

# **Entering mushroom products to the Finnish market**

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Abstract  The purpose of the thesis was to indicate entry modes of an agricultural product (mushroom) from Asian country (Vietnam) to the Finnish market, by using logistics operations to support the process of establishing a business. Besides, it was to explore a new market for the product from Vietnam.  The main object is to find a suitable entry mode for the case company. The theoretical information is re-written in the thesis was selected from reliable materials such as books related to logistics management, business, and the practical training from working of marketing trainee from companies.  As a result, chances were opened up as well as potential clients found in Finland markets. Finnish market is a great option with stable benefits about customers, and low risk.		
Keywords: mushroom, entry modes, Finland, Logistics management, analysis, market.		
Miscellaneous		

## Contents

<b>1</b>	<b>Introduction .....</b>	<b>4</b>
1.1	Aims of thesis .....	4
1.2	Background.....	5
<b>2</b>	<b>Research Methodology and Limitation.....</b>	<b>7</b>
2.1	Research question .....	7
2.2	Research Method and Data analysis .....	7
<b>3</b>	<b>Literature Review .....</b>	<b>8</b>
3.1	Market .....	8
3.1.1	Market analysis.....	8
3.1.2	Market size .....	9
3.1.3	Market Growth Rate.....	9
3.1.4	Market Profitability .....	10
3.1.5	Market Trends .....	10
3.1.6	Key Success factors.....	10
3.2	Logistics mangement.....	10
3.3	Entry Modes .....	13
3.3.1	Definition of Entry modes.....	13
3.3.2	Export Modes .....	14
3.3.3	Intermediate Entry Modes .....	20
3.3.4	Hierarchical Entry Modes .....	23
3.3.5	Factors influencing the choice of entry mode.....	25
3.3.6	Choice of entry mode .....	27
3.3.7	Advantages and disadvantages of variety of entry modes .....	28
<b>4</b>	<b>Market Research in Finland .....</b>	<b>31</b>
4.1	General overview .....	31

	2
4.2	Qualitative interviews ..... 35
4.3	Customer survey..... 37
4.4	Economic environment of the Finnish Market amid COVID-19 pandemic 40
4.5	Distribution of Potential customers in Finland ..... 41
<b>5</b>	<b>Case Vietnamese company review ..... 42</b>
5.1	Introduction..... 42
5.1.1	The company ..... 42
5.1.2	The product ..... 43
5.2	SWOT analysis ..... 45
5.3	Entering Finnish market ..... 47
5.3.1	Market Segmentation..... 48
5.3.2	Market Needs ..... 49
5.3.3	Food Trends ..... 49
5.3.4	Financial solution..... 50
<b>6</b>	<b>Conclusion..... 51</b>
<b>7</b>	<b>Discussion ..... 53</b>
	<b>References ..... 54</b>
	<b>Appendices ..... 58</b>
	Appendix 1. Interview questions ..... 58
	Appendix 2. Quantitative survey ..... 59
	Appendix 3. Nutritional Content of mushroom in 1 cup (96-g) ..... 63
	Appendix 4. Mushroom Market Size ..... 63
	Appendix 5. Finland’s Biggest trade partners in food export and import..... 64
	Appendix 6. Agricultural support per year in EU-28 by Member State in the programming period 2014-2020 ..... 64

## List of Figures and Tables

Figure 1. 5 modes of entry into international market ( <a href="https://www.superheuristics.com/5-modes-of-entry-into-international-markets/">https://www.superheuristics.com/5-modes-of-entry-into-international-markets/</a> )	15
Table 1. Advantages and disadvantages of variety of entry modes ( <i>Market entry modes for international businesses</i> )	28
Table 2. Advantages and disadvantages of variety of Exporting entry modes ( <i>Market entry modes for international businesses</i> )	30
Figure 2 Republic of Finland map ( <i>Operation world 2015</i> )	33
Figure 3: Finnish Population and Population in the capital ( <i>Statistics Finland: Finland in figures updated in 2020</i> )	34
Figure 4: Finnish people life expectancy (( <i>Statistics Finland: Finland in figures updated in 2020</i> ))	34
Figure 5: Industrial structure in Finland in 2019 (( <i>Statistics Finland: Finland in figures updated in 2020</i> ))	35
Table 3. Result of the demographic questions	38
Table 4. Result of the category of eating and cooking habit	38
Table 5. Result of the buying frequency and location	39
Table 6. Mushroom preferences and the willingness of customers to new products	39
Figure 6. SWOT analysis of the case company	45
Figure 7. Asian population in Finland by nationalities in 2018 (Statistics Finland)	48
Figure 8. The food trends report in Finland 2019 (K Group's Food Trend)	50
Table 7. Thesis findings	51

# 1 Introduction

In economies that are continuously changing, adapting, and explore for brand new markets you will find opportunities that are excellent for brand new business ideas, ventures as well as business opportunities overall. Particularly, in Coronavirus Pandemic circumstance is going to change the global economy as well as monetary order. Lots of governments have successfully frozen economic and social functionality of all or maybe part of the nations of theirs to protect against outbreaks shut down trivial companies and need residents to remain home for a lot of years, weeks or even months. Vast amounts of individuals worldwide continue to be under lock.

Nevertheless, there usually has chances in crisis. The pandemic of the coronavirus disease, COVID 19, has shuttered businesses and forced many officers to work from home. But producing food products, not in a position to postpone.

Being a result, most food businesses are searching for solutions to make items with lower carbon footprints. Furthermore, far more folks have become a lot more earth aware. Thus, mushrooms are on the rise of leading a healthy lifestyle and a preferred method to minimize and/or do away with meat in a meal. To catch the direction, an experienced mushroom industry from Vietnam that wants to enter Finland with the product of its. It is primarily about developing how you can entry the Finland industry via market analysis for establishing an oriental mushroom farm in Finland and find out ideal methods for reaching prospective customers there.

## 1.1 Aims of thesis

This thesis aims at looking into info about marketing research in the region, find out the elements influencing the alternative of entry modes, as well as a variety of analyses made through suitable approaches keeping in view revolutionary ways of the project. To be able in order to achieve this project be effective as well as to produce an income and also expand, it requires logistics to deal primarily with the smooth

source of items, businesses work on elements that are various to get goals, and this's exactly where logistics management comes in to create all of this possible.

There is plenty of activities or functions which form the logistic progression and those activities include the input of financial and technology and information, through logistic activities and management actions between a customer and a supplier to be able to result with the output of competitive advantage, time and put utility effective movement.

## 1.2 Background

Due to rapid urbanization, rising income of people and the increase of chronic diseases such as obesity, diabetes so that the demand for low-fat or low-cholesterol food items hit trending. Mushroom in this situation, which is one of the key element solutions. Mushrooms meet all the requirements for people, as well as the food and beverage industry (F&B) is growing, in line with the growing use of mushroom to promote the market.

Additionally, there is a growth in the consumption of mushrooms as an alternative for meat because of the increasing number of vegetarians along with the vegetarian population within the globe. This may be due to the rich flavor and high nutritional content of mushrooms. Furthermore, the authorities of countless countries are expanding the generation of good quality mushroom varieties, which aren't merely safe for human consumption but can certainly additionally be exported to various other countries to produce revenue.

Based on the Global Mushroom Market report 2020, the global mushroom market is anticipated to increase at a substantial price throughout the forecast period between 2020 and 2026. Vietnam is just one of players in the market with the strength of Asian mushrooms like Oyster mushroom, Shiitake mushroom.

No doubt that the use of marketed mushroom is predicted to increase worldwide and mushroom farming is actually a successful business to do, Vietnamese mushroom farm to be placed in Vietnam will be concerned in growing of mushroom for Vietnamese and export markets such as America, EU. Producing edible mushrooms and medicinal mushrooms is quite appropriate to the existing conditions of Vietnam, mushroom products eating medicinal mushrooms which have been authorized by the Prime Minister is within the list of national items made out of 2012 under the National Product Development Program until 2020.

Meanwhile, Wild mushrooms are a crucial component of the Finnish diet, especially in the eastern areas of the nation (Samela, 1994). Though the evidence, wild mushroom picking is a part of Finnish culture also how much love the Fins spend on mushroom. The downside of this exercise is simply taking place at seasonal times. Nowadays, the need for Finnish rises considerably thanks to the change of diet cutting of meat and begin using food origin from vegies. However, at present, the marketed mushroom yields in Finland remain largely unutilized, and forest management mainly aims at timber production.

Author has owned dream to bring a mushroom market from Vietnam into Finland market to serve vegetarian society, particularly for mushroom lovers in Finland. Not merely posting the love of mushroom in elements of food preparation, healthy life but also making a food item rather than meat from animal that will help protect environmental problems. That is, the Mushroom project has a prospective future in the Finnish market. To have the company in Finland, the author meant to create the thesis to find the very best way to enter the Finnish market.

Furthermore, this specific thesis covering probably the most common problems of the logistic management platform on the mushroom business plan. Making improvement implementation in various logistic factors to make the very best ways for the business strategy.

It is a chance for the writer to enhance the skills of her in what she's learned from JAMK (Jyväskylä Faculty of Applied Sciences). The goal of the situation planned to enter the Finnish market with its product and the writer would love to support them.

## **2 Research Methodology and Limitation**

### **2.1 Research question**

The object of this thesis is to explore, evaluate and analyses new business opportunities in the Finnish markets introducing products from Vietnam. These products will be introduced to business to business trade between Vietnam and Finland. Besides, using logistic tools to smooth support the process.

As the result, the main questions were designed as follows:

1. What are the trends of agriculture industry in Finland? Especially, is the mushroom market in Finland popular or common in Finnish community?
2. How many entry modes are available for the entry of foreign products into Finnish market for the Mushroom product? Which one is the best option for the case? Why?
3. What is the business opportunity in the Finnish market for the mushroom product?
4. The barriers of entry into the Finnish market?
5. Who are the potential customers and what is the demand for them?
6. How to organize the logistics management to support the newborn products in Finland?

### **2.2 Research Method and Data analysis**

Qualitative research method was used to carry out the objective. Regarding the sources, the data was collected from the sites of electronic articles and authoritative

organizations. Literature materials have been collected from printed and electronic resources.

### **3 Literature Review**

#### **3.1 Market**

According to the book Principles of Economic of Alfred Marshall, market means over just a place; it is a concept of exchange of goods or service or both between buyers and sellers. In the modern industry system, the market is more than a place where exists buying and selling, it is expanded to include the entire whole region wherein dealers contend with one another for clients.

There are two main types of markets for products. Firstly, the producer offers his goods and sets a price at the level of seller's command. In the second, the producer set his price by himself and sell his goods as much as the market will take.

In the other words, the market is a wide definition because it mentions to a huge group of consumers or organizations which is interested in the products or the specific service, has the assets to buy the item, and is allowed by law and other guidelines to gain the item. The market definition begins with the aggregate population and logical limits as appeared in the accompanying outline.

##### **3.1.1 Market analysis**

Market Analysis is an evaluation, which allows to decide how appropriate a specific market. The analysis could apply for current market or look for new markets, as well as it is basically a business plan showing various factors need to operate.

Dimensions of Marketing analysis include certain dimensions that supports to illustrate a marketing analysis. They are:

- Market size
- Growth rate of the market
- Market trends
- Market profitability
- Key success factors
- Distribution channels
- Industry cost structure

### 3.1.2 Market size

The size of the market (current or future) is one of main factor in a market analysis. The size can be measured on the sales and on the potential sales of goods. Depending on how big of the business plan, it can have adjusted the size of the market from small or local level to a national or worldwide level. Depending on the size of the market, the operator can figure out different segments. This helps operators focus on certain segments and develop efficiently strategies in marketing aiming to customers' demand.

More and more size of the market would have more competitors, enclosed details. For examples, setting a price of goods is a struggle when the size of market changes. The producers need to rethink the price policy when the size go bigger.

### 3.1.3 Market Growth Rate

Growth rate of the market is a huge factor of marketing analysis. This is a means of predicting the market growth, the increase in sales or market size in a specific period of a business. Before making decision of invest in the market which needs to analyze the market's growth rate to ensure the business performance or prevent unbalanced struggles.

The market growth rate depends significantly on the life cycle of product when the goods is in presentation or development stage the market development will be increased. On the other hand, it will be downturned when the introduction stage over,

so that the operators must use wise decisions to make strategies and maintain the sale back to the peak.

#### 3.1.4 Market Profitability

Market profitability is called profit-motive businesses, because when a business approaches to a market it needs to analyze the profitability of the market to decide going to invest heavily or lightly. Analyzing market profitability help avoiding waste of time or capital in non-profitable market. These factors include power of buyer, power of supplier, barriers to entry, location, and so on.

#### 3.1.5 Market Trends

Market trends is a significant factor and also the process of evaluating changes of market analysis. Understanding customers' interests, having knowledge of the current trend of the current market aiming to invest, and invest in the product going to sell in order to be suit the trend requirements. These factors include customer interests and needs, quality of product, changes in market demographic, technological advancements and so on.

Besides, the trends can create in different ways every day and, each trend will affect in various ways to the market.

#### 3.1.6 Key Success factors

Key success factors are elements help the business to approach closely to the market. To stand out amid competitors. The key factors include technology progress, economies scale, efficient utilization of resources.

### 3.2 Logistics mangement

Logistics has firstly become popular in the 1900s with the distribution of farming products as the mean to give supplies to organizations and to supply time and place utility. Logistics may be defined as the planning, applying, and controlling of products

or goods to the stage the customer or maybe customer is actually served, it ceases to merely be a motion of individuals or material from point A to point B but taking into account the flow of information as well. Logistics is not only important in manufacturing operations but also in different fields and organizations like government organizations, service organizations like retailing stores, banks, and some other services (Lambert, Ellram & Stock 1998).

There are five main logistics activities which are the management of information technology, warehousing or storage, inventory, transportation, production, or operation management (Grant 2012, p. 2).

Logistics management is a part of supply chain management that plans, implements, and controls transitions effectively, effectively, and reverses the flow and storage of goods, associated information, and services between export points. Transmitting and use points to satisfy customers' demands. (Taylor, 2009).

There is plenty of activities or maybe functions which make up the logistic procedure, and those tasks include the input of members'/ workforce, financial and technology, and info through logistic activities and management actions between a consumer and a dealer in order to result with an output of competitive advantage, effective time and location utilities.

Logistics is one of highest business costs, spending usually goes from 5% to 35% of revenue of business depending on type of business. Even though creating logistics value is costly, logistics is the critical part for any business success. Because logistics exists to meet consumer needs by encouraging related advertising and manufacturing tasks. The primary duty of logistics is the geolocation of origin materials, the work in progress, and full inventory at probably the lowest imaginable cost. (May, 2016)

Logistics plays an important role in the economy of one country. Logistics system is just like the blood veins system in the human body, it connects everything and provides blood that runs to every corner of human organs to keep them alive. There are two main reasons which make logistics a vital part of one economy. The first one is

already mentioned above as logistics is one of the biggest expenses within one business, so it affects and gets affected by some other activities as well (Lambert, Ellram & Stock 1998). It can be explained, without the effective and exact logistics system, goods are not delivered on time so customers will not buy them again any-more. More like this, goods are not delivered with their original condition or inaccurate locations, which makes it hard for sellers to gain trust and creditability from customers and it appears that no purchase will be made in the future from that customer again. To say in a different way, logistics adds more value to one economy by creating time and place utility when there are needs.

Logistics has a relationship with the three important parts of the marketing concept in one business which are customer satisfactions, integrated effort and sufficient corporate profit. The 'four P's' concept of marketing includes four elements that are product, price, promotion and place (distribution). Place is the vital key of the marketing concept blended with logistics interfaces directly (Lambert, Ellram & Stock 1998). Placing expense assists the hierarchies of customer service by the business. Placing (or distribution) includes delivery services that arrive on time, high order fill rates and stable transit time periods.

Beside, Logistics management handles different logistical aspects such as: warehouse design, transport management (international transport and domestic), the operation of product warehouse (efficient in a warehouse, sizing the warehouse, the design process, security, fire, lighting), Inventory management (types of inventories, inventory cost, inventory control), Packaging (the packaging system, costs, evaluating packaging logistics performance, materials, technologies and new developments), Procurement management (tiers of procurement management, selecting suppliers, costs), The operation of a warehouse (stock management, warehouse processes, types of warehouse and facilities, safety, barcoding, scanning and RFID technology, lean and six sigma operations, cross-dock operations), transport system (efficient in transport, cost structure, profit planning, tariff quoting).

### 3.3 Entry Modes

#### 3.3.1 Definition of Entry modes

When one company decides to enter a new market abroad, it may not sound easy as its idea appears. To let the abstract idea become a realistic one, it is impacted by many elements and factors as well as the ability of the company to perform that idea. Blomstermo, Sallis and Sharma (2006, p. 212) state that the chosen entry mode of each company is important and linked closely to control when it comes to enter a new foreign market. Control is also significant because it determines the good outcomes of the highest goal of one company. Additionally, control is viewed as one of the most momentous elements that control risks and returns, the quantity of related friction between consumers and suppliers, and on the top of that, the production and the performance of that investment in foreign markets (Barkema & Vermeulen 1998). Controlling in abroad markets enables companies to provide timely and high-quality products as well as services to international consumers in order to conserve their well-known reputation. Consequently, before entering any international market, it is crucial for one company to conduct a research regarding to entry modes. As Agarwal and Ramaswami (1992, p. 2) affirm that all entry modes would require and involve a variety of materials and capital engagements, the beginning options of any mode are firm and they make it hard to change to a different one because it will result on the loss of both time and money. It is not only a crucial choice; it is also a strategic decision that requires a lot of implemented research and plans.

An entry mode and a marketing plan are two elements of what is called a market entry strategy (Albaum & Duerr 2011, p. 392). According to Sharma and Erramilli (2004, p. 2), an entry mode is a constructional acceptance that enables a company to apply its products or services market plan by implementing only the marketing process (for example through export modes) or both producing and marketing processes there by themselves or in partnership with other parties which are in different modes like contractual, joint ventures and wholly-owned operations. One company's entry mode into any market is crucial as it controls the level of that company's dominance in the marketing mix program, and to the point of the level of its attentiveness.

The very first step when one company wants to enter an overseas market is to decide the location that the production is based on as it can be in the home country, other countries, or it can be in the free zone where they have free port, trade zone or perimeter (Albaum & Duerr 2011, p. 401). Once the first step is done, the company should begin to determine if they want the areas to be supplied to will be out of the countries in which the producing operation processes are located, and what types of modes will serve as a bridge to connect two countries.

Normally, when it comes to entering a new market that is an international one, people only think of exporting. Exporting is usually seen as the ultimate method of meeting the demands of overseas markets. For example, Nike uses exporting to supply sport shoes to North America with its productions made from Asian countries like China, Vietnam, or Indonesia. To be practical, export entry modes are suitable for a quick short-term benefits plan of one company. It is quite cheap to afford so most of companies can easily do it, even a small company. There are two different types of exporting modes which are direct and indirect ones. Even though exporting sounds like an easy and effective way of getting products and services reaching other foreign destinations, it is not the only one type of modes and it is just only good for a short-term strategy. As stated, besides exporting, there are also two more of entry modes categories which are called intermediate and hierarchical entry modes.

Within the intermediate entry modes, there are three sub kinds of entry modes. They are called licensing, franchising, and joint ventures.

### 3.3.2 Export Modes

Export modes are considered as one of the most popular modes of entering international markets. Exporting mode means products of one company are made within its domestic market or any third countries, then those products will be imported directly or indirectly to the targeted markets. Due to its dissimilar characteristics and forms, export modes are divided into three main categories which are **indirect export, direct export, and cooperative export.**

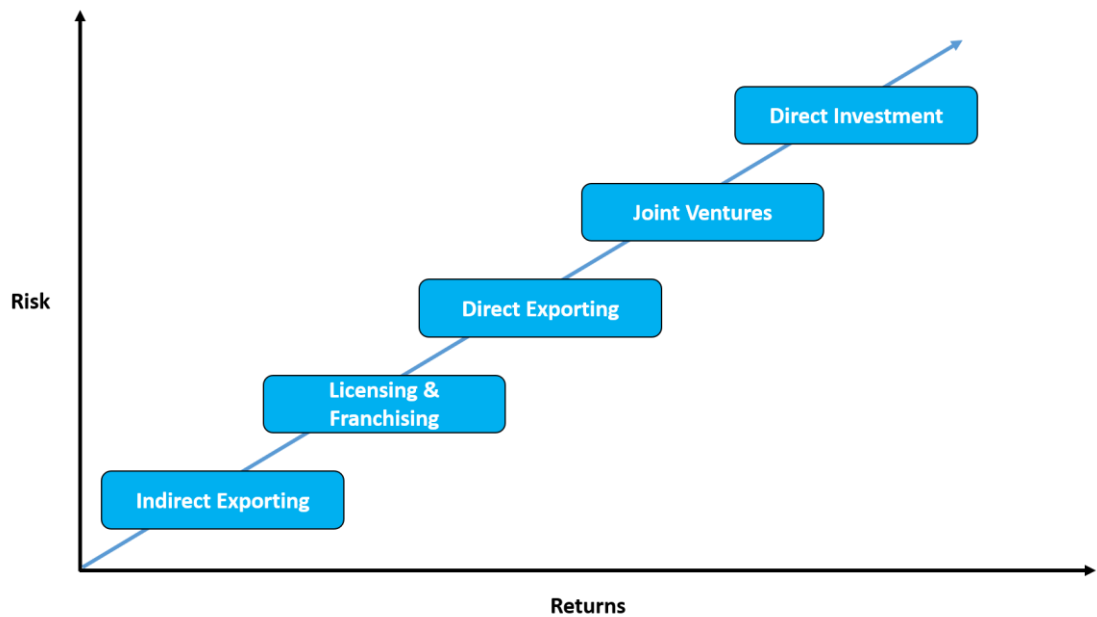


Figure 1. 5 modes of entry into international market (<https://www.superheuristics.com/5-modes-of-entry-into-international-markets/>)

### Indirect Export

Indirect export happens when the producing company does not directly responsible for the export of products. It is the responsibility of one domestic company, for example like trading company, to conduct those tasks and usually appears in the case with no engagement of the producing company in the oversea sales procedures. In fact, the firm is not truly participating in worldwide promoting, since its items are carried abroad by others. Such an approach to trading is most likely to be suitable for a firm with restricted worldwide development goals. If international deals are viewed primarily as an implies of arranging of excess generation, or as a minimal, utilize of indirect export modes may be fitting. This strategy may be embraced by a firm with negligible assets to commit to universal development, which needs to enter worldwide markets continuously, testing out markets before admitting big resources and exertion to creating a trade organization.

It is vital for a firm to recognize, be as it may, that the utilize of specialists or export management companies carries several dangers. In the beginning, the company has little or no control over the method the item or service is promoted in oversea markets. Products may be sold through unseemly channels, with destitute adjusting or

sales support and insufficient advancement, or be under or overrated (Hollensen 2010). This could harm the reputation or picture of the selling items or service in overseas countries. Constrained exertion may be committed to creating the market, which will result in misplaced potential opportunities. In specific, it is noteworthy for the company that has interest in slowly edging into international market is that, with indirect export modes, the company builds up small or no contact with overseas markets. Subsequently the company has constrained data about the opportunities of overseas markets and gets small input to create arrangement for universal expansion. The company will have no ways to recognize potential deals operators or distributors for its products (Hollensen 2010).

Whereas indirect export modes have the benefit of the slightest cost and hazard of any entry ways, it enables the company small control over how, when, where and by whom its items and services are sold (Hollensen 2012). In a few cases the based company may indeed be uninformed that its products are being sent out.

In addition, a small-and-medium enterprise that has already went through in conventional exporting modes may have resources that are too constrained to open an extraordinary number of trade markets by itself. Moreover, via indirect exporting, the small-and-medium enterprise can use the assets of other experienced exporters and to extend its commerce to numerous nations.

Within the indirect export modes, there are five main ones which are: piggyback; export management company; broker; trading companies and export buying agent.

- Piggyback: normally in piggyback exporting mode, one company employs its foreign distribution to offer another firm's products beside its products. It is seen as an early stage of most strategic organization where they connect voluntarily, ordinarily with no value ties, to achieve a few goals together which they are not able to gain efficiently by themselves (Terpstra & Yu 1990). There are two main terms as well as parts to consider within piggyback exporting mode, which are carrier and rider.

- **Export management companies:** are firms that specialize in playing a role of export department for different companies. They act on behalf of the manufacturing companies in negotiating and dealing with quotations as well as orders. Because they manage a wide range of manufacturers so they can lower the costs of transportation and administrations. When they are dealing with a large number of orders and products, everything will be cheaper because they make it in large quantity so the cost will be spread into small portion for each of manufacturer (Brasch 1978, p. 62). However, export management companies' mode has some disadvantages like: paid commission, competitive range of products and goods and different specialization by geographical area.
- **Export buying agent:** normally, export buying agents are people who play the role as representative of customers from overseas that are in the country of the exporting company. So, export buying agents are employed by overseas customers to help them buy goods and products in the based country of the manufacturers. Small companies will find this export method is the most comfortable one to gain overseas sales even though it heavily depends on the buyers, who are not likely to pay attention to adjustment in behavior of consumers and competitors. The huge challenging in this method is the minimum of control in the international advertising and marketing of their products and goods.
- **Trading company:** Trading companies are ones that do all export and import operations and strategies. One trading company purchase items in one nation and sell them in dissimilar areas where it has its possess conveyance arrangement. This kind of firms generally work with high producing levels of items such as pharmaceuticals, chemicals, or materials. Activities of one trading company usually are:
  - Recognizable proof of providers in several nations with capacity to supply expansive volumes of non-specific at competitive purchasing prices.
  - Managing the conditions of deal and shipping of items.
  - Financing and confirmation of installment to the seller or exporter.
  - Dealing with transportation and logistics, as well as boundaries and rules of

universal trade.

- Providing goods and deal of the items via its retailing arrangement.

### **Direct Export Modes**

Direct export entry modes happen when companies cover of oversea deals and offers to the international buyers or merchants directly. Those method modes mean the company will straightforwardly contact with the oversea customers or merchants. Specifically, in case the company does not have sufficient resources and confidence, that company can do shipping by the third carrier company. Within this kind of direct export mode, companies are more powerful in managing and controlling of the ways, the locations, and the receivers of whom the goods are purchased by in comparison to the indirect export modes. Consequently, companies need to do some promoting research as there are some downsides behind involved.

The company that producing goods can trade specifically to its customers domiciled in an oversea market in numerous diverse methods (Albaum & Duerr 2008). Ordinarily, the company will look for merchants or specialists within the oversea markets. It is said that normally distributors are one independent vendors. Distributors will purchase items from the company and choose their own sales handling process within the neighborhood market. Merchants are similar with retailers, but they are placed in the oversea market. Selling specialists take over rights to the products, the benefits of agents are generated from the cost contrasts and they normally not looking for additional installment such as commission (Hollensen 2012).

Within the direct export mode, distributors and agents somehow are used interchangeably, however that is nor correct. Distributors usually do financing activities for the goods and handle any risk that arising from the operating process while agents do not. Distributors normally are assigned when post-sales service is demanded because they are more potential in providing requiring resources than agents.

However, there are some weaknesses of this direct export mode, which are:

- In the case of offline goods, this procedure will become a very high expenditure one. All of things involved need to be arranged by the firm from nothing to the final step.
- In the case of online goods, direct export is one of the most potential methods but to offline goods, there will be a great sum of time consuming that going to the re-search process of markets, scoping and contracting of the agents in that nation.

### **Cooperative export modes (export marketing groups)**

Cooperative export mode is seen as an alternative exporting choice that one company can utilize as an overseas market entering procedure. Firms which use this method will apply this by entering a contractual relationship as well as agreement with another outside or nearby association to utilize its distribution arrangement (Armstrong 2017). Cooperative exporting enables companies get to the international market without the related dangers that come with other exporting modes.

Within this export mode, things will happen in the terms of two or more small-and-medium enterprises participate together to produce and promote cause of the restriction of the company's economical level and the assets. This kind of entry mode is likely to be happened when a few small, as of late established with high quality of technology applied encounter a giant customer. Cooperating companies normally will share the risks and diminish the fetched of fabricating and offering.

Cooperative exporting mode is for the most part commonly advantageous, given the merchandise being traded do not block the deal of items being sold. For the cooperative exporting mode to occur effectively, the exported goods need to be complemented, as contradict to fight against other goods being sold (Armstrong 2012).

Besides, those companies that are using cooperative export modes can utilize research and development of the overseas market together. In contrast, the owners and businesspeople of those companies have solid goal to be on their own, consequently, there are dangers of relationship managements within these cooperators.

### 3.3.3 Intermediate Entry Modes

Intermediate exporting mode are diverse from indirect and direct export modes as they only exchange knowledge and aptitudes, in spite the fact that they may too make exporting chances. Within the intermediate exporting, there is no full proprietorship by the head firms that are involving. Inside this range of modes, partners concur to share resources, applied technology, benefits, and employments, and supplement that one of them demands for long term basis (Ulrich, Boyd & Hollensen 2012). In such a participation, the local partner regularly gives information on the specific market, such as marketing and relationship abilities that are crucial to the activities of the head companies in one new oversea market. It is as it may, critical to note that one intermediate exporting mode may provide a relatively excessive level of controlling and managing (Nguyen 2009).

Within exporting entry modes, companies are performing worldwide trade in domestic country. The goods and items are going through the international market via few residential or outside agents and distributors. Rather than providing only items from local plant to international market, companies are having more abilities to exchange the aptitudes and their concepts by utilizing intermediate exporting modes.

Intermediate exporting modes are comprised of different elements such as: contract manufacturing, strategic alliances, joint venture, licensing, and franchising. In intermediate exporting. Even though the cooperators are able to share the risks and will lower the bad consequences, the company is not enable to manage and control over the procedures of its cooperator, indeed the cooperators may become its potential competitors in the future even though they used to be instructed by the company. The adaptability is lowering as the contractual agreement cooperators made is regularly a long term one.

**Contract manufacturing** is critical and developing in an extend of business, consists of hardware, pharmaceuticals, automotive, food and beverage industry. Progressively, firms that customarily made their own products are outsourcing producing and centering rather than on products plan, improvement, and promoting (Plambeck

& Taylor 2005). Generally, firms are participated in both advancement and production-in-house (Plambeck & Taylor 2005). Beneath such vertical integration, since each firm fulfills the demands from its possessing producing operation capacity, wastefulness within the utilize of capacity can result.

Normally, contract manufacturing does not belong to the long-term category one, so leaving the oversea market is simple for one company. In any case, searching for a trusting nearby fabricating company is troublesome. Sometimes, there is a hazard that the contract manufacture may deliver a few terrible quality products, so it is difficult to manage over the quality of products produced by manufacturers. Also, there is likely a chance that the contract manufacturer might acknowledge and take the technology and end up a competitor in the industry in the long-term road.

**Franchising** is seen as the entering method when the owner of one brand gives the right and the image of that brand to another person or another company to run their business in their nation. The greatest contrast with licensing is that the owner of the brand permits the franchisee to utilize their copyright, plans, license, and indeed share a few exchange insider facts. So, the franchisee will operate the business under the managing plans of the original owner. It is not restricted to only items or products; it is also about services as well. Within this method of entering oversea market, the original owner, or the franchisors will have more power in controlling and managing other franchisees more than in licensing. Ordinarily, the contracts of this method will vary around ten years instead of a long time of around 20 years in licensing. Transferring the trading rights and images to a few other companies or individuals is continuously hazardous. Drawbacks still exist in this method, for example the lost of controlling during the operation of one franchise branch. It is difficult for the original owner to have an ability to offer the same quality of controlling to different branches (Hollensen 2012).

**Licensing** happens when the company offers the right of utilizing something claimed by the licensor like innovation, technology, trademarks and some forms of knowledge or insider facts to companies or individuals within the oversea market by agreeing and marking a legally binding contract. The main earnings of the licensor are from the licensee. On the other hand, licensee will spend money on expenses like

starting installment, yearly minimum, annual rate expense and some other extra expenses.

Since small speculation on the portion of the licensor is required, licensing can supply a very huge giving back on venture (Shane 1994). In any case, since the licensee makes and promotes the products, likely the returns from fabricating and promoting things maybe misplaced. Hence, licensing diminishes fees and includes restricted hazards. On the other hand, licensing does not moderate the considerable drawbacks related with working from remote. Licensing procedures hinder managing, controlling, and creating only direct returns.

**Joint venture and strategic alliance** are progressively well known in a longtime. They permit firms to share the dangers and assets demanded to enter universal markets. And in spite of the fact that returns moreover may have to be divided, they deliver a firm a level of adaptability not managed by letting it go alone through coordinate investment. There are a few inspirations for firms to think by performing partnership because they extend universally. It may consist some factors like: encouraging the entry type in market; hazard and remuneration sharing; innovation sharing and acclimating to government regulations (Fulton, Popp & Gray 1996). Some more benefits like political associations and dispersion channel get to that will depend on connections.

Within the strategic alliance, there are some factors to help companies to decide. Those are: the partners' key objectives focalize whereas their competitive objectives wander; estimation, showcase, and assets are little compared to the industry pioneers and accomplices are able to memorize from one another whereas restricting access to their claim exclusive skills (Hollensen 2012). The main things to consider in joint venture are proprietorship, management, contract length, estimating cost and price, innovation exchanging, local company abilities and assets, and finally government eagerly.

### 3.3.4 Hierarchical Entry Modes

Hierarchical entry modes are where the company totally possesses and controls the oversea entry mode. The level of controlling that head office can apply on the auxiliary is heavily relied on how numerous and which value chain capacities can be exchanged to the market (Hollensen 2012). This once more controls by the assignment of duty and competence between head office and the backup, and the way one company needs to create this on the level of globalization. The company which is not 100 per cent owned will be a trade more or a middle mode. For example, a majority owned of around 75 per cent joint venture, is an intermediate mode, but in reality a company with 75 per cent will for the most part have about the full of controlling, same as hierarchical mode. It is said that within the hierarchical modes, the company will have a great chance to control and own the oversea market. On the other hand, associating with those benefits, the risks, and the fees to get things operated are also very high and costly. In hierarchical entry modes, there are four main types which are: domestic-based sales representative; resident sales representatives; sales and production subsidiary; acquisition and Greenfield investment.

**Domestic-based sales representative** is one individual who dwells in one nation, frequently the home nation of the owner, and voyages oversea to do the selling activities. As the sales agent can be the company superior employee manage sales functions can be achieved than with free middle people. While a firm has limited control over the consideration that a specialist or merchant gives to its items or the sum of market input given, it can demand that different functions be done by its sales representatives (Hollensen 2012). The utilization of firm representatives too appears a commitment to the client that the usage of representative or wholesaler may need (Gu, Wang & Wang 2019). Thus, they are frequently employed in some of the industrial markets in which there are just some expansive clients that demand near contact with suppliers, and in which the quantity of orders legitimizes the cost of outside travel. This entry mode is additionally found when offering to government clients and retail chains.

**Resident sales representatives** Some of the time one company discover it significant to set up a formal department office in which a resident sales representative is allocated. An oversea department is an expansion and a legitimate part of the company. An international branch too frequently applies nationals of the nation in which it is located as sales representatives (Hollensen 2012). On the off chance that remote showcase deals create in a positive heading the firm may consider building up a wholly owned sales backup. An oversea backup may be a nearby company possessed and worked by an outside company under the regulations of the host nation. The sales subsidiary gives total control of the selling activities. The company will frequently hold a marketing work at its domestic base, but now and then local marketing activities can be added within the sales subsidiary. When the deals work is managed as a sales subsidiary, all oversea orders are delivered through the subsidiary, in which at that point offers to outside buyers at normal discount or retail prices. The outside sales subsidiary buys the items that purchased by the parent company at a cost. This makes the challenging of intra-company exchange price.

**Sales and production subsidiary** This method is the exchanging of the deals and production to oversea market. As because there is no commitment to the host nation, this way is applied only when there are enormous nearby requests for one production based. The company has the total controlling of operations and it can pick up new business during the time of running its existing trade. One sales subsidiary can secure the knowledge of market straightforwardly and a producing process subsidiary can dodge the transport fees. On the other hand, establishing sales subsidiary requires a kind of big venture and consequently, it also carries a very high risk.

**Acquisition** This method empowers quick entering and regularly gives entrance to conveyancing ways, an existing client base and, built up brand identities or the reputations. Within few cases, existing administration remains, giving the connection to entry in some markets and permitting the company to secure knowledge in managing with the domestic market environment. This may be especially beneficial for a company with minimum international administration ability, or small recognition within the neighborhood market. Within the immersed markets, the industry is profoundly competitive, or there can be significant entry obstacles. Therefore, there will

be a small space for a brand-new participant (Muller 2007). In these cases, acquisitions are the only attainable method of building up a base within the base country. Acquisitions can be as numerous types. It can be a horizontal one (the item lines and markets of the obtained and securing companies are same), vertical one (the obtained company gets to be the provider or client of the acquiring company), concentric one (the obtained company owns the same market but distinctive innovation or can be the same technology but dissimilar markets) and finally the conglomerate one (when the procured company comes from a different industry in comparison to that of the acquiring company) (Hollensen 2012). Despite what types of the acquisitions, coordination, and formats of administration of the outside investor and the local one may be an issue.

**Greenfield investment** This sub entry mode is one more way to set up entirely wholly owned subsidiary in oversea market. The company establishes its claimed operating process within the oversea market in which there is no acquisition target. It can be more deliberate in entering a new entry in comparison to acquisition since the company needs to construct up brand new plant. This means the company will need to invest more and spend more time to have an entrance into the new oversea market. Moreover, numerous of companies want to construct their claimed operations instead of performing acquisition as this will be less demanding in starting one brand new operating procedure than alter an existing one.

### 3.3.5 Factors influencing the choice of entry mode

It is exceptionally critical that one company thinks about its environment some time recently starting the entrance of market. Natural examination ought to be persistent and bolster all viewpoints of planning. There are some factors that one firm needs to consider before choosing to enter one new oversea market. Those factors can be a part of internal or external categories.

**Entry Obstacles** Boundaries to enter are anything that pressures it troublesome for a brand-new participant to get into one new market. They drive the firms as of now

within the market more profitable as they diminish the hazard of modern competition. There can be tariff and non-tariff barriers (Zekiri & Angelova 2011). Entering barriers are forced by governments in arrange to ensure firms entering from oversea market adjust to exchange relation's courses of action with other nations. Boundaries to exit are deterrents to market participants who knows that they cannot convert a benefit and want to stop that market.

**Legal environment** This factor is an imperative variable to consider in universal commerce due to the affect that court of law choices may result in the firm attempts of globalization. The firms confront a vast amount of issues in their endeavors to create effective worldwide marketing programs. Cateora & Graham (1999) say that like cultural, political, geological contrasts posture as dangers to worldwide companies so as well the difference of legitimate frameworks of the world and their influence on trade exchanges. Acknowledging the legal environment of target nations is seen as incredible significance regarding choosing market, due to the hindering influences court of law choices linked to problems like outside trade rates, seizure, and intellectual property rights, jurisdiction, patents, trademarks and permitting. It is basic for the universal companies to get the difference sorts of legal systems, along with the different dangers the firm may experience because it is open to worldwide commerce.

**Culture** This is examined among the foremost challenging viewpoints during the selection one market to enter. One effective entering strategist must be someone who understands and acknowledges of culture since it is a part of a group's plan for living and it is relevant to the understanding of worldwide business. Subsequently, culture is integral to the market concept in which based on fulfillment of needs. Culture also has an influence on how messages relating the capacity of the products and services to fulfill the needs, are grasped, and translated. Usually indeed in universal markets in which societies vary extraordinarily from one universal market to another. When planning a product, format, and other linked promoting activites, and on the off chance that they are to be operative and significant, they need to be worthy to the associated social market. Able to say that culture is exceptionally apparent in all promoting activities, like in selling, pricing and in packaging. There can be a different of

key cultural perceptions that help in identifying cultures in terms of time, dialect, space and nature and utilization patterns. Worldwide companies who get it and perceive the meaning and contrasts between cultures will likely have a noteworthy universal benefits and advantages. Acknowledging the high-quality context of cultures from the low context, and in both verbal and non-verbal ways is a resource for a global company to enter one new market (Zekiri & Angelova 2011).

**Market potential and market size** Evaluation of oversea markets and estimation of universal market chance consists big challenging obstacles that numerous internationalizing companies have fizzled to meet the requirement. The main focusing is depended on whether the export market of intrigued has the vital implications to buy imported items, and whether the demands of the market are being fulfilled enough. Market measurement examination demands an assessment as to what portion of the overall market within the nation the company can sensibly anticipate getting, given household and other outside competition and the affordability of the items or products.

### 3.3.6 Choice of entry mode

Franklin Root has created a valuable, coherent system for choosing on an oversea market entry mode. Recognizing that the complexities and instabilities included within the process of making decision are of unlimited extent, Root recognized that the questions of how managing people should choose on the proper way of entering market for a given product and a given potential country seem not be answered by a numerically slick computer software. Or maybe, what is basic is that supervisors efficiently look at and compare the diverse elective modes. Root has distinguished three rules that directors tend to take into consideration in choosing the proper entering mode. There are three main rules in deciding market entry mode which are: the naïve rule, pragmatic rule, and strategy rule.

**Naïve rule** is when the firms utilize the similar way of entering oversea market. Directors and managers usually apply this rule when they think about only one method of entering an oversea market. This rule, the naïve rule will not take into consideration

of individual overseas market heterogeneity (Gustavsson & Lundgren 2006). Because of its inflexibility, naïve rule limits corporations from taking advantage of overseas markets probabilities to its best (Albaum, Strandkov & Duerr 1998).

**Pragmatic rule** Within this rule, the businesses employ an entry mode for each overseas market. They regularly start with outside trading since it may be a low-risk entry mode. As it were on the off chance that trading is not beneficial the firm will alter its entering mode. This implies that firms do not explore all different kinds of entry mode so the chosen one might not be the foremost reasonable one. The benefits of this rule can be that it limits the off-base sorts of entry modes since unworkable modes will be ignored. Moreover, the cost of data and administration is little since not all entry mode alternatives are explored. The shortcoming of pragmatic rule lies in that it falls flat to lead directors to the choice of the proper entry mode for the firm, its capabilities, and its assets.

**Strategy rule** In this rule, firms efficiently compare and assess all entry mode elective some time recently making a choice. The choice rule is to select the entry mode that maximizes the benefit commitment over the key planning period to both the accessibility of assets, the danger, and the not-for-profit objectives. To put all the entry mode alternative in the scale is profoundly complicated since there are several goals to require into thought which might result in trade-offs for the firms. Since there is no similar process to get the foremost reasonable entry mode, firms might have to utilize their claimed judgment and make a big picture of assessment.

### 3.3.7 Advantages and disadvantages of variety of entry modes

The new foreign market entry mode is a critical implies of competition (Kotler et al 2008). For selecting the right entry modes, one company should understand the advantages and disadvantages of each entry mode.

Table 1. Advantages and disadvantages of variety of entry modes (*Market entry modes for international businesses*)

Mode	Characteristics	Advantages	Disadvantages
<b>Subcontracting</b>	The foreign counterparty shall have a domestic producing company to execute an particular order (components or semi-finished products)	<ul style="list-style-type: none"> <li>- Low capital commitment</li> <li>- Low risk</li> </ul>	<ul style="list-style-type: none"> <li>- Relatively low profitability</li> <li>- Inability to achieve international expertise</li> </ul>
<b>Licensing</b>	Sales abroad of right lined by a patent or any intellectual material possession to be used for commercial functions	<ul style="list-style-type: none"> <li>- Low entry costs</li> <li>- Low monetary risk</li> <li>- Ensuring a gradual financial gain</li> <li>- A strong presence in foreign markets by commercial brand and logo</li> <li>- The licensee is aware of the native conditions</li> <li>- Does not require a wide range of commitment of workers</li> </ul>	<ul style="list-style-type: none"> <li>- The chance to lose management over technologies and power</li> <li>- Lack of management over the upkeep of the standard on the foreign market</li> <li>- Facing to the disloyalty of the licensee</li> <li>- Relatively low income compared to alternative sorts of internationalization</li> </ul>
<b>Franchising</b>	Sales of the rights by the domestics franchisor to conduct commercial activity by foreign franchisee	<ul style="list-style-type: none"> <li>- Low entry cost</li> <li>- The possible of rapid foreign expansion</li> <li>- The chance of an easy way of enlargement of each the massive and distant markets.</li> </ul>	<ul style="list-style-type: none"> <li>- Requires some control costs</li> <li>- Sharing profits</li> <li>- Requires appropriate qualification of franchisees</li> <li>- The possibility of difficulties in maintaining uniform standards and quality</li> </ul>

Table 2. Advantages and disadvantages of variety of Exporting entry modes (*Market entry modes for international businesses*)

Mode	Characteristics	Advantages	Disadvantages
<b>Exporting modes</b>			
Indirect Export	Sale of products or services through the domestic intermediary	<ul style="list-style-type: none"> <li>-Low entry cost</li> <li>-Low financial risk</li> <li>-Entry difficulties are lean on the domestic intermediary</li> <li>-Low staffing requirement</li> <li>-Lack of marketing costs</li> <li>-The least complicated mode of internationalization</li> </ul>	<ul style="list-style-type: none"> <li>-Low profitability of the transaction</li> <li>-Full dependence on the domestic intermediary</li> <li>-Lack of knowledge on the foreign markets</li> <li>-Inability to gain international experience</li> <li>-The domestic treater will realize a better supplier</li> <li>-An intermediary might itself begin the assembly within the country</li> </ul>
Direct Export	Direct export through a <b>foreign agent</b>	<ul style="list-style-type: none"> <li>-Low entry cost</li> <li>-Moderate financial risk</li> <li>-The agent overcomes the difficulties of entry</li> </ul>	<ul style="list-style-type: none"> <li>-Low profitability of the transaction</li> <li>-High dependence on foreign agent</li> <li>-Inability to gain international experience</li> </ul>
	Direct export through a <b>foreign distributor</b>	<ul style="list-style-type: none"> <li>-Relatively low staffing requirements</li> <li>-Lack of marketing costs</li> </ul>	<ul style="list-style-type: none"> <li>-An agent can find a better provider</li> <li>-High transport costs</li> <li>-Potential trade barriers</li> </ul>

	Direct export through a <b>representative office</b>	-Physical presence on foreign markets -Direct contact with foreign customer	-The relatively high cost of maintaining a representative -High transport costs -Potential trade barriers
	Direct export through an <b>own foreign distribution network</b>	- Physical presence on foreign markets -Very good direct contact with foreign customers -Full control over the sales process	-High entry cost -Time-consuming of building up the own distribution network
Cooperative export	Export grouping	-Distribution of costs for partners	Dependency on the export partners
	Piggy backing	-Synergy effect	

## 4 Market Research in Finland

### 4.1 General overview

The number of inhabitants in Finland updated near to the six million figure by 2020. The land area is 338 000 square kilometers and the density of the average population is 18 inhabitants per km<sup>2</sup>. The 2018 growth rate of population is at 0,35% currently in the positives for the year. (Worldpopulationreview.com)

The world market estimation of consumable mushrooms was around €30 billion of every 2013 in Finland. By 2020, it is relied upon to develop to €45 billion. In any case, this figure does exclude different items, for example, restorative mushrooms worth many billions of euros. Although berries and mushrooms are one of the significant

fare things of Finnish Wild Forest Products (WFP), there has not been precise and dynamic supportive of production of not long ago.

### The Climate of Finland

Finland has a predominantly subarctic climate. Most of nation has a subarctic climate with cool summer. Winter is the longest season in Finland and endures from October to mid-May in the outrageous north. Lakes freeze consistently, and even the oceans at times set at the pinnacle of the winter. The snow softens before the finish of April in the virus spring season, and the scene is inclined to floods. The precipitation happens consistently, with a top during August in the mid-year. Half of the yearly precipitation in the north falls as day off. October to January is the windiest period.

Climate change will be an expensive issue except if we figure out how to restrict the worldwide temperature increment to a limit of 2° C. In Finland, rising temperatures and longer development season may expand crop yields and development paces of trees, yet not without additionally expanding hazards. By and by all nations on the planet gave their help to the endeavors to restrict the worldwide temperature increment to a limit of 2° C at the Paris atmosphere gathering. Strategies to lessen emissions are being created at an expanding rate, yet the measures that have been concurred so far are insufficient to arrive at this objective. Accordingly, all businesses must be set up to adjust to the bit by bit fixing outflow limits. Agriculture and ranger service areas have the devices to lessen emanations from in particular soils.



Figure 2 Republic of Finland map (*Operation world 2015*)

There are big cities in Finland as Turku, Oulu, Tampere, Kuopio, Jyväskylä, Lapland, Vaasa and the biggest one is Helsinki as well as the southern capital of Finland where the governmental and economic center located. (figure 1)

The figures below illustrate the general information of Finnish updated 2020, which could a conclusion of Finland in general part and move to the next chapter.

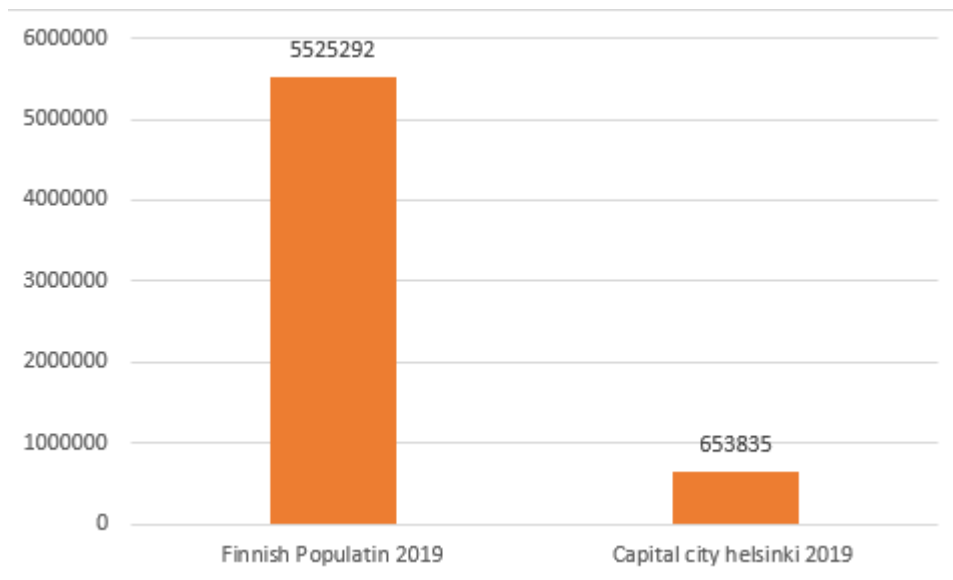


Figure 3: Finnish Population and Population in the capital (*Statistics Finland: Finland in figures updated in 2020*)

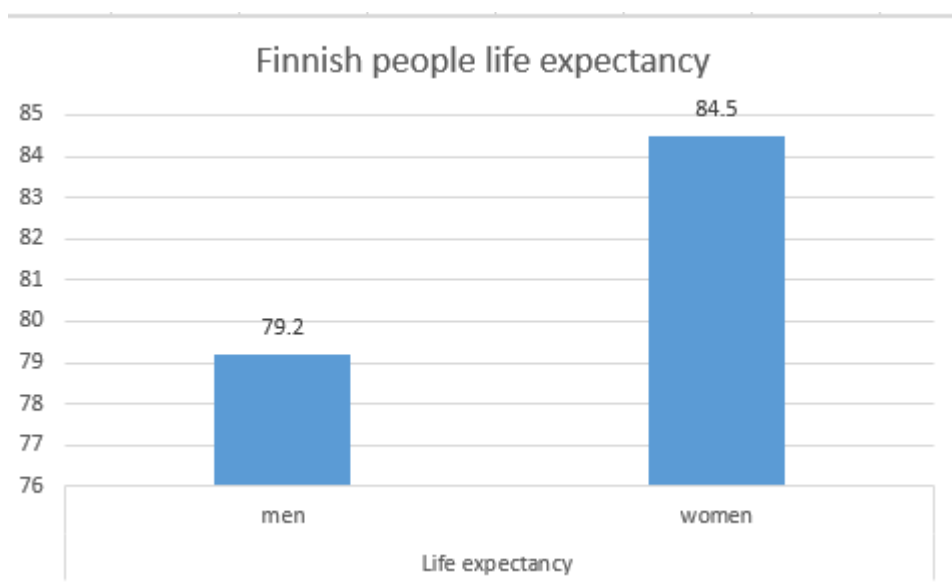


Figure 4: Finnish people life expectancy ((*Statistics Finland: Finland in figures updated in 2020*))

### Industrial structure 2019

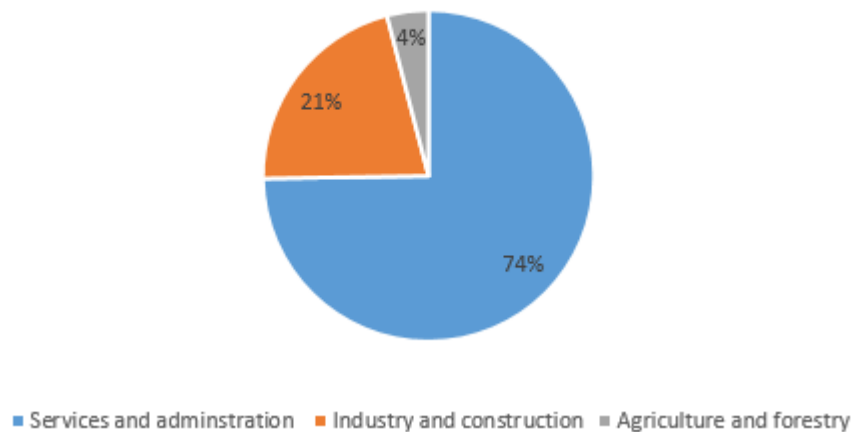


Figure 5: Industrial structure in Finland in 2019 ((Statistics Finland: Finland in figures updated in 2020)

## 4.2 Qualitative interviews

In order to understand deeply the professional perspective, the author contacted Asian restaurants and loyal customers from diverse eating diets in Finland for the interview. The interviews were conducted directly at restaurants' place and in a few cases by phone calls. The objective of the interview was to figure out the trend of mushrooms recently in daily eating habits and the offer of new mushroom products in Finland from Vietnam.

The interviews started with the personal thoughts of respondents on the trend of eating habits right now. They agreed markedly healthy diets has been growing, for the reasons people have known how important to have good eating habits. The harmful effects of junk food on young generation nowadays, which is most importantly to change positively healthy food. Then approach deeply with what kind of experiences the respondents had had with the mushroom product at the restaurant or home. Mostly they had nice experiences with fresh mushrooms at restaurants especially Asian restaurants, and canned mushroom products at home. Few of them do not like mushrooms in general or their texture of mushroom.

Additionally, using mushroom or healthy food also encourage save money. They admitted the cost is much cheaper in comparison to junk food. Plus, all that goes into the preparation is also of low cost. Thus, there are numerous benefits when you consume the product. The shopping habit at the local supermarket is popular to get fresh mushroom or canned mushroom product in Finland. While there are a few coming Asian stores to find fresh mushroom products. However, they usually visit the restaurant to enjoy with family on weekend, where is a nice place to experience meals from the mushroom in general. Due to the demand, all restaurants approached fresh mushrooms, especially the fresh Asian mushroom product added to their menu. However, quality management was found to be difficult when the suppliers did not supply permanently the mushroom. Moreover, the shipping fee from outside Finland of the product came with a high price, with long days delivery.

For Vegetarian or Vegan, most of them have been vegetarian or vegan for about under four years. They had had their normal diet, eating every kind of meat, using products from animals. Some were junk food lovers and consumed amount of hamburgers, hot chicken wings, pizza, and a few of them admitted to suffering from health problems like cholesterol, diabetes. There brought positive changes of being a vegetarian or vegan, for example getting a better digestion and energy levels and slower aging process in general. Additionally, having the alternative protein of meat like mushroom or tofu caused obviously the change of health benefits with an overall cleaner body. A protein from mushroom allows for adequate fiber, energy levels, enhanced digestion, and even positive moods. They feel calmer and expansive internal operating system. With the questions related to new mushroom products in the Finnish market, the respondent accepted openly with positive expectation. Some of them hesitated about the price of the product in the Finnish market, ways for preparing/serving at home, the nutritional content of the new product, or any allergic factors. This meant they were interested in the new product as well as creating more motivations for new business. When asked about the expectation for the product, the respondents expected an advertisement in order to create a friendly image for the product, making the products more clearly, easily use daily as well as building the trust from the customers.

Lastly, all stages of the interview were done in restaurants. In general, experiences were collected directly through the interview, however, some of them personally answer comments on the restaurant's social media channels. The findings were the demand for mushrooms in general spices has been growing with positive effects. Respondents agreed that people expect more variety and experiences from it. The wave of a healthy lifestyle is on-trend in this Covid-19 pandemic period, their health is the most important thing they set on the priority list. Although the price is one of the considerations, the customer needs to be willing to pay for the value if the benefits of the product take an enormous amount of benefits and cannot come for the same price as other products. The respondent feels that is definitely possible to start-up a business of Asian mushroom products with additional things to create the product become outstanding among other local products. While there is an opposite idea: a certain amount of people feels like they do not change their eating habit to try brand-new because only traditional food made only from local ingredients. These findings show how many different areas from the customer and professional perspective. Amid the Corona pandemic, restaurants are managing with their all efforts because the restaurant sales are down. Thus, the restaurant needs a new opportunity to get new experiences that could not only bring unexpected outcomes for the restaurant but also a surprise for its customers.

### 4.3 Customer survey

The survey to better understand the customer perspective about the issue beyond the ethical, ecological, and various effects mushrooms may have, it is also worth noting whether they are worth eating.

And to that, the reply is a resounding yes!

The objective of the survey was to find out how people approach new mushroom products, how they buy, and how they use it. The survey was designed and shared on Facebook, WhatsApp, and by the author's connection. It received 50 responses.

Table 3. Result of the demographic questions

Age	Percentage	Gender	Percentage	Location	Percentage
Under 15	5	Male	42	Finland	60
15-20	27	Female	55	Outside	40
20-39	42	Prefer not to	3	Finland	
40-59	26	say			

The survey started with three demographic questions (age, gender, and residence country). Most of the answers were 20-29 years old (42%), 15-20 years old (27%), and 40-59 years old (26%). There are 55% of them being female and 42% male. The respondent was mostly from Finland (60%) and the rest from outside of Finland (40%) they were from Vietnam, Croatia, Czech Republic, and Austria. The group of different residence countries gives the picture is diverse to catch the trend of eating habit of people in recent. Perhaps with the larger survey, the consequence of the research may have been different.

Table 4. Result of the category of eating and cooking habit

Diet	%	Home cooking	%
Food combining	36	Yes	63
Vegetarian	32	No	37
Vegan	16		
Low fat	5		
Others	11		

It can be seen from the table the food combining diet takes up 36%, the vegetarian is 32% and Vegan is 16%. For 2% who has the low-fat diet and others is 11%. This can be explained that healthy eating impacts the eating habit of people. Besides, the percentage of home cooking is significantly larger (63%) than eating outside (37%). The reasons given were saving living costs, ensuring the quality of food, spending time for family, and saving time in general (i.e. delivery of food took a too long time).

Table 5. Result of the buying frequency and location

<b>Buy frequency</b>	<b>%</b>	<b>Where to buy</b>	<b>%</b>
Few times/week	3	Local supermarket	62
Once a week	12	Asian stores	38
Few times/month	36		
Once a month	23		
Less than once a month	26		

As the result, it can be seen that mushroom is mostly in to buy a list of people few times a month (36%), or less than once a month (26%), and once a month (23%). While 12% of buying it about once a week and a few times a week about 3%. This can be explained by the fact that there are different options, and not many recipes making from a mushroom used in daily cooking.

Table 6. Mushroom preferences and the willingness of customers to new products

<b>Popular mushroom products</b>	<b>%</b>	<b>The knowledge of Shiitake and Shimeji</b>	<b>%</b>	<b>Openly try new mushroom products</b>	<b>%</b>
Canned	62	Yes	73	Yes	66
Fresh	33	No	27	No	31
Dried/Frozen	4			Maybe	3
Powder	1				

The results of the table show how much expectation of customer for mushroom products. With 62% of percentage for buying canned mushroom, 33% for fresh seasonal mushroom, and the dried or frozen mushroom product takes up 4%. Powder of mushroom takes the least percentage (1%). This tendency of using habit these product showing the preference of customer recently by the usefulness of products (canned product). Besides, the fresh product has a weak that weather of Finland is hard to supply annually fresh mushroom.

The knowledge of people in two kinds of Asian mushrooms (Shiimeji, Shiitake) took up 73%, and the rest (27%) had no chance to approach the mushroom. While, the level of willingness to try the Asian mushrooms occupied 66% and 31% of customers denied the new product, and 3% still hesitate to try.

The answers could be categorized into

- a. Healthy food
- b. Convenience
- c. Easy to buy at a reasonable price

These answers are called the expectation of the customer of the product in the future. Respondents expected the mushroom not only healthy food, high quality of nutrient, easy to cook, and serve at home, but also the product is required convenient in using and buying. Lastly, they hoped for the price of product costs reasonably.

This survey ended with open-ended questions to let customer freely provide personal insight into what the factors they are concerning. Respondents showed their needs, expectations, and revealing the aspects of their hidden thought. Thank for that the author found out clearly the situation, and making the business plan as well as develop the quality of products suit the expectation.

#### 4.4 Economic environment of the Finnish Market amid COVID-19 pandemic

The worldwide economy will float into downturn this 2020, and the economies of Finland's most significant exchanging accomplices will experience the ill effects of the Corona pandemic. Significant exchanging accomplices for Finland incorporate the euro zone, Sweden, the United States and China. This implies that in the quick years ahead these nations will not be accepting merchandise and ventures offered by Finnish organizations in a similar way as in the past. This projects a shadow over Finland's monetary possibilities notwithstanding the limitations forced locally and the debilitated certainty among Finnish families and organizations.

The Finnish economy is encountering a sharp withdrawal because of the Covid pandemic. GDP will decrease by around 7% in 2020. In the following 2 years, the economy will develop around 3% per annum. The gauge contains an extraordinarily enormous level of vulnerability. The constriction in the economy in 2020 could be just 5% or as much as 11%, contingent upon how the pandemic advances in Finland and around the globe, and what accomplishment there is in managing it. The level of accomplishment in controlling the scourge will likewise decide how rapidly the economy will recoup. It will presumably not be conceivable to evade lasting misfortunes of yield, yet financial approach can be utilized to alleviate their scale.

The Corona pandemic will make enduring harm to the Finnish economy, as not all organizations will endure the profound downturn and some occupation misfortunes will be perpetual. Business will decay considerably less than during the downturn of the 1990s, yet somewhat more than in the money related emergency of around 10 years prior. Not each one of the individuals who lose their employment will discover another, and consequently work will recuperate just mostly in 2022.

The emergency will cause a further developing of the overall government shortage, and public obligation will develop by a record sum in a brief timeframe. Public obligation will develop more than before on the grounds that the crown emergency will cause a plunge in charge incomes simultaneously as use on for example joblessness will develop. Moreover, the public accounts will likewise be debilitated by the use expands effectively concurred in the Government Program before the crown emergency. In 2022, the proportion for obligation comparative with GDP will as of now be moving toward 75%, and it will keep on developing from that point. Accordingly, the obligation proportion will be higher than at any other time since Finland embraced the euro or during the downturn of the 1990s.

#### 4.5 Distribution of Potential customers in Finland

Finland is a thriving Nordic country. It has a strategic position as the interface between the Russian market, the Baltic countries, and Northern Europe.

Finland has several retail outlets located across the country, often just outside of the city centers, with just under 700 agent stores in total. The retail park segment mainly includes furniture retailers and other home or home-related retailers, as well as sports equipment retailers. For example, K-city market, S-market, Prisma, Kärkäinen, so on.

Products can be sold through an operator, merchant, set up distributor, or selling straightforwardly to retail associations. Consumables for regular use are showcased by a coordinated arrangement of appropriation with a sum of 3,879 stores in 2016, overwhelmed by two major gatherings:

S- Group (include Prisma, S-market, Alepa) by a 47.2% of market share, estimated 7.900 million EUR sales in 2016

K- Group (include K-citymarket, K-market, K-Supermarket) by a 36.2% of market share, estimated 6.055 million EUR sales in 2016

The German discounter Lidl with a 9.3% of market share, estimated 1.551 million EUR sales in 2016.

## **5 Case Vietnamese company review**

### **5.1 Introduction**

#### **5.1.1 The company**

The company was originally formed under structure of a mushroom farm in Vietnam in 2015 with a goal to provide clean and safe variety kinds of mushrooms to the Southern areas of Vietnam. Around the end of 2018, its director decided the business would change to a company structure with commercial trading names and registration so they could provide better services and produces to the publics. The company since then named "Green Mushroom" with an intention to produce organic and good

quality mushroom produces not only in Vietnam but also with a long-term plan to expand its activities to have an ability to export as well.

The company now has two main big farms in Vietnam with the total acreage are around 5000m<sup>2</sup>. The business is expanding well as it is the main supplier for several restaurants, supermarkets, food retailers and organic stores in Vietnam. From the prior intentions of supplying mushrooms wholesale to specific customers, now they want to also focus on retail customers with a variety types of mushrooms to choose. Besides that, the bigger and more long-term goal of the company now is to enter oversea markets like European countries.

The company's vision is to become a company that not only sells but also contributes to the producing and researching of mushrooms; as well as to become one of the leading units in supplying mushroom-related products in Vietnam before 2024. Along with its vision, the main mission of the company stated that they will guarantee their produces reaching the public with three main points: nutritious, clean, and healthy. The company says no to chemicals and chemicals-related ingredients in the process of making and supplying their products.

#### 5.1.2 The product

Its product ranges are divided into four main categories which are: medicinal mushrooms products, fresh mushroom products, dried mushrooms products and mushroom powder products.

Within the medicinal mushrooms, Ganoderma mushrooms are the main produces with different kinds of producing like fresh ones, sliced ones and powder. The special produces from this company is the ability to produce a wide range of mushroom powders that can bring more choices to its customers. Different forms of products will help the company get more customers with dissimilar purposes of using their products.

Their produces of fresh mushrooms vary from different popular kinds of mushrooms like gray abalone mushrooms, king oyster mushrooms, black termite mushrooms, white oyster mushrooms, golden needle mushrooms, black fungus, straw mushrooms, shiitake mushrooms and snow-white mushrooms.



Figure 4 Ganoderma mushrooms (*Green Mushroom company picture*)



Figure 5 Shiitake Mushroom (*Green mushroom company*)



Figure 6 Snow-white or Shimeji Mushroom (Green mushroom)

## 5.2 SWOT analysis

SWOT analysis is one of tool used to measure any businesses through evaluations of Strength, Weaknesses, Opportunities, and Threats. SWOT analysis also is the first step in planning and leads the marketer to focus on main sectors.

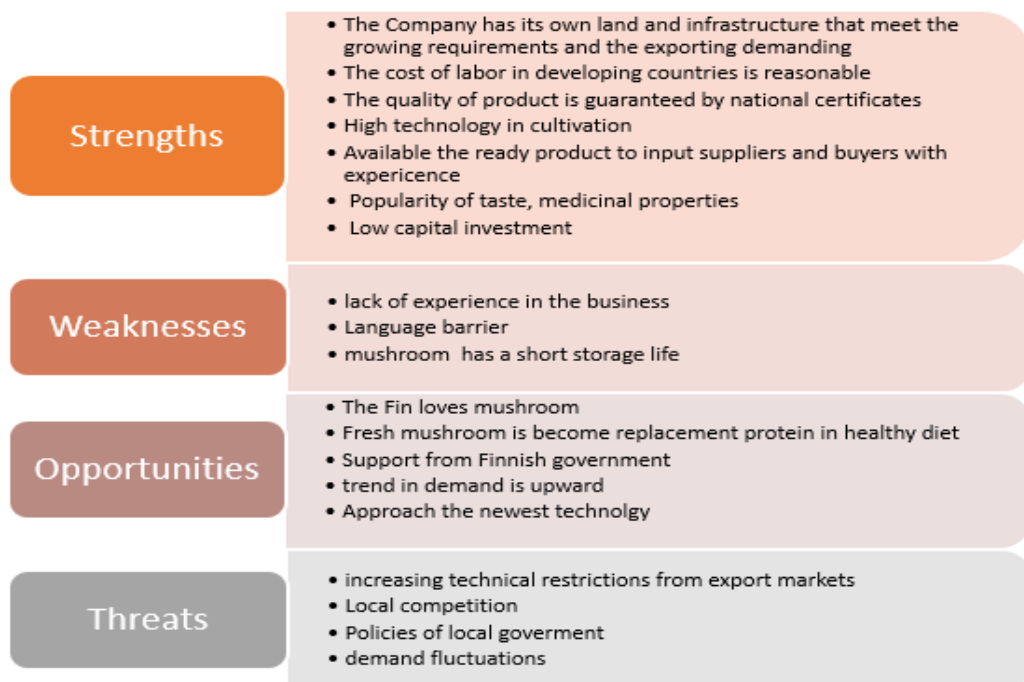


Figure 6. SWOT analysis of the case company

## **STRENGTHS**

Even though Green Mushroom is still a new company in the industry, it has several strengths which can be considered when it gets into new overseas market. Firstly, the weather and the growing conditions in Vietnam are ideal for a wide range of mushrooms to grow at their best. Also, the company has its own land and infrastructure that meet the growing requirements as well as the exporting demands. As this will help the company lower its cost of producing mushrooms and help to reduce the market price when it gets into the Finnish market. From the Finnish side, the Finns love mushrooms in general, it can be seen by picking mushrooms as a main activity of Finns during summertime.

The cost of labor in developing countries like Vietnam is still cheap in comparison to developed countries, so that will make the price of mushroom products competitive with other countries and other companies.

The company also won several prizes in its home country, which can be a plus in proving the product quality. For a young company to have that achievement is not easy, and that can be counted as one of its strengths in international competition. In the perspective of customers, price and quality are two of the most important factors in choosing one product. And Green Mushroom seems to have them all in their products, the only thing is how to get their products into overseas markets and get them well known.

## **WEAKNESSES**

Green Mushroom is still a quite small size category company in comparison with some other companies, so probably there will be a challenging situation in having a smooth cash flow. As entering overseas markets requires lots of resources, it might be hard for the company to have major investment in the short period of time.

Even though the company is doing well in growing and producing mushrooms, there is still a lack of research and development procedure deeply into mushrooms and their

products. To keep changing and updating to the latest and best technology, it is important to invest resources in research and development. Also, to own the best products, it is crucial to understand its nature and its root of the products.

### **OPPORTUNITIES**

In the bright side, nowadays, Finnish government is having some policies to boost and to encourage more international contribution into their country. This is a good chance for the company to bring their fresh and high quality to the country as also a way of investment into Finnish economics.

There are also a lot of potential customers in Finland as Finnish now are quite interested in consuming green and clean products. With some typical mushroom kinds from Vietnam, the company will have more chances to get it introduced and purchased.

### **THREATS**

Even though there are some potential chances to consider, there are still risks behind the entering oversea market. As there will be more and more agriculture companies that focusing on mushroom getting established, it can be a risk for Green Mushroom as they need to choose the right time to do it before it getting too late. In terms of oversea market, it is international so there will be a very competitive market with not only local companies but also different companies from all over the world.

Language might be one of the challenging barriers for the company to get it through. It requires an appropriate understanding of Finnish culture, language, and ways of consuming foods to achieve their best goals in getting this market.

## **5.3 Entering Finnish market**

It appears that exporting may be an exceptionally great entry mode with limited hazard and resources commitment, and numerous of firms are utilizing this entry mode to get into oversea market, like Finland. Be as it may, the company needs to be in

close contact with consumers to discover more commerce openings on other products and services beyond the mushroom growing. Based on the appearances of the company, there are some recommended ways of entering to consider below.

### 5.3.1 Market Segmentation

The target customer for the mushroom product can be divided into the following:

- Customer with interest on Mushroom products
- Customer with working on restaurants in general
- Customer with following Vegetarian and Vegan diet
- Customer with keen interest in new protein replacement from plants

The growth of Asian population in Finland during the last decade has been significantly increased. There are seven Asian populations of more than 2000 residents in Finland. The greatest of these are Chinese, Thais, Iraqis, and Indians in 2018. (Stat.fi) The potential customer is not only aim to Finnish community, because growing Asian and others population in the region such as China, Thai, Filipino, Korea, Japan, Vietnam are increasing. Most of people belong these nations have been familiar the mushroom products and they also have their own special traditional food created from the mushroom.

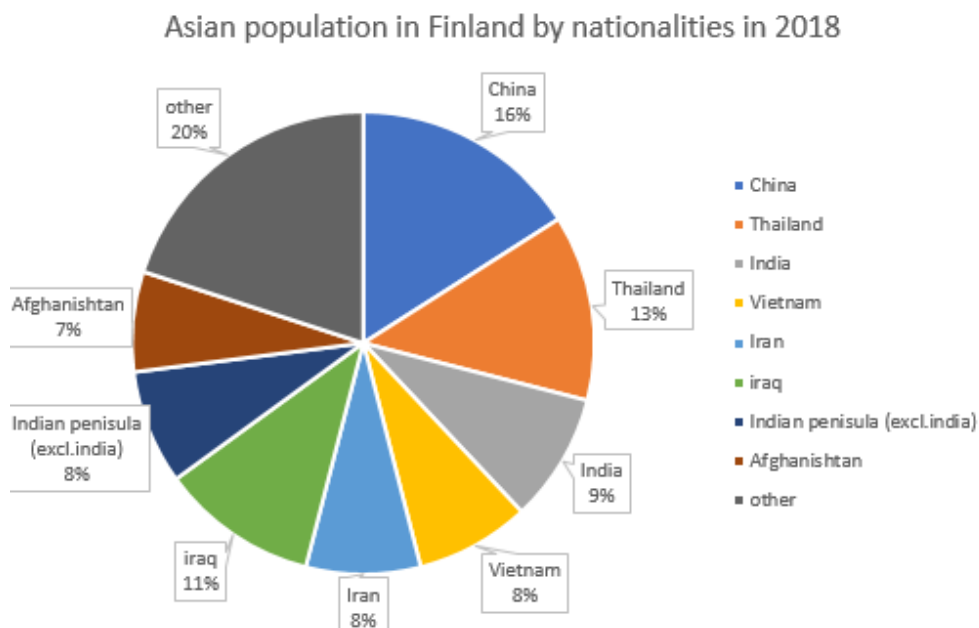


Figure 7. Asian population in Finland by nationalities in 2018 (Statistics Finland)

Then the customers are Finnish people, the product is feasible to approach the Asian groups. Most of Asians do know how to make food at home and open their own restaurants as their stable career to make money in Finland. It could be seen by many chains of Asian restaurant popping up in Finland last decade. For example, Thai Street Food – the chain of Thai food with 4 restaurants located in Helsinki, Tampere, Jyväskylä, Turku, Porvoo; Moto Toko- the chain of Japanese ramen with over 7 restaurant located Helsinki, Espoo, Vantaa, Turku; Istudemo – the chain of Japanese sushi with many restaurants located all big cities in Finland and so on chains of Vietnamese food, Filipino, and Korean.

### 5.3.2 Market Needs

It could be said that most of start-ups give up soon because they cannot adapt the customer needs or not research economically customers' trend.

According to the study of current lifestyle of people in Finland, most Finnish people enjoy popular well-being and healthy eating lifestyle, therefore, there is a huge demand in source of fresh, clean, healthy food. Most Finnish people usually update new food trends from Asian countries (Japan, Korea, Thai, China) to make a wide range of options in ingredients of food. Majority of Finns keen on experiencing new ingredients after researching about origin, quality, functional of the new.

The current population of Finland and the market size is not very big. Therefore, the demand of food is not changing rapidly.

### 5.3.3 Food Trends

The evolvement and growth of customer about healthy food, healthy lifestyle that are able to respond to customer needs. With the life expectancy of Finnish is reported from Statistic Finland in 2020, it has been indicated the amount Finnish deal with their life quality through picking food.

Amid the change of food habit and rising health awareness, Fins will be most interested in pre-cleaned vegetable like berries, mushroom, herbs in 2019. Moreover, they are highly interested in organic products and healthy convenience foods.

According to the food trend study of K-citymarket company in 2019, there's 47% Finnish people uses vegetables, mushroom as a side dishes, 37% of Finnish people eat vegetarian food occasionally to instead meat and fish, 8% eat mainly vegetarian and eat meat or fish occasionally, 3% non-eat vegetables, 2% of vegetarian, 1% of Vegan and 1% unknown their type of vegetarianism.

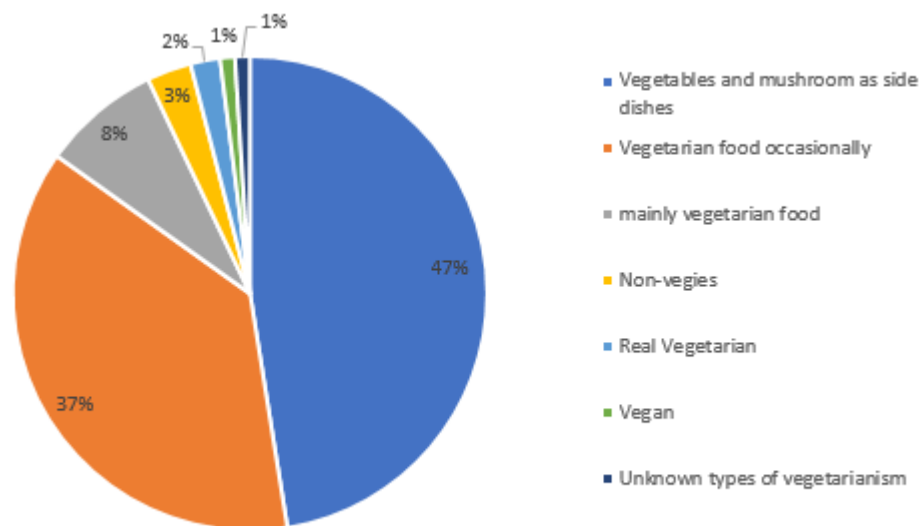


Figure 8. The food trends report in Finland 2019 (K Group's Food Trend)

Besides, the Finnish concerns more and more to general conceptions of healthiness and well-being during selecting ingredients for their food diet. The size of the trend has been increasing. 47% actively promote satisfied with the diet selection, 42% of people admit to invest in better everyday food, 33% only select healthy food only.

#### 5.3.4 Financial solution

On the bright side, there are several ways to get financial support for newborn startups in Finland will have financial support from local government as well as other

supports from University (where the owner of business used to study); or from finance businesses. In order to encourage new startups, Employment and Economic Development office support the grant for new businesses, which will provide secure income up to 18 months (Ministry of Employment and Economy).

With the budget of investment in the business is 120 000s Euro which is 70 000 Euros of debt and 50 000 Euros equity. Loan could be taken from local Finnish banks about 10 years and paid monthly. Basic grant amount is given to startup is 32.80 Euros a day and supplementary grant which is clarified by TE office and the amount is not over than 60% of the basic amount. (Ministry of Employment and Economy).

External investors are great sources of finance when startups have awesome ideas.

## 6 Conclusion

This chapter leads to the end of the thesis by the answer of questions, which are mentioned in the first chapter as well as the purpose of the project.

Table 7. Thesis findings

Research Questions	Findings
1. What are the trends of agriculture industry in Finland? Especially, mushroom market in Finland is popular or common in Finnish community?	<ul style="list-style-type: none"> <li>• Finnish industry has a tendency of nature. It proves by amount of agricultural products (edible mushroom, many types of berry) consume by the Finnish every year.</li> <li>• The yearly berries are assessed at more than 500 million kg, a normal of eight kilograms of wild berries as well as around three kilograms of mushroom is consumed per individual, every year in Finland. That is why Finnish often say that berries and mushroom truly are their Fin treasure.</li> </ul>
2. How many entry modes are available to entry foreign products into Finnish market for the Mushroom product? Which one	There are three available ways to the entry, which are export entry modes, Intermediate entry modes, Hierarchical entry modes. Joint venture and strategic alliance is an Intermediate entry mode is the most suitable one for the

<p>is the best option for the case? Why?</p>	<p>Mushroom case study. Because of three main reasons, the Joint venture (JV) is the best solution for the case. There are leverage resources, Cost savings, and combined expertise.</p> <p>Joint Venture is the best option due to the situation of the case, using of JV as a common way to expand its distribution network to new countries.</p>
<p>3. The barriers of entry in the Finnish market?</p>	<ul style="list-style-type: none"> <li>• Languages barrier</li> <li>• Business culture is different</li> <li>• Small population</li> <li>• High withholding tax rate</li> <li>• Competitors from wild mushrooms in forest.</li> </ul>
<p>4. Who are potential customers and what is the demand of them?</p>	<ul style="list-style-type: none"> <li>• The customers are Vegetarian, Vegan, and who try to cut off meat in daily diet, or following the eating healthy lifestyle.</li> <li>• the customer is suffering digestive system problems; they could use to provide nutrients of daily diets.</li> <li>• Customer with interest on Mushroom products</li> <li>• Customer with working on restaurants in general</li> <li>• Customer with following Vegetarian and Vegan diet</li> <li>• Customer with keen interest in new protein replacement from plants</li> </ul> <p>The demand of customer</p> <ul style="list-style-type: none"> <li>- Natural and safety certification</li> <li>- Reliable source</li> <li>- Organic food, gluten-free</li> <li>- Easy to cook, able to use for local dishes.</li> </ul>
<p>5. How to organize the logistics management to support the newborn product in Finland?</p>	<ul style="list-style-type: none"> <li>• Logistics management activities are essentially the flexibility of the item in the right goods, at the right time, with the agreed total amount at the same time and at the lowest cost from the manufacturer to the final customer.</li> <li>• Logistics management support the newborn product through many aspects such as: <ul style="list-style-type: none"> <li>✓ Transport management (international transport, domestic transport),</li> <li>✓ The operation of product warehouse (efficient in a warehouse, types, stock management, delivery- transport operation)</li> <li>✓ Design of storage and handling facilities (operations and warehouse management, design in process, security, size)</li> <li>✓ Packaging (design and innovation, packaging cost, materials, systems)</li> </ul> </li> </ul>

In this thesis research was written to find the methods of pop-up a startup in future by the author. By analyses from the Finnish market, SWOT analysis, researches of entry modes, case study from the real company, applying knowledge of logistics management to operate the process of the business to run smoothly. All of them is supported for only purpose how to bring up the Mushroom product from Vietnam to Finnish market to serving Finnish community. The mushroom product has potential consumers in Finland by the change of the Finnish in daily diet recently, and the Finnish market is a great environment to foreign newbie start-up develop and deserve to learn from there.

All questions from beginning were solved by using qualitative research method in during whole research work. The data information was selected through reliable materials from various resources; for example, books, electronic resources from authoritative organizations, and published documents, practical training reports from trainee from related companies.

## **7 Discussion**

The main purpose and emphasis of this thesis was to bring some new authentic and rich nutrient mushroom products from Vietnam where has enough condition, technology, labor force that could cultivate amount of special mushroom. In order to entry the Finnish market to serve the Finnish as well as expand to European countries in future. To accomplish this aim, the business plan was started from researches of the Finnish market as well as apply logistics knowledge of the author from her university's major to design and make the plan comes true. Additionally, analyses of SWOT, marketing were analyzed by collecting official Finnish Statistics, Finnish Customs and reliable sources.

Furthermore, from all findings derived after this thesis served as foundation for the author business plan in next level in future. It will be deeply researched in calculations for types of cost, analyses such as PEST (Political, Economic, Socio-cultural, Technical environment), Porter's Five Forces, Distribution of potential customers, tax rates of Finland, and so on angles of management and organization relevant the project.

For the author, creating of the thesis and applying the researches learned from university to real life is not as simple as they seem. Theories sometimes going by the books might be impossible in real case; however, this is also a great question following the author until the startup complete in future. Reading business operation books, logistics management to run smoothly the business materials that does not a bad idea anymore.

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## Appendices

### Appendix 1. Interview questions

1. In your opinion, what is the biggest food trend in recent? Which is your favorite?
2. What kind of positive experiences of mushroom you had? How about the negative experiences?
3. For Vegetarian/Vegan
  - a. How long have you been a vegetarian/vegan?
  - b. What did your diet look like before?
  - c. How did you make the change?
  - d. What are the major health effects of being a vegetarian?
4. Where do you find mushroom product?
5. How do you use these mushroom products at home?
6. How do you think mushroom as a good vegetarian protein alternate common protein for example meat?
7. The demand of mushroom consumption has been upward recently. Will you continue using mushroom as a main protein alternation? If not, why?
8. Which aspects of mushroom product do you expect most?
9. How do you think the Asian mushroom products able to approach the Finnish market?
10. If you have chance to try new mushroom products, do you willing to try?
11. Lastly, is there anything else you would like to say on this topic?

## Appendix 2. Quantitative survey

This is a quantitative survey created by a student of Jyväskylä University of Applied Sciences for the purpose of a Bachelor's Thesis.  
This survey is anonymous and no contact information will be saved after this.  
Filling this survey takes about 5 minutes. Thank for your answering!

---

How old are you?

- under 15
  - 15-19
  - 21-39
  - 40-49
  - 50-59
  - 60 +
- 

Gender

- Female
- Male
- Prefer not to say

Where do you live?

- Finland
  - Outside Finland
- 

How often do you buy mushroom products?

- Daily
  - Few times a week
  - Few times a month
  - Once a month
  - Less than once a month
- 

Where do you buy mushroom products?

- Local supermarkets
- Asian stores
- Other: \_\_\_\_\_

What type of eating diet are you following?

- Food combining
- Vegetarian
- Vegan
- Low fat diet
- Other: \_\_\_\_\_

Do you often cook at home?

- Yes
- No
- Maybe

Which type of mushroom product do you prefer?

- Canned mushroom
- Fresh mushroom
- Dried mushroom
- Frozen mushroom
- Mushroom powder

Have you known about Shimeji and Shiitake mushrooms?

- Yes
- No
- Never

Do you openly try new mushroom products from Asia?

- Yes
- No
- Maybe

If you have had more distribution channels to buy mushroom products, what are they?

Your answer \_\_\_\_\_

Please openly tell us, how do you think about alternation of mushroom protein in future?

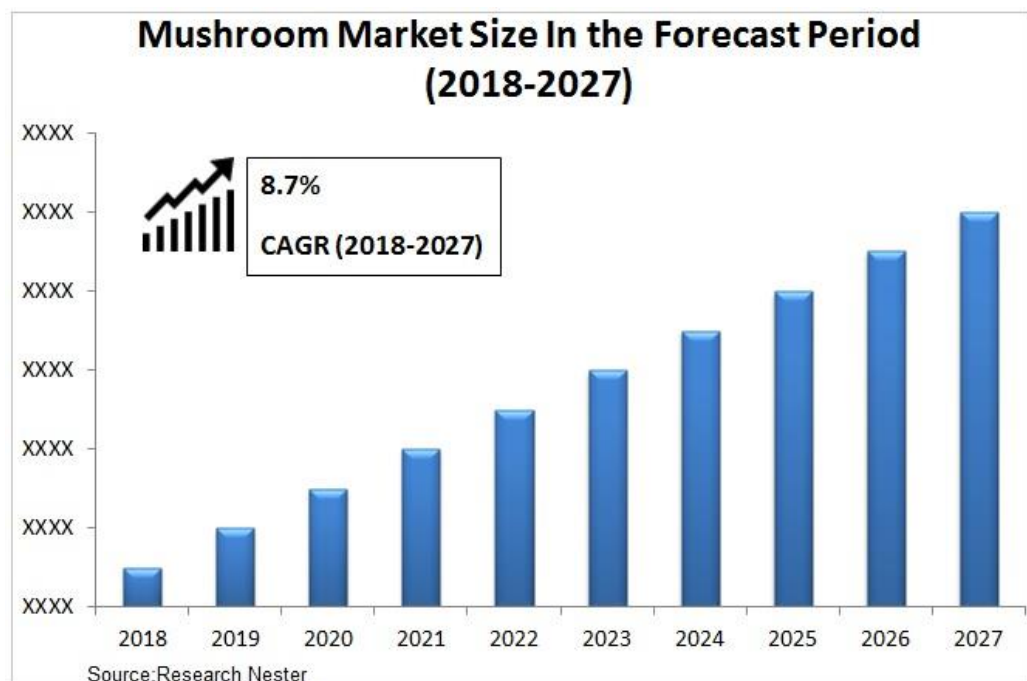
Your answer \_\_\_\_\_

Submit

## Appendix 3. Nutritional Content of mushroom in 1 cup (96-g)

Nutrient	Amount of nutrient in 1 cup of mushrooms (96-g)	Recommended daily intake
Calories	21.1	1600-3200
Protein (g)	3.0	46-56
Carbohydrate (g)	3.1, including 1.9g of sugar	130
Calcium (mg)	2.9	1000-1300
Iron (mg)	0.5	8-18
Magnesium (mg)	8.6	310-420
Phosphorus (mg)	82.6	700-1250
Potassium (mg)	305	8-11
Sodium (mg)	4.8	2300
Zinc (mg)	0.5	8-11
Copper (mcg)	305	890-900
Selenium (mcg)	8.9	55
Vitamin C (mg)	2.0	65-90
Vitamin D (mg)	0.2	15
Folate (mcg DFE)	16.3	400
Choline (mg)	16.6	400-550
Niacin (mg)	3.5	14-16

## Appendix 4. Mushroom Market Size



## Appendix 5. Finland's Biggest trade partners in food export and import

Finland's biggest trade partners in food export and import					
	Export			Import	
	mill. €	%		mill. €	%
<b>EU-countries</b>	<b>1,093</b>	<b>77.2</b>	<b>EU-countries</b>	<b>3,396</b>	<b>65.2</b>
Sweden	307	19.5	Netherlands	725	13.9
Estonia	157	9.9	Germany	695	13.4
France	98	6.2	Sweden	542	10.4
Germany	81	5.1	Spain	316	6.1
Denmark	75	4.8	Denmark	303	5.8
Poland	63	4.0	France	204	3.9
Netherlands	61	3.9	Italy	191	3.7
Great Britain	53	3.4	Estonia	167	3.2
Lithuania	45	2.8	Belgium	166	3.2
<b>Other countries</b>	<b>359</b>	<b>22.8</b>	<b>Other countries</b>	<b>1,261</b>	<b>24.2</b>
Russia	126	8.0	Norway	326	6.3
Norway	45	2.8	Brazil	139	2.7
China	43	2.7	Costa Rica	73	1.4
USA	42	2.7	USA	62	1.2

Source: Finnish Customs, Uljas database.

## Appendix 6. Agricultural support per year in EU-28 by Member State in the programming period 2014-2020

Agricultural support per year in EU-28 by Member State on average in the programming period 2014–2020.					
	Agricultural support. € million per year on average	Rural development payments under Pillar II. € million per year on average	Share of MS of EU agricultural support %	Share of subsidies in farm total output %*	Share of subsidies in farm net value added %*
France	8,899	1,416	16.0	12.7	42.9
Germany	6,243	1,174	11.2	12.9	43.8
Spain	6,056	1,184	10.9	13.6	27.7
Italy	5,275	1,490	9.5	11.1	21.5
Poland	4,593	1,563	8.2	15.5	52.4
Great Britain	3,944	369	7.1	12.4	51.6
Romania	2,973	1,145	5.3	10.1	24.8
Greek	2,584	599	4.6	21.1	47.2
Hungary	1,763	494	3.2	17.5	53.4
Ireland	1,525	313	2.7	20.6	58.2
Austria	1,255	563	2.3	17.6	56.8
Czech	1,183	310	2.1	21.7	74.9
Portugal	1,165	580	2.1	22.7	47.0
Bulgaria	1,116	334	2.0	21.2	50.1
Denmark	985	90	1.8	8.1	32.5
Sweden	948	249	1.7	15.9	65.9
<b>Finland</b>	<b>864</b>	<b>340</b>	<b>1.5</b>	<b>32.3</b>	<b>157.9</b>
Netherlands	839	87	1.5	3.6	12.9
Lithuania	706	230	1.3	21.0	65.1
Slovakia	659	270	1.2	20.4	79.4