting fact what mentioned in a previous paragraph, understanding the questions correctly. They take as an example concept of time. There is *once a week* that can be understood by someone as *seldom*. It is also criticized that IBM culture is valid only within IBM and can’t be applied in all countries and cultures.

Shibin Baburaj Paul in “A critical evaluation of Hofstede’s cross-cultural study” sites the work of McSweeney in criticism that “Hofstede assumes the culture of nation as one total culture ignoring all the small culture practices within the same nation (Mc Sweeney, 2002, p 93)

In his article “Hofstede- Culturally questionable” M. L. Jones quite simply lists the pros and cons about Hofstede’s work. Discussing the relevancy, cultural homogeneity, national division, political influences, one company approach, study being out of date, too few dimensions etc.

There are many things to consider in Hofstede’s the study was not surely to be followed to blindly but to use it accordingly. It is a good base to start, but up to the user to use it adequate.

5.13 Methodology of the survey

5.13.1 Method and material

A combination of qualitative and quantitative research was used in this research. In this type of research, it is important to have both preliminary and secondary data to gain the desired and correct information. The research was conducted with a quantitative research with a questionnaire to 94 Japanese visitors in Helsinki in cooperation with restaurant Kamome in Helsinki. They were able to provide conditions to conduct the survey with enough material for the survey.

5.13.2 Structure of the survey

The participants of the survey were given a paper questionnaire at the restaurant with ten questions, four questions (1-4) was about their possible visit/s to Finland, and possible motivation for returning to Finland. Japanese are known to travel, and recommendations are important as the ones that have been in Finland can act as a kind of “gate-keeper” of information. Two of the questions (5-6) were about the source and type of their information, and the reason they chose it, as one part of this research was to find out the source were Japanese prefer to go for information. One question (7) about the Finnish advertisement or commercial if they have seen or remembered any. Two of the questions (8-9) were about the quality and quantity of information they have received. One question (10) was about their possible desire to visit Finland again, as quite often the follow up is neglected.

The questions are mostly very simple to answer, as the possible language barrier was acknowledged the questions were simplified to avoid any misunderstanding and therefore corrupt the data.

Qualitative research was made was used with some more detailed questions and face-to-face, phone and email interviews for company representatives about their business in Japan. How it started, how it has changed during the years and possible challenges caused by cultural differences. Both methods were used as the aim was to have data from both sides, the one creating marketing and the ones receiving it in order to find out from where they got the information about Finland and has the information been enough and accurate.

The secondary data used in this research were studying different material: books about marketing, international marketing and management, cultural theories and usage of colours in marketing across cultures. Dissertations regarding usage of colors in effective marketing communication, consuming behavior of visitors in Finland and food expectations of visitors in Finland in general, including Japanese. The journals about relevant topics, different websites and course material were studied.

5.13.3 Approach and sample size

The questionnaire was done by goggle forms and distributed mostly in a Japanese restaurant Kamome in Helsinki, and also distributed the questionnaire to a small accommodation provider in Northern Finland and a connection in Tokyo. Additional

questionnaires were filled in some cases by reaching out for Japanese visitors in downtown. The sample size currently is 91 responses. The qualitative research was done by interviews in person or by phone and interview question by email. The first challenge of designing the questionnaire was the language. The English skills of Japanese visitors are not necessarily very strong. The other challenge was to keep it short enough that the first response would not be negative yet trying to get all the information needed for the research. The visitors were asked the main purpose and motivation behind their visit and where they got the information. As important as is the information the visitors have, is the information they did not have, in order to better the service and providing the missing information.

The qualitative research was done by interviewing company representatives about more detailed questions how they entered the market, how and where do they have marketing, if the cultural factors has made them to change their strategy and about the future of their advertising.

5.14 Overview of the place of survey and companies interviewed

5.14.1 Location of the conducting the survey restaurant Kamome

As the study required real originally Japanese visitors, the place of conducting the research was the restaurant Kamome, the same establishment inspiration of this theme and based on a very popular movie Kamome Shokudō in Japan directed by Naoko Oigami 2006 about a Japanese young woman opening a coffee shop in Helsinki.



Figure 16 Lunch at Kamome. Mushroom soup, salmon and a lemon cake, with a Japanese twist, Photo by L.Urasto

Her goal was not to sell Japanese food to other Japanese but to create fusion food of both countries. Exotic enough to be interesting yet not intimidating.

5.14.2 Structure of the survey

The participants answering the survey in Helsinki, filled a paper copy of the survey with total of 11 questions. Four of the questions were about their background of visits to Finland, one questions about where they get the information and one what is through which media they preferred. Two questions concerned about if they have any experience about Finnish commercial, and if they do, do they remember what was the commercial. Two questions were about the quality and amount of information they received and was it accurate. As the information missing can often be as important if not even more important than what is already known. The final question was if they would possibly visit Finland again in the future.

The questions asked were:

1. Is this your first time in Finland?
2. If you answered no, how many times have you visited Finland?
3. If you have visited Finland several times, what are the factors that made you come back?
4. If this is your first time in Finland, what was the main factor that influenced your decision to come to Finland?
5. How did you choose your source of information?
6. Where did you find the most useful information about Finland?
7. Do you remember any Finnish commercial/ advertisement?
8. Which commercial?
9. Did you find enough valid information?
10. If you did not find the information you were looking for, what was the missing information?
11. Based on your experience, will you be likely to visit Finland again?

5.14.3 Validity, ethics and reliability of the survey

In the beginning of the survey there was a short description of the purpose and aim of the survey. The purpose was to keep it as short as possible as tourists are often in a

hurry. Many of the interviewees filled it during dinner, where they had a bit more time and the staff of the restaurant helped the person filling the survey in case they needed any assistance. The language was aimed to be simple and easy to comprehend nor were there complex terms or definitions that needed to be more closely explained.

Yet despite there might be some error due to the language barrier or phrasing of the questions but not likely to influence at the end results, more of an additional information such as which commercial they saw etc. The personal info was not needed, and was not used, since many people do not feel comfortable giving away more personal details about themselves. The companies that were interviewed were chosen as they were not known, quite well known and had experience in Asia.

It is still very popular among Japanese, and they were kind enough to be translating if needed help. This is not a new thing anymore since fusion kitchen is everyday life all over the world but considering that in 2006 this was not a common thing, especially for a young woman. As Kamome is about food and Japanese visitors the results wanting to find out where and how they get information about Finland. As the visitors are sort of “gatekeepers” and ambassadors to Finland and its food, it is equally important to market the food appealing here in Finland as it is in Japan.

5.14.4 Kidemaa

Kidemaa is an on-line store founded by Inkeri Mentzoni who has a long history in B to B in Asia. For several year, she gathered a team of native Asian, or who has half of Asian origin, as she wanted authenticity. The focus was on delivering good internet site in their own language, so they have sites in Japanese, Korean and Taiwanese. For the products they chose the items that are popular in Asia like nature, food, design and quality of education.

5.14.5 Nordqvist

Nordqvist is a Finnish family company selling tea. The author chose Nordqvist as one of the companies because they are a rather known brand in Finland and they have a history for about 30 years with Japan where they import some of their tea. It is obvious when shopping in grocery stores that they produce a lot of Moomin products which are popular in Japan.

5.14.6 Kyrö Distillery

Kyrö Distillery is a small distillery from Western Finland, Ostrabotnia and has gain succeeded rapidly in last year winning multiple prizes like Gin & Tonic category at the Inter-national Wine & Spirit Competition organized in the UK in 2015 with their Napue Gin Gold Medal from 2017 San Francisco World Spirit Competition and Outstanding Silver in IWSC 2017. It was chosen as one of the subjects to study as one common thing with Finish and Japanese is that they prefer hard spirits like Sake or Koskenkorva.

Unlike some Finnish companies, they are very proud of their roots, and have no intention of transfer their location abroad. In YLE15th July 2016 interview CEO of KYRÖ Distillery Miika Lipiäinen was asked why they don't move overseas and why are you still in Finland he replied that they take pride of the purest water and employees and they want to stay in Finland. An as they state in their internet pages "Graphic style was kept restricted. Like the products themselves it was important to focus on content and quality, not marketing tricks and unnecessary elements." They want to keep the focus on the product itself and not on a glimmering package or expensive commercials.

There were some combining factors among the companies. These companies were chosen because of the fact, that they are quite successful in Asia especially in Japan at the present. Currently live times when people are more and more aware and are very conscious consumer when it comes to the origin and purity of their food or drinks, and these companies made an effort on it, and made it in to one of their biggest selling points. CEO of KYRÖ Miika Lipiäinen names Finnish water, being if not the cleanest but one of the purest in the world and in an industry where water is one of the main ingredients it is important. Mentzoni and Lipiäinen both mention the raw material. There are many products appealing to Japanese consumer like chocolate, tea and coffee and most importantly superfood like berries sea buck thorn, blueberry and lingonberry. They are all small companies, and most importantly have a story to tell as Mentzoni pointed out in her interview that Japanese love a product with a story behind it.

5.15 Marketing of the companies

One interesting fact about the marketing strategies are very different but on the other hand they are very different kind of companies with different target groups. One of the reasons to choose these companies, to compare their strategies, and how they differ and if it has any effect on the outcome.

5.15.1 Kidemaa

Kidemaa had its focus from the beginning had on well designed and in local language, appealing web store with products that the local are interested in. With experience of the Asian market they had a quite good idea what, how to who they were selling their way. On a products to. Kidemaa has quite nicely managed to get all the popular products with a many favorable feature's in them. Like in the figure above two favorites of Japanese tourists. Blueberry and Moomin. Packed in an attractive way seen in figure 17, convenient long way home, it is durable as it is dried and in small package that can handle the long flights and on a sellers point of view is that has a long shelf life and doesn't go bad quickly.



Figure 17 Screenshot from Kidemaa WebStore, accessed 8.10.2018

One thing they also according to Mentzoni noticed is the Finnish people living abroad has also started to utilize this service and they don't have to wait for visitors from Finland.

5.15.2 Nordqvist

Nordqvist has experience in trade with Japan as according to CEO Riku Nordqvist the Moomin products that were originally designed for Finnish markets but became even more popular in Japan. They have also quite long history in Asian markets as Nordqvist tells that they have been importing tea from Japan for about 30 years. They are also working closely with Moomin Characters Oy Ltd and are restricted in their operations, but that can be considered as an asset as in Japan the importance of brand and credibility and reputation is significant.



Figure 18 Material for Japanese markets, Photo by Nordqvist

That also gives access to their contacts which is also very important in Japanese culture. Building good, trusting partnership is a very time-consuming process. They have modified in some scale their products, like Nordqvist says in the interview that one thing they had to change in one product was that they had to change a shiny white finish to matt finish to suit better for the demands. They also responded for the increasing demand of environmentally aware consumers and have made a lot of effort to corporate responsibility. When it comes to their societal relations, they are careful dealing with only responsible suppliers to avoid any possibility of child labor, environmental hazard or discrimination of any kind. Nordqvist tea products providers have the SA 8000:2008 Social Accountability certificate and Nordqvist is also supporting the BSCI Code of Conduct. (Nordqvist, 2018)

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Figure 19 "Where it all begun" of the founders, photo by Kyrö Distillery

Miika Lipiäinen was asked why they don't move overseas and why are you still in Finland he replied that they take pride of the purest water and employees and they want to stay in Finland. An as they state in their internet pages "Graphic style was kept restricted. Like the products themselves it was important to focus on content and quality, not marketing tricks and unnecessary elements." They want to keep the focus on the product itself and not on a glimmering package or expensive commercials.

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6 Data analysis

One of the key factors that led to this research was the I was a bit confused, as for years having worked in the center of Helsinki and having quite significant amount of Japanese customers and being part of Cozy Finland, a company that provides authentic “Dinner experience in real Finnish homes” and having had Japanese quests I was told by a company X that Japan is not considered as an important or big enough market.

Which raised many questions needed to be answered and the first target of my research was to do statistic of Japanese visitors. There is a downward at the end, hence the data is only until August and not a whole year. And as can be seen in figure 20, Finland is divided basically into two part, the Capital area and Lapland. But in this research the focus is in the Capital area.

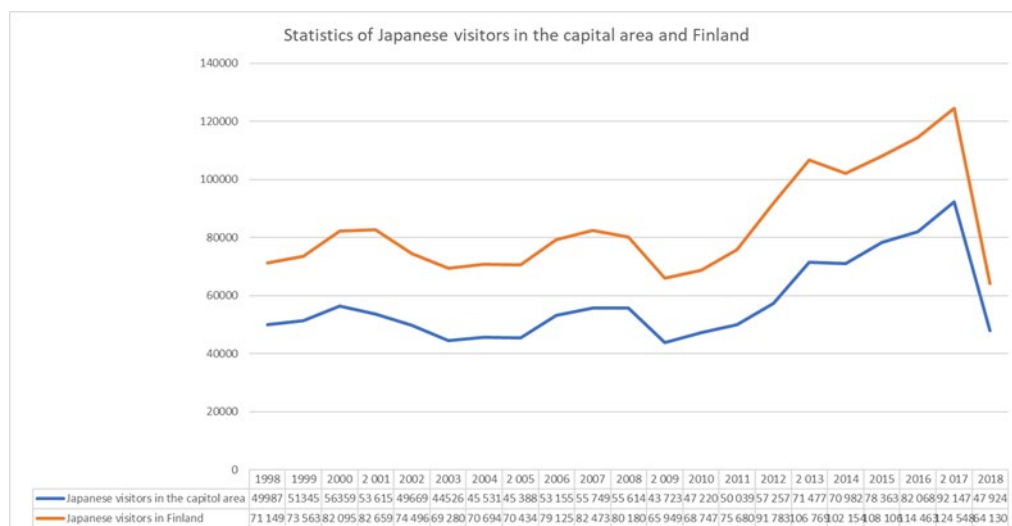


Figure 20 Japanese visitors in Capital area and all Finland 1998-2018 Statistic service Rudolf (Visit Finland)

According to the data analysis of the quantitative research gave result where and what information the visitors had, and if it was the information they were looking for and needed, the factors that made the Japanese visitors to come to Finland in the first place and possibly come again as illustrated in figure 21.

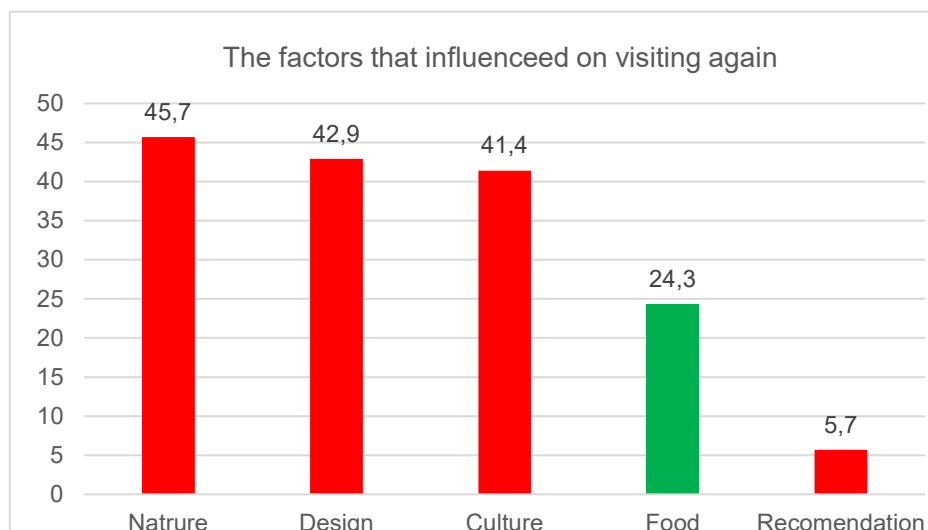


Figure 21 Main factors influencing to return to Finland, Questionnaire to the Japanese visitors, June 2018

The qualitative research gave information about how and where the companies are marketing and if the aimed target group is getting the correct information. When studying the results of the questionnaires, there were four quite clear main factors that had an influence in having the visitors to return to Finland.

The other factors that were rather popular with 1,6 % were the fact that they saw the movie *Kamome* and wanted to visit there. About the same number was the fact that they wanted to see *Moomin*. One fact that could also be seen from the result is that Helsinki is a Gateway to Asia. The questionnaire was conducted during the time of the World Cup in Russia, and quite many were here because it was close to it and easy to reach as a Day trip, and some were taking a cruise to Tallinn, Estonia.

When asked where they go for information, the answer is rather clear as can be seen in figure 22 in the next page. The Japanese are eager to trust and read the written word, as are Finnish. In the interview with Mentzoni from Kidemaa, when asked if they have any of their products in a magazine or guide, she said that they are mainly editorial, and very difficult to get into a cruise to Tallinn on their tour in Europe.

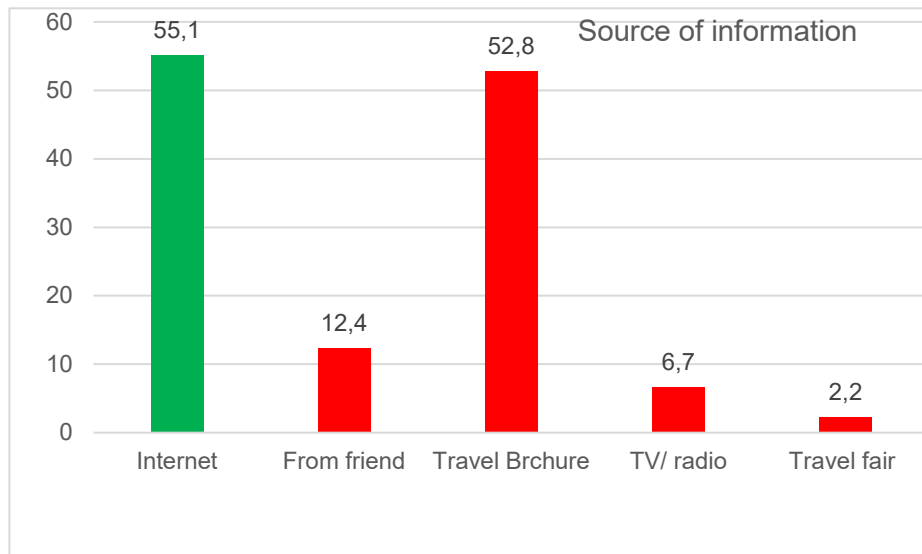


Figure 22 Source of information, Questionnaire to the Japanese visitors, June 2018

7 Discussion

By combining the gathered information from the individuals that filled the questionnaires and for the companies and adapting it to the theories of Hofstede and Trompenaars can show if there are any possible cultural effect when it comes to marketing Finnish food and beverages in Japan.

The qualitative research showed that the companies used quite different kinds of mode to enter the markets in Japan, yet the outcome was a success in Japanese markets. So “there is no one best way” applies in this case. According to the findings there were not major impact due to the cultural differences even when the companies had a different approach. Some had a lot of knowledge about Japan and its culture, and some had none. Although the interview showed that they wished to have some cultural education beforehand.

It is quite apparent from the findings that the chosen media is the correct one, since for example Kidemaa is only online even from the beginning and the most popular source of information among the Japanese visitors was the Internet. The reputation of both countries as a rather high-tech countries supports this source of information.

8 Findings

This research's objective is to answer the following questions:

What are the factors that make Finland attractive to Japanese visitors?

According to the research the four most popular factors that attracted Japanese visitors to Finland were in this order; nature, design, culture and food.

How are they taking into consideration the cultural difference?

Kidemaa from the beginning formed a team of native Asian living in Finland and have experience of both cultures. This is important especially since it is important for business that it provides Internet sites also in Japanese, not just English. For the other companies, Nordqvist has experience in trade in Japan since it has imported tea from Japan for about 30 years, yet it came as a surprise the popularity of Moomin teas among Japanese since they were design only for Finnish markets. According to Riku Nordqvist, they were quite easily able to adapt the products to Asian market. They also have local help since Moomin has operated in Asia for many years and set some guidelines. Kyrö distillery believed in their product and also had some local help. Most of them agreed that education about cultures could have been useful, but no bigger problem has occurred because of it. Kidemaa is company that is offering consultancy in this area and it is widening its offering due to the demand.

Have the target group found the information?

According to the survey it seems that the information companies are trying to get through it has found its audience.

Has the information been correctly interpreted?

According to the survey yes. There seems to be no bigger problems due the cultural differences.

Has the company reacted to anticipated or surprising challenges they have met?

According to the response from all the companies there has been some expected and some unexpected dilemmas, but not any major ones.

What media are the companies using to reach the target group (Japanese tourist visiting Finland)?

All they agreed the first choice is the Internet.

8.1 Recommendation for further research:

The world will not get any smaller and less culturally versatile, on the contrary. The work and everyday life will be more and more international, and the best way is to educate yourself, or employees to make the situation mutually beneficial and productive. One of the key messages that the authors pointed out was that the pace that the globalization has taken place is so rapid, that it has caused kind of “speed blindness” when it is hard to notice that the pace the trade is developing is too fast. The fact that the trading countries are sometimes coming from very different background is over looked. Countries like China that has not so long experience in capitalism trading contra the US as a leading trading country of the world. Authors of these books have good, widely used and well functional theory and advice but unfortunately possibly a little outdated and still not used enough. Reflecting the topic of Thesis, this literature review introduces the basic theory of marketing, nationally and internationally. Research the cultural differences between Finland and Japan, the common factors that makes marketing Finnish food and beverages more appealing to Japanese and the possible challenges marketing might face. Nonetheless, further research should be done if the marketing has been the right king, in right medias and has it reached the right target group.

8.2 Gaining the Sustainable Competitive Advantage in this research

In this research it became quite clear that this was the aim of all these companies even if they took the different routes to get to the finish. The companies had a right kind of attitude to it, they were willing to do the work and to do the adjustments if needed. They acknowledge that they have a unique product and identifies the potential market. They recognize the importance of storytelling when it comes to the already known product or launching a new product. They are not shy to try new approach. Good example being Kyrö and their footwork and ambassadors in Japan. They recognized that since homes in Japan are very small, they are not meant for entertaining. Instead of contacting the wholesalers they located the trendy cocktail bars, sat there for a long time making personal connections with the staff and then told that hey, we have this amazing Finnish

Gin. *“Conquering the World is Possible”* (Interview of Miikka Lpiäinen, 15th July, 2016, YLE Areena) Kldemaa understood the importance of the language, Norqvist the power of joining with a Moomin Co and restaurant Kamome the power of social media and the visibility they got from the movie.

9 Conclusion

The author started this research with an interest in Asian markets as a business student, interest in Asian culture in general and with an assumption that Finnish companies have no knowledge how to attract the Japanese markets and utilize one of the biggest tourist segments visiting Finland. That proved to be a misconception.

This has been years long process as the interest grew and grew along with the very interesting Asian courses in school and as the knowledge of business grew. The appreciation of the honest and modest way of living that shows also in Japanese business was interesting comparing to the harsh, almost ruthless way of doing business in the western world.

The realization of the fact that not all companies are not willing to share their information even if their sole purpose is to promote the business in these countries or dismiss the importance of the other as a trade partner. That led to appreciation of these companies that were involved in this research that they still believed in their changes to succeed, even as an underdog.

The main result of this study was that the assumption was quite wrong and different than anticipated. Today, many companies do their homework, are willing to try new things and are not listening to others when they say it can't be done. Finnish people are being proud of our products and becoming to understand the scarcity of what Finland has to offer and with a land of history in saga's are telling the stories. And the world is listening.

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11 Appendices

11.1 Questionnaire for Japanese Visitors

11.2 Interview with Inkeri Mentzoni, CEO and founder of Kidemaa

11.3 Interview with Riku Nordqvist, CEO of Nordqvist

11.4 Interview with Miikka Lipiäinen, CEO of Kyrö Distillery

Questionnaire for the Japanese Visitors June 2018



Questionnaire for Japanese travelers in Finland

This questionnaire is part of a Thesis, a research to find out which medias the Japanese travelers use, when they want to have accurate and useful information for their journey. How they choose the country, and what are the factors that appeal them? The research also tries to find out how Finnish companies use media to reach their target groups, and could there be found any improvements to be made/worth doing?

1. Is this your first time in Finland?

- Yes No

2. If you answered no, how many times have you visited Finland?

- 1 – 5 times 6 – 10 times
 More than 10 times

3. If you have visited Finland several times, what are the factors that made you come back?

- Family or friends Business Nature
 Design, culture Food

4. If this is your first time in Finland, what was the main factor that influenced your decision to come?

- Nature Design
 Food I was recommended
 Culture Other _____

5. How did you choose your information source?

- Internet Personal recommendation from my friend
 Travel brochure Magazine

6. Where did you find the most useful information about Finland?

- Travel brochure Travel fair etc.
 Magazine Internet
 From a friend TV / radio

7. Do you remember any Finnish commercial advertisement?

- Yes No

8. Did you find enough valid information?

- Yes No

9. If you did not find the information you were looking for, what was missing?

10. Will you comeing again?

- Yes No

Inkeri Mentzoni founder of Kidemaa onlinestore

Interview Inkeri Mentzoni founder of Kidemaa. Online shop. 29th May 2018 and Video on 9th April Evira export

“Number one destination for all things Scandinavian”

How did you come to start the business?

I was originally selling design B2B and realized the supply and demand does not always meet and wanted to change things, since she liked the Asian market. The aim from the beginning was to go international and not in domestic markets in Finland.

How did you overcome the “language barrier”?

From the beginning started to form a team of native Asians by networking. Understood the importance of having a good, functional website in local language. That is why they have the sites in English, Korean, Chinese and Japanese.

You have pointed out that one should not assume that everyone else likes the same things you do?

I was having a tasting for new products with my team and was a little bit surprised that what in my mind could be the potential winner ended up being a loser. Often the customer is looking for something different and exotic. In Finland it is different than in Asia. One example could be blueberries and rose. For Finnish blueberries are almost daily food and rose something special.

In Asia rose has been used for a long time. It is good and healthy, Super, or raw food what is selling today. Being careful not to go too strange. Being from the nature is a good thing. It is more about the texture and how the product looks like. There has to be all the components and not disturb the balance. That is why getting direct feedback from the customers is vital. That helps prevents to imagine what the customer wants, but having actual fact what they want. That is why I paid so much effort to have a team of native speakers.

Tell a bit about your logo, it has some Asian features in it?

It was designed by a local graphic designer

How have you marketed in Asia?

We have used a lot of digital marketing in local language using Facebook, Google AdWords, Instagram, Twitter and Kakao Story with blogs, stories about Nordic lifestyle. They do like printed material, but it is hard to get into to because they are looking for more of experience kind of products, not a online store.

How did you choose the colors?

We did pay a lot of attention to it because we were aiming for a Scandinavian style that is not too ascetic. We decided the colour scheme in the team. The majority of our clients are female so also the colours are quite feminine. The original inspiration was a photograph I took from the Kaivopuisto seashore, an evening sky. What is appealing to their eyes.

Kawaii, “cute” is a big thing especially in Japan. What Finnish things would you consider kawaii?

Of course, Marimekko and Moomin. The Japanese love printed fabrics, everything small and cute. Good example is the elves from Aarikka. Japanese also need a story behind the product, it is very important for them.

Why do you think that the packaging does not play as important role in Finland as it maybe should have?

We are currently actually working on it with a packaging company and see how to improve the situation. We also have started to do consulting for companies to educate why it is so important.

The difference of thinking ecologic way is different. Being eco-friendly is a selling point here, but not in Asia. We are also worked on a project with Food from Finland. The culture of sharing knowledge is so different and slows a bit the process to do business. The package is a “door opener” that attracts people to the stands like in fairs.

You pointed out the usage of the product is important?

Japanese need a lot of photos and explanation of the product and the use in action.

This is important especially in fair and promotion situations. Especially when it comes to food products. This is important because it is a possibility to “lose their face” which they fear. They need a lot of new ideas. Example dried blueberry powder and the multiple ways to use it. Japanese love detail and have often the time and the patience for using the products.

What do you think the free-trade agreement that decrease of taxes in near future?

I know a lot of product that has quite high tax, so it will in my opinion it will probably help many business. Myself I am waiting for it.

Other advice?

I advise not to focus on just one market like thinking to just sell to Japan. Asia is a huge market and has similarities. What works in one, probably works on other even if with some minor adjustment.

Managing Director of Nordqvist Riku Nordqvist**Where did you get the idea the idea to go to Japan market?**

The original intension was not to go specifically to Asian market, the Moomin products were designed for Finnish markets, but the demand in the ??? fair was so high that we basically had to go to Asia.

Isn't it hard to market in a country that consumes a lot of tea?

Nordqvist has done a lot of business in Japan earlier by importing tea from there.

How long have you been in the Japan market?

We have been importing tea from Japan for about 30 years.

What kin promoting our products. d of medias are you using?

We have been in Fairs

Has culture any impact on the design Asian markets, or are you using for example the same colors or pictures in Europe and Asia?

Once we had to change the color white from glossy to matt because for some reason the Japanese consumers didn't like it.

Are you using any local design or advertising agency?

We are working closely with Moomin Corp. so we are able to use their connections..

What kind of feedback have you had?

Mostly positive, but unfortunately sometimes it is a bit hard to get straight, honest feedback since the Japanese tend to a bit shy to say anything negative.

CEO and co-founder of Kyrö Distillery Miika Lipiäinen

How long have you been in Japanese market?

Since June 2015

What was the main reason to go into Japanese market?

We felt that our brand would have a good fit in Japan because of our clean, Nordic design and Finnish roots

What were your main concerns/ challenges when entering the Japanese market?

Regulatory issues and distribution partnership

How big was the part of local partners to entering the markets?

Very big. We don't have the funds to start a local operation and we could not have done it from Finland

Did you have any cultural education/ training course beforehand?

No, but friends attuned to Japanese culture

If you did, did you find it helpful?

-

If you did not, would you hoped to have some more knowledge about cultural differences and how it affects business?

Yes

Were the possible difficulties you anticipated or something else?

The slow pace of business and relationships takes getting used to

How did you take the cultural differences into consideration?

We try to be very sensitive to anything and everything our local partner tells us on how to proceed in the market. When present in person, we do our homework on businesses / people we are about to meet

Did you have local help in Japan, or did you manage it by yourself?

We have both local help (brand ambassador) and a solid distributor partnership

Have you had to change the way of operating your business along the way?

Not fundamentally, but of course we need to bring in new elements in to our operation to expand our business

Was this possibly because of cultural differences?

No

How did you market yourself to the Japanese market? Did you use the Internet, magazines, Food fairs etc?

We have participated in fairs, done some internet marketing, but mostly it's footwork by our distributor and brand ambassador

How has your way of marketing changed during this time? Have you had to change it to possibly from printed media to online?

We don't do much of either

How does the marketing to Japan differ from the markets in Finland?

In our business Japan is exceptional in the focus between on-trade and off-trade, meaning that most of the business in Japan happens in bars and restaurants

If so, what were the possible reasons to this?

People don't have a lot of bottles in their homes because of home size – lots of consumption in restaurants

Any advice to those hesitating to do business in a culture so different?

It is worthwhile understanding not only the general culture, but intricacies of your own business segment as well

You have web pages in Japanese, so the Japanese market is quite big part of your business?

Not yet, but it's growing steadily and we hope that it will be big in the future

How you came to have the Japanese pages? Did you have a translator in Japan or do you have one here in Finland?

Here in Finland