

**COUNTRY ANALYSIS AND MARKET ENTRY
PLAN FOR TUTTO PICCOLO S.A.–
INTERNATIONALISATION
FINNISH MARKET**

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Abstract

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Abstract <p>The thesis focuses on studying the characteristics of Finland as a country and target market for the internationalization of Tutto Piccolo and the analysis of the most viable entry mode for the case company. Tutto Piccolo is a company operating in the children's fashion sector and is already present in several countries worldwide, but not yet in Finland, which justifies the study.</p> <p>During the thesis process, both qualitative and quantitative research methods are used. A deductive research approach is used since the study aimed to start with the general theory and end with a viable solution for the company. Both primary and secondary sources are utilized in this research. Primary data was collected through interviews and an online survey.</p> <p>The research is carried out using the following situational analysis tools: SWOT, PEST, and Porter's Five Forces. Also, interviews are conducted with both the financial director of the case company and the potential Finnish consumers. Moreover, an online survey of the population between 30 and 45 years old was conducted to obtain statistical data on consumer habits.</p> <p>From the data obtained, the author of the thesis reached conclusions. Tutto Piccolo is an unknown brand in Finland, and it would have main competitors with very similar aesthetic characteristics: Metsola, Nosh, Blaa, and Aarrekid. These brands have a casual style, clothing also in demand by Finnish consumers beyond sportswear. Among the characteristics of Finnish purchasing decisions when it comes to children's and baby clothing, there are three key factors: quality, price, and brand values. Such purchases occur approximately every three months. Based on this information, together with the theory regarding entry into a new market, it is determined that the most viable option for Tutto Piccolo is the direct export mode, using the help of qualified sales representatives.</p>		
Keywords Country analysis; Entry mode; Finland; Internationalization		

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1 Introduction

1.1 Research Background

When people think of fashion, they believe in catwalks, models, and glamour. All of this is true, but fashion is not just about adults, also about kids and babies. There is a huge market dedicated to children's clothes all over the world. In the United States, there are two leading manufacturers called Carter's and The Children's Place, both with more than 2000 shops around the world. Semir is another strong player, founded in China, with more than 5000 shops. There are also three established brands called ĪD Kids, Orchestra, and Petit Bateau, with 2000 shops together in France. Mothercare, founded in the United Kingdom, with 1307 shops worldwide. In Spain, there is a big competitor for the thesis case company Tutto Piccolo called Mayoral with 260 shops. (Juárez 2020.) Countries from the southwest of Europe (Spain, Italy, France) are strong players in the sector of kids and babies clothing. Italy is often one of the first destinations of Spanish children's fashion (Fashion Network 2016). France is one of the leading children's fashion designers around the world. In Spain, the turnover of this segment accounted for more than 13% of the clothing industry's total revenue (Orús 2020). There are many common factors in Spain, Italy, and France, like the climate, customs, likes, and preferences that make fashion succeed.

Spanish company Tutto Piccolo S.A is a clothing manufacturing company established in 1982. It targets babies and children, consumers who are between the ages of 0-12 years old. Their collection is carefully designed and constantly updated, on-trend styles. Europe, Asia, and the United States are the three main destinations towards which this internationalization strategy is oriented. (Tutto Piccolo 2021.)

Despite having a presence in the current foreign markets, the company wants to continue growing and expand its business. This means searching for new challenges and new market possibilities. Tutto Piccolo S.A has not entered Finland yet. It has not been a priority since they are working in many countries that can generate more benefits than Finland. At this moment, the situation is changing. Apart from getting more market share in the countries where they are already established, the company wants to assess whether further expansion is possible. This study aims to complete a country analysis of Finland and help the case company evaluate if the Finnish market would be a profitable target market. The author of the thesis, nowadays being an Erasmus student in Finland, decided the subject of the study together with company representatives.

There are significant differences between Finland and the countries where the case company currently operates. One main difference is the climate. If the climate is observed,

temperatures are wholly opposed to countries like Spain and Italy, especially in the winters when it is pretty cold. The priority is to keep the body warm rather than dress up well and look a pretty set. Fashion and trends are also different if you focus on how parents usually wear their children, depending on customs and priorities.

On the other hand, Tutto Piccolo is an established brand with a good image. Their products are well-known for their quality and elaborate design, and the company sells them in developed and prosperous countries, such as Finland. They already operate in the U.K. (one of the biggest markets), an area with similar characteristics concerning rainy seasons and colder climate. Moreover, if you look at the data population, you will find an interesting fact: Finland's birth rate is higher than Spain's (Expansión 2019). To sum up, perceptions, customs, and characteristics will be studied below will determine the success and viability of the study.

1.2 Thesis Objectives, Research Questions, and Limitations

The thesis is a country analysis and market entry plan for the company Tutto Piccolo S.A, whose main objective is to study the viability of entering a new market, in this case, Finland. This country has not been a priority for the company earlier, so the study analyses advantages and disadvantages concerning the market. It provides Tutto Piccolo management a clear and detailed evaluation of this new target country.

The main research question to achieve this main objective of the thesis is:

-Is Finland a suitable target market for Tutto Piccolo?

To achieve the answer to the main question the following sub-questions are composed:

-Who are Tutto Piccolo's main competitors in Finland?

-What are the characteristics of Finnish people's purchasing decisions when buying babies and children's clothing?

-What kind of preferences do Finnish people have when buying babies and children's clothing?

-What is the brand awareness of Tutto Piccolo in the Finnish market?

In the thesis work, there are the following limitations. In this case, the thesis is focused only on Finland, which means that it is impossible to adapt the study to another country. Depending on which country you are talking about, the country's characteristics would be different or opposed. The thesis work also has an industry limitation, so the study is concentrated only on children's clothing, which is not helpful for other areas.

1.3 Theoretical Framework

As mentioned in the previous parts, the main objective of the thesis is to create a country analysis and a market entry plan for Tutto Piccolo that shows what the best strategy is and how the company should do it. The theoretical framework is used to introduce the theory that justifies the possible solutions to the problem. This framework aims to support and help the study since it makes the reader more familiar with the thesis topic.

This work is a country (and market entry) analysis research, containing the external and internal factors that affect the company. The external analysis is divided into general environment and specific environment, depending on if these factors directly affect the company's industry. On the other hand, in the internal analysis, resources and capabilities are mentioned. The following analysis tools SWOT, PESTEL, and Porter's Five Forces, are used when analyzing external and internal factors. The thesis also goes through different market entry strategies to make the best possible solutions.

1.4 Research Methodology and Data Collection

There are two research approaches in which the study can be carried out. The first is through the inductive method, which uses particular premises to arrive at a general conclusion. In contrast, the deductive method uses general principles to reach a specific decision. (Dávila Newman 2006.) The deductive approach is used to develop the thesis since the study aimed to start with the general theory and end with a viable solution for the company.

About the research methodology, there are two ways to classify the approach: quantitative and qualitative. The quantitative approach is based on strictly numerical data. On the contrary, the qualitative approach is based on an experimental method and questions throughout the study. (Hernández & Mc Graw Hill 2021.) In the thesis work, both methods are used since numerical data are essential to understanding market characteristics and making the study viable. Some questions about the purchasing decisions and brand awareness are answered by applying the qualitative method.

Another aspect is the data collection method. The collected data helps to create a bigger picture and a precise evaluation of the situation. It can be primary data or secondary data. The primary data refers to the institution (public or private) or a person who collected the data and produced the statistics. While secondary data refers to when an enterprise or individual uses for its statistical study data from primary data and then publishes or disseminates them. (Wolf 2016.) Primary data is collected in two different ways. As the

study is concentrated on the children's fashion market in Finland, the first tool to obtain primary data is the interview. The target group for interviews are parents with children or babies in Finland. They are interviewed as well as the case company's financial director, who provides an overview of the sector. The second tool for obtaining primary data is an online survey for the Finnish population aged between 30 and 45 years old. Approximately 50 online interviews and 5 face-to-face interviews will be conducted. The sub-questions are answered with verified information, and they try to make the thesis more understandable for the readers.

Secondary data is strictly necessary for the thesis as it also supports the primary data. It is obtained from reliable sources, books related to the topic, articles, press, and internet-based data. The figure below illustrates the research methodology carried out.



Figure 1. Research methodology and data collection

As shown in the figure, the thesis research approach is deductive, and the research methods are both quantitative and qualitative. The sources of information used are also both primary and secondary.

1.5 Thesis Structure

The structure of the thesis is divided into seven parts. The figure below summarises the structure carried out by the author of the thesis.

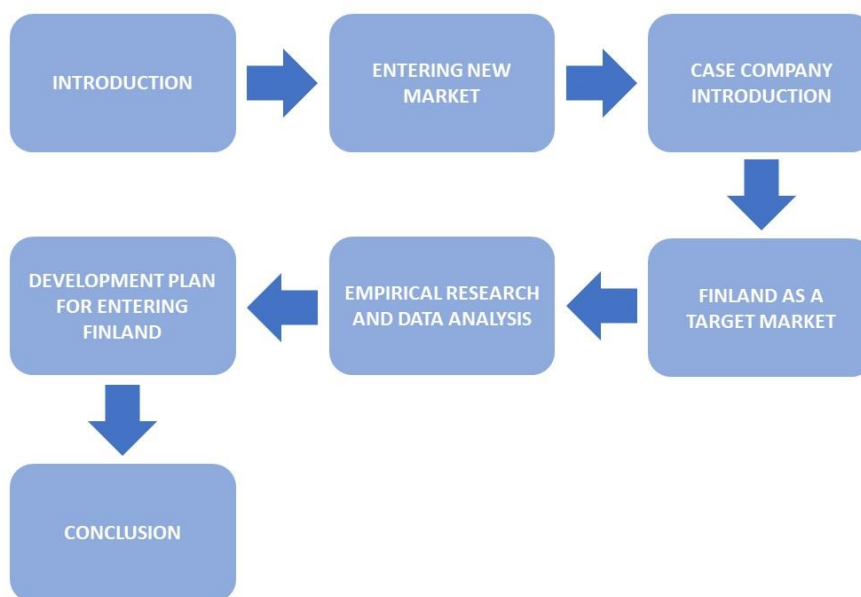


Figure 2. Thesis structure

The first part is the introduction, where the topic of the thesis, the main research question, and sub-questions, the framework, the sources of information, and the thesis structure are introduced. The second part will be the theory about entering a new market. In the third part, the case company is presented. Information about Tutto Piccolo is provided and about its portfolio and its operations in more detail. In the fourth part, Finland as a target market is explained, including data collected from different sources. All the data analysis collected and the information used are presented in the Empirical Research chapter. The following part introduces a Development Plan for entering a new market, which means the suggested actions and solutions for Tutto Piccolo in Finland. The final part is a conclusion about the whole study. It provides a summary of all the main parts studied during the work. It also helps the reader understand the most important aspects and have a big picture of everything said.

2 Entering New Market

In this chapter, the theory regarding entering a new market will be explained in detail, which will give important information for the objective of the thesis. The study will be based on Hollensen's Model to support this theory, which developed a system with five main parts that marketing people in companies face connected with the global marketing process (Hollensen 2012, 5).

PEST-analysis, Porter's Five Forces Analysis, and SWOT-analysis will be presented and explained as useful tools in the following paragraphs. They will be used in the fourth part, "Finland as a target market," where all the country analysis will be studied. The main reference for this theory is Hollensen's Five Stage Strategy. Although this decision model consists of five steps, the thesis will concentrate on the following first three steps: the decision to internationalize, deciding which markets to enter, and how to enter the market (market entry strategy).

2.1 Hollensen's Five Stage Decision Model

Hollensen's Five-Stage Decision Model is defined as "a systematic process involving the assessment of market opportunities combined with the internal resources, the determination of marketing objectives, and the plan for implementation of the international marketing mix" (Hollensen 2012, 6).

The decision model consists of 5 steps that can be seen in the figure below. Several companies have used this model to carry out their global marketing plan. It is a very efficient method that describes all the marketing activities that the company must perform during a particular time (Hollensen 2012, 5). The five steps will be briefly explained below, although, as mentioned above, the thesis will only focus on the first three steps.



Figure 3. Hollensen's Five Stage Decision Model (Hollensen 2012, 5)

Stage 1: The decision to internationalize.

The first step of the model discusses global marketing skills and strategies from a value chain perspective. At the same time, it discusses the company's most significant motivations for internationalizing itself and the processes it must carry out to do so. It also gives the company tools to assess the competitiveness of the market where it intends to expand. (Hollensen 2012, 3.)

Stage 2: Deciding which markets to enter.

The second step focuses on macro-environment factors affecting the company, which must be adapted to operate in that market. Such factors in the general environment may be easy to master or poorly controlled by the enterprise. In this chapter, factors are limited to economic forces and political/legal forces. All this analysis will allow the company to select the "right" international market. (Hollensen 2012, 119.)

Stage 3: Market entry strategies.

The third step of the process deals with the different market entry methods available to enterprises. It will also advise evaluating different entry modes and selecting the best possible entry mode. Depending on the characteristics of the market, the company will decide which method is best for internationalization. Similarly, different entry methods can be combined in the same target market. (Hollensen 2012, 220.)

Stage 4: Designing the global marketing program.

In this stage, the different aspects that the marketing program should have been addressed. It mainly focuses on the 4P of the marketing mix: product, promotion, price, and distribution. Within the 4P, there is more in-depth talk about pricing policies, as it is one of the most well-known marketing mix elements. (Hollensen 2012, 318.)

Stage 5: Implementing and coordinating the global marketing program.

Once the internationalization process is almost complete, the fifth step is the coordination and implementation of the parties. This chapter focuses on how the company should conduct negotiations with partners and customers in the new market and adapt the company, and learning to maximize its success during internationalization. (Hollensen 2012, 443.)

2.2 Situation Analysis

The analysis structure used to study the current situation, and the target market will be summarized below to help the reader better understand what is being discussed. First, an analysis is made at the country level, in this case, Finland, where all characteristics and conditions are evaluated. Secondly, the industry of the sector to be treated is studied by Porter's Five Forces Analysis. Finally, a case company-level analysis is carried out to determine the viability of the internationalization strategy.

As it is said before, this chapter provides the theory regarding the analysis tools used in the thesis, which are PEST-analysis, Porter's Five Forces Analysis, and SWOT-analysis. The PEST analysis and Porter's Five Forces Analysis are used for external analysis. In contrast, the SWOT is used as a company-level technique to identify and assess the company's current strategy. External analysis techniques allow identifying the positive or negative influences exerted by external variables and deciding the most appropriate response to them. (Magallón Burgués 2021.) These three techniques will be explained in more detail below.

2.2.1 External Analysis

The external analysis analyses both the micro and macro environment using two tools that are presented below. Companies must adapt to this environment, which cannot be changed most of the time but creates opportunities that companies must take advantage of to succeed in the market. Companies must consider the country's political and legal aspects or need to draw an appropriate management plan. (Hollensen 2012, 143.)

A good criterion to analyze the effectiveness of segmentation is to measure the degree of measurability (purchasing power degree), accessibility, profitability, and capacity for the company's activities in the target market. A high degree means that the explicit general characteristics of the market (geography, language, political factors, demographics, economics, technology) are of great relevance in assessing the viability of the market. (Hollensen 2012, 174.)

Two tools used to analyze the micro-environment (Porter's Five Forces) and the macro-environment (PEST) will be explained below.

Porter's Five Forces Analysis

The general environment analysis is complemented by analyzing the specific environment or microenvironment, aiming to determine the sector's attractiveness and identify the key structural factors for the company's success. This analysis is one of the fundamental bases for formulating the company's competitive strategy. The structure of Porter's five forces can be seen in the following figure.

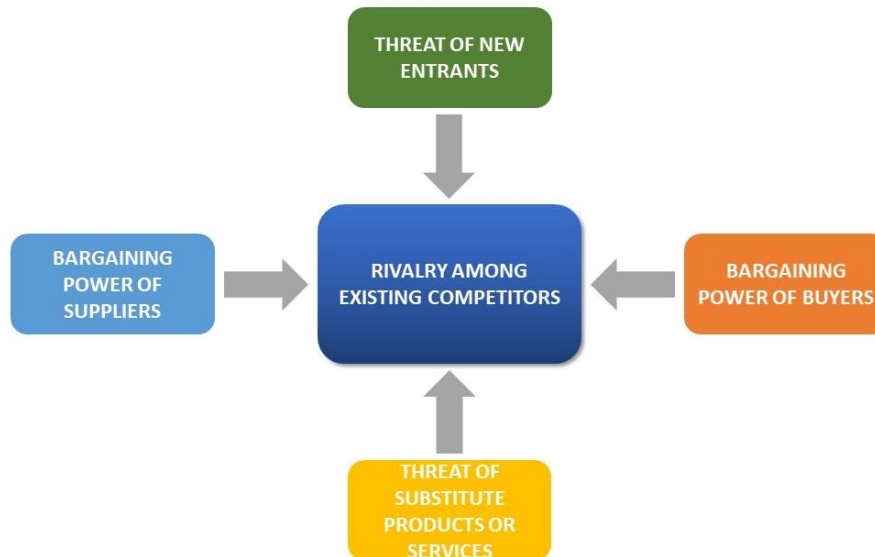


Figure 4. Porter's Five Forces Analysis structure (Porter 2008)

This analysis analyses the level of competition of the company, which is determined by the action of five basic competitive forces (suppliers, potential competitors, customers, substitutes, and competitors in the sector), which define the possibility of seizing

opportunities and reducing threats. If there are many threats, competition is much greater, and therefore not an attractive sector. On the contrary, the industry will be interesting to compete with if Porter's Five Forces are weak. There will be many opportunities that reduce the level of competition in general.

Current competitors analyze the intensity of competition, while potential competitors and substitute products analyze the level of threat of entry and substitution, respectively. Both in the suppliers and the customers, the bargaining power is investigated. (Porter 1979.)

PEST-Analysis

The macro-environment analysis or general environment seeks to obtain information that allows the company to identify which economic and social system variables can significantly impact the company's strategy and evaluate this impact. The structure of the PEST analysis is as follows.

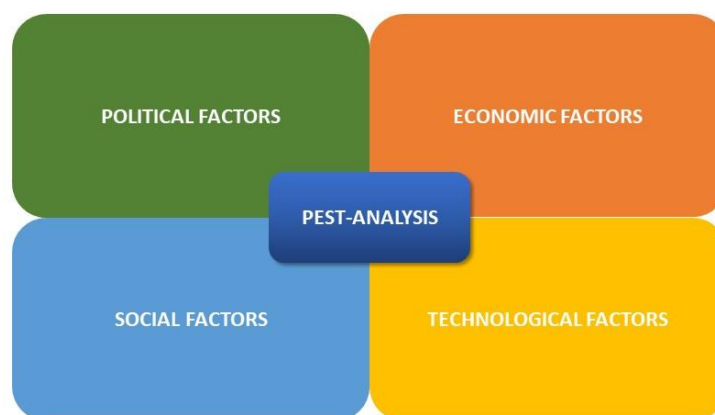


Figure 5. PEST-analysis structure (Martín 2017)

Through the PEST analysis, a study is made of the political-legal, economic, socio-cultural, and technological factors that influence the company. This analysis aims to identify the variables that affect or may affect the strategy followed by the company in the future. Within the dimensions to be considered, political-legal factors include administrative, legal, and political variables. Economic factors include macroeconomic variables. Socio-cultural

factors include beliefs, values, attitudes, ways of life, demographics, cultural, educational, etc. Technological factors mainly cover technological level and potential. (Peiró 2021.)

2.2.2 Internal Analysis

SWOT-Analysis

The internal analysis aims to identify and assess the strategy and position of the company against the competition. Besides, this analysis evaluates the resources and capacities of the company to know the strengths and weaknesses. At this part, the company must have complete knowledge of its resources and capabilities, so you can select a strategy that exploits the company's strengths. What is essential in this analysis to identify strengths and weaknesses is to know how to identify capacities, representing ways of doing activities using existing resources. This means, if the company can carry out an action, it will be a strength. On the contrary, if the company cannot carry out an activity, it will be a weakness. The structure of the SWOT analysis is as follows.

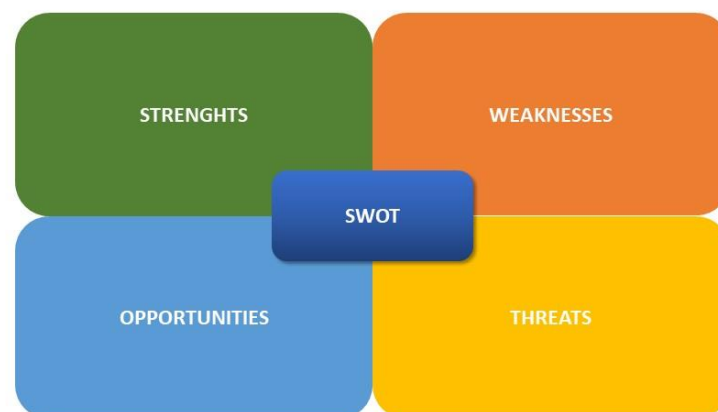


Figure 6. SWOT-Analysis structure (Harvard Business Review 2021)

The SWOT analysis provides a summary of the entire strategic analysis, both internal and external. It represents the strengths and weaknesses of the company, as well as the opportunities and threats of the environment, drawn from the PEST analysis and Porter's

Five Forces. The DAFO analysis provides a global view of the company's situation and is very useful for its simplicity. (Harvard Business Review 2021.)

2.2.3 Implementation of Hollensen's Model

The Hollensen model is used to explain in detail the process of entering a new market. As mentioned above, only the first three steps will be considered for the thesis. In part 2, both the internal analysis (first step) and the external analysis (second step) have been explained, so the different marketing strategies for entering new markets (third step) will be described below.

2.2.4 Market Entry Strategy

Market entry strategy is defined as "the base of how your business wants to engage with new clients, achieve business aims, and set up strong relations on the new market. The strategy outlines what to say, how to say, and whom to say it to make more sales". (Adloonix 2020.) The market entry strategy and the ways of doing so directly impact the company's future. In this section, therefore, all existing entry strategies for enterprises will be introduced in more detail. They can be found in the figure below.

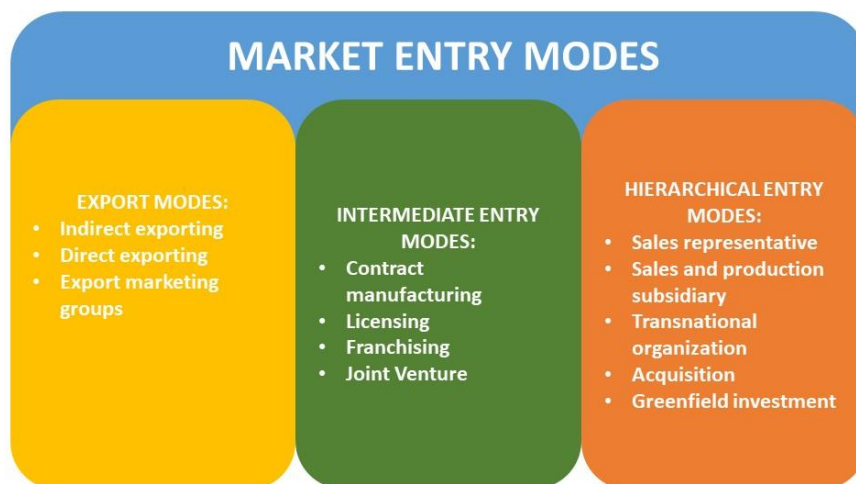


Figure 7. Market entry modes (Hollensen 2012, 268-271)

Market entry modes can be divided into three main groups: Export modes, intermediate entry modes, and hierarchical entry modes. Each leading group contains different entry modes with other characteristics that will be explained below in more detail.

2.2.4.1 Export Modes

Export methods are the most common for an initial entry into a new foreign market. With these methods, the products manufactured are exported directly or indirectly to the new market, depending on the target market characteristics and the types of intermediaries. The main idea of export methods is to have an agent or external partner of total trust and commitment, with some responsibility determined by the company. The company itself decides which functions are its responsibility and which are those of the external agent. Similarly, export methods are the easiest to control, with fewer resources to carry out and the least risky. (Hollensen 2012, 233.)

Three major export types can be identified: indirect export, direct export, and marketing export groups. These methods are divided according to the amount of responsibility that the external agent has to the company. Each of them will be explained in more detail below. The following is a detailed figure summarising all export methods.

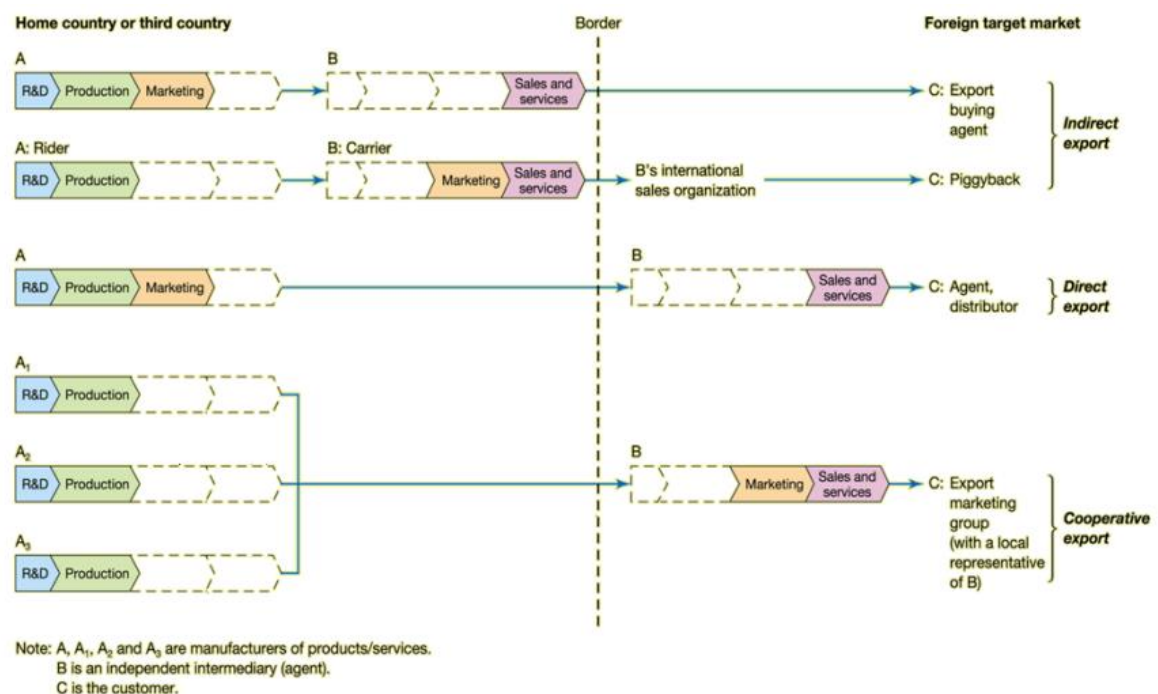


Figure 8. Export modes in a value chain perspective (Hollensen 2012)

Indirect Exporting

Indirect export means that "a manufacturer uses independent export organizations located in its own country (or third country)" (Hollensen 2012, 235). This method of export occurs when the company is not directly responsible for the export activities. It is a suitable method for companies without much need for expansion, which has few resources or prefers to test the market before making a significant investment. These export activities are carried out by commercial companies outside the company belonging to the local or foreign country, export purchasing agents, or brokers. Among the advantages of this method are the following: no export experience is required, no investment and very high commitment are needed, and minimal risk.

On the other hand, the producer's profits decrease by adding an external agent. There is no control over the marketing mix elements beyond the product, and there is an absence of contact with the market. (Delaney 2019.)

Direct Exporting

Direct export means that "a manufacturer sells directly to an importer, agent or distributor located in the foreign target market" (Hollensen 2012, 239). Direct export occurs when the producing company is in charge of all export activities and directly connects with the target foreign market. This method is carried out through agents (representatives) or distributors. Through this method, the company's international department can gain more trust and become involved in creating new contacts, marketing research, and the design of new strategies. Some of the advantages of direct export are direct access to the local market and customers, a much shorter distribution chain, more control over the company's marketing mix, or greater knowledge of the target market.

On the other hand, there is less market price control due to export tariffs (or trade rebates). Investment in a sales organization is required, and there may be cultural differences between the exporting and importing countries. (Hessels & Terjesen 2007.)

Export Marketing Groups

This type of export method occurs when several companies cooperate in export terms. These are typical situations of small enterprises or those that do not have sufficient production capacity due to the size of the market, belonging to mature or traditional sectors. Some examples of these companies are companies dedicated to the furniture or fashion sector. Through this option, these companies have the opportunity to offer the consumer a much more complete product, as the different companies have teamed up with their respective products to make a joint profit. (Hollensen 2012, 243.) Also, the risk of

internationalization and the costs are divided between the members of the agreement. Similarly, the relationships between companies can be seen in confrontation due to the different objectives of the latter. (Hollensen 2012, 268.)

2.2.4.2 Intermediate Entry Modes

The intermediate modes of entering a market are characterized by being situated between export modes and hierarchical modes. These modes can create export opportunities for companies but are mainly used to transfer knowledge and skills among cooperating members. In the intermediate modes, the leading company and the local partner or partners share ownership and control of the business in the target market. (Hollensen 2012, 233.) Such modes are commonly used when the company has an existing competitive advantage in the new market but does not know or lack sufficient information to use its resources.

Intermediate modes include licensing, franchising, contract manufacturing, and joint ventures. These four intermediate input modes will be explained below. The following is a detailed figure summarising all methods.

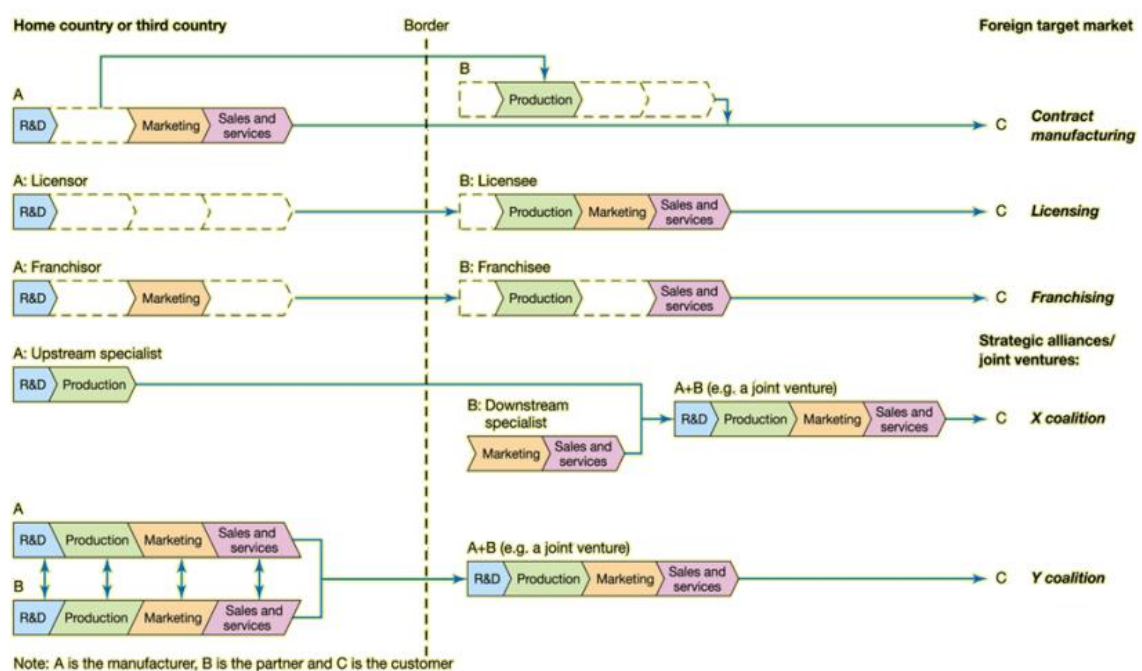


Figure 9. Intermediate modes in a value chain perspective (Hollensen 2012)

Contract Manufacturing

Contract manufacturing means that "manufacturing is outsourced to an external partner, specialized in production and production technology" (Hollensen 2012, 246). In this case, the responsibility for production lies solely with the local company, and the other elements of marketing, distribution, sales, service, etc., remain with the contracting company. This type of contract is beneficial when the company does not have enough resources to build an assembly line in a foreign country. In this way, it maintains at the same time the possibility of opening its production in the future. (Hollensen 2012, 246.) Some of the factors that may influence the decision to produce goods in foreign markets are, for example, being closer to customers, lowering production and investment costs, transport costs, or obtaining legal benefits in terms of export laws.

On the other hand, the transfer of knowledge to the local enterprise can sometimes be challenging. Also, it is a great challenge to find a manufacturer that meets the requirements, and this manufacturer can become a strong competitor in the future. (Khadka & Akande 2017.)

Licensing

Licensing means that "the licensor gives a right to the licensee against payment, e.g., a right to manufacture a certain product based on a patent against some agreed royalty" (Hollensen 2012, 246). Through licensing, the lead company can establish local production in foreign markets without any prior investment. This intermediate input method is usually for a more extended period, and the responsibilities of the local company are much greater since most functions are transferred. (Lumen Learning 2021.)

Some of the advantages in this entry mode are the low investment required, the possibility of penetrating new markets, the increase of profits, or the acquisition of competitive advantages. On the other hand, the local company can also become a future competitor. There is a lack of control by the leading company; negotiations can be complicated, and governments impose restrictions on licenses, etc. (Wach 2014.)

Franchising

Franchising means that "the franchisor gives a right to the franchisee against payment, e.g., a right to use a total business concept/system, including use of trademarks (brands), against some agreed royalty" (Hollensen 2012, 248). Franchising is a marketing method by which a business service is sold to independent investors who have previous capital but not experience and knowledge. There are two types of franchising: Product and trade name franchising and business format "package" franchising. This section will focus only on the

second type, which is the most used globally. This type of franchising is characterized by establishing a relationship between the franchisor and the franchisee through an agreement. The franchisee acquires the rights to acquire a business developed by the leading company. The franchising system may be direct or indirect, depending on whether the franchisor controls and coordinates all the franchisee activities or a sub-franchisor with a franchisee subsystem in its territory. Some of the companies that use this type of entry method are McDonald's, Burger King, or Pizza Hut. (Duniach-Smith 2004.)

Joint Venture

A joint venture (J.V.) means "an equity partnership typically between two partners; it involves two 'parents' creating the 'child' (the 'joint venture' acting in the market)" (Hollensen 2012, 253). A joint venture is a collaboration between two or more companies that cooperate for a common benefit, such as branding. Some of the reasons for creating joint ventures are the possibility of new market opportunities for both parties, increased entry speed into the target market, reduced research and development costs, etc. There are two types of cooperation: *joint ventures* and *strategic alliances* (non-equity joint venture). In joint ventures, a new company is founded, and ownership and control are shared between the two original companies on an equitable basis. On the contrary, no new company is established in a strategic alliance, and cooperation is not equitable, which means that alliance members do not invest in the same way. (Barua 2014.)

These collaborations last a specific time and usually end with the sale of the new company, including one of the parties.

2.2.4.3 Hierarchical Entry Modes

Hierarchical modes are the last major group of market entry methods. In this case, the parent company owns and fully controls the foreign market entry mode. The degree of control will depend on the functions transferred to the subsidiary company and how the parent company intends to develop the internationalization. (Hollensen, 2012, 233.) Although joint ventures are theoretically considered intermediate modes of entry, in reality, they can be a hierarchical mode as, in practice, a high percentage of ownership (e.g., 80 or more) can be considered as complete control (Hollensen 2012, 258).

The hierarchical methods are agents, sales and production subsidiaries, transnational organizations, acquisitions, and greenfield investments. All methods will be explained below. The following is a detailed figure summarising all methods.

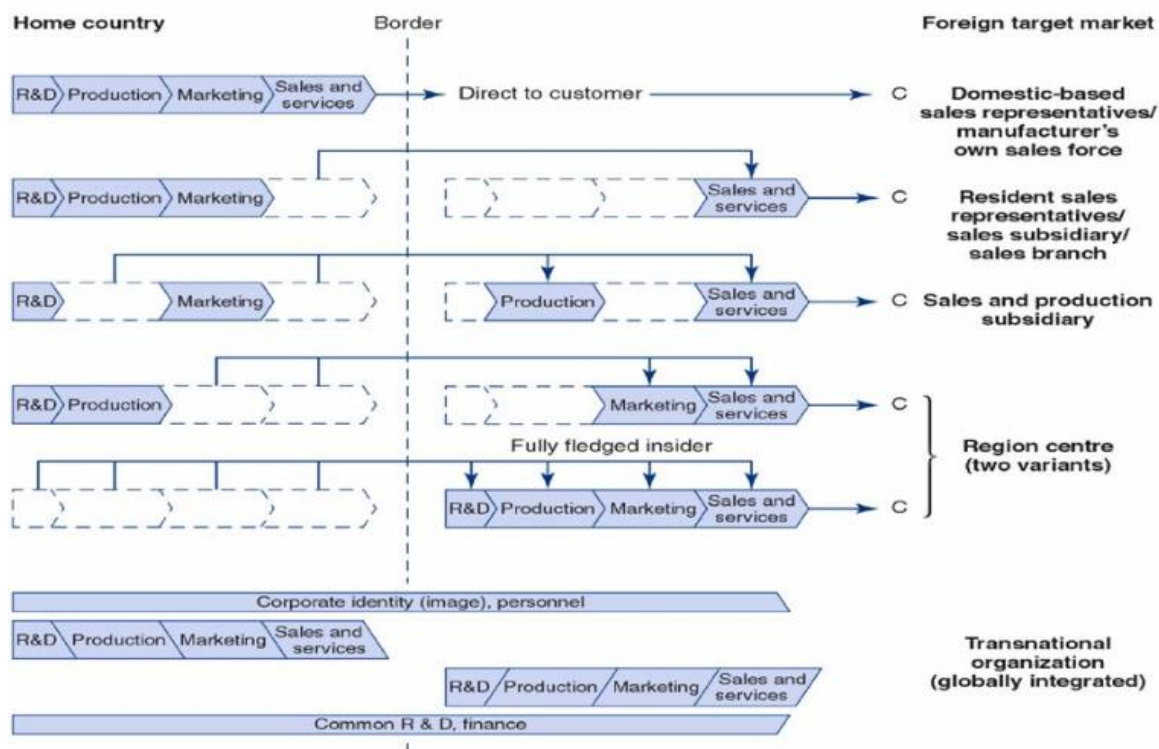


Figure 10. Hierarchical modes in a value chain perspective (Hollensen 2012)

Sales Representative

In this case, the sales representative can be resident in the home country of the company or the country of the sales destination. A domestic-based sales representative means "a representative who resides in the home country of the manufacturer and travels abroad to perform the sales function." Since the representative is an employee of the company, there is better control of the situation and more direct contact with customers. Thus, the size of the orders has to justify the travel as it is a high expense for the company. (Hollensen 2012, 259.)

Sales and Production Subsidiary

The company has a sales and production subsidiary in the target country. This method is used when the company knows for sure that the potential of its products is very high and will last over time. It requires heavy investment and involves high risk. Still, the company has direct control over sales and production in the market, which allows it to reduce export problems, transport costs, and raw material procurement or direct market access. (UKessays 2020.)

Transnational Organization

Transnational organization means "integration and coordinator of operations (R&D, production, marketing and sales, and services) across national boundaries to achieve synergies on a global scale." The main idea is to achieve global competitiveness and efficiency by pooling company resources across national boundaries. An evident characteristic is the geographical exchange of human resources between the company. In this way, international teams are developed to create more opportunities and have a global vision. The company is, in this method of entry, globally integrated. (Hollensen 2012, 264.)

Acquisition

When the company decides to establish a subsidiary in a foreign country, it can do so in two different ways: acquisition or land investment. Through the acquisition, the company quickly penetrates the market, gaining access to distribution channels, workforce, know-how, company reputation, etc. It requires a significant investment, the risk is also high, and there may be problems arising from traditional practices of the existing company. This method of entry is used when there is increased competition in the market with many barriers to entry. (Saxena 2019.)

Greenfield Investment

Greenfield investment means building a new production plant in a foreign country with the possibility of doing it the way the company wants, incorporating the latest technology, and avoiding problems arising from a takeover. The construction of a plant can take a long time (slow market entry) and involves a high investment. It may be motivated by local incentives from the administration or for the company's reasons. (Corporate Finance Institute 2021.)

As mentioned above, there are many methods of market entry for companies. Each method has its advantages and disadvantages, and the optimal method will be the one that best suits the company and market characteristics. It might be that the company needs to use more than one method at the same time depending on the product lines. In the following part, it will be explained how companies can decide the suitable strategy.

2.2.5 Selecting the right Entry Mode

The choice of entry method is a complex process for companies. Many internal and external factors affect the decision. Beforehand, no one method is established as the best or most suitable for the companies. Below is a figure showing all the factors that affect the entry mode decision. What it is and how to interpret it will be explained.

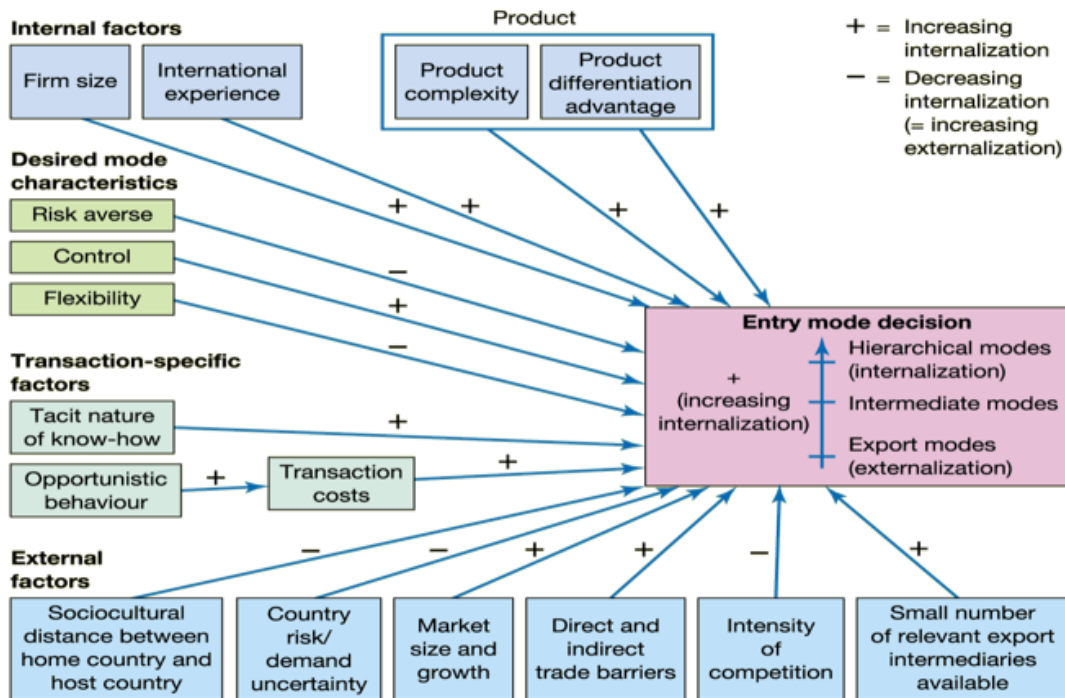


Figure 11. Entry Mode decision – all factors affecting the decision (Björk, Hägg & Jonsson 2008)

As mentioned above, there is a great deal of complexity in deciding on the method of entry. Generally, the company will opt for the method that generates the most profit in the long term, but this is not always the case as many decision criteria are not quantitatively measurable. As shown in Figure 11, four factors can influence the decision: internal factors, external factors, characteristics of the desired mode, and transaction-specific factors. Each factor must be analyzed separately, and the importance of each factor in the choice of entry mode in the target market must be determined to assess how these factors determine the firm's entry mode. If the analyzed factor is very important, it is indicated with a "+."

On the other hand, if it is not important, it is indicated with a "-." At the end of the analysis of all factors, both signs are counted. If there are more positive signs, the most favorable input mode will be the hierarchical modes. Conversely, if there are more negative signs, export modes will be more profitable. (Hollensen 2012, 222.)

3 Case Company Introduction

In this part, the case company Tutto Piccolo S.A. and all the essential information related to it will be introduced. Also, the author will give information on the current situation and data obtained directly from the company representatives. Finally, a summary of the company's product portfolio will be presented.

3.1 About the Company

Tutto Piccolo was founded in 1982 in Alcoy (Alicante, Spain). Mercedes Moltó, together with her husband Desiderio Mataix, were the ones who developed the first collection of children's clothing, intending to create a practical and innovative design for all kinds of occasions. Today, the company has passed into the ownership of their children. (Tutto Piccolo 2021.) The following figure shows the company logo.



Figure 12. Company logo (Tutto Piccolo 2021)

Over the years, the company has been growing steadily, growing by 5% in 2016 (Gestal 2016). Currently, the company is capable of manufacturing one million garments per year. The clothes are aimed at children and babies from 0 to 12 years old. The clothing collections are unique and are inspired by a classic and elegant style combined with new market trends. Tutto Piccolo creates casual clothes for both at home and important events. Throughout the year, collections are designed for all seasons. (Tutto Piccolo 2021.) The fabrics that make up the children's garments are of high quality, tested by textile research institutes such as Aitex (Aitex 2017).

On the other hand, Tutto Piccolo's success is accompanied by good communication management. The company has positioned itself in the children's fashion market and sells its product as an exclusive and unique product. They have also been present in several international fashion shows. The characteristics of the brand and the prices indicate that Tutto Piccolo is aimed at the general public but with specific economic stability. The

company also has logistics warehouses with intelligent automatic picking technology, capable of handling up to 60,000 items per day. (Tutto Piccolo 2021.)

The company's headquarters are in Alcoy (Spain). Throughout Spain, it has 4 points of sale and 17 corners in El Corte Inglés shops. Internationally, it has more than 400 sale points, including Europe, Asia, and the United States. The main countries leading the company's sales are Spain, Portugal, Italy, United Kingdom, Ireland, Belgium, The Netherlands, Germany, United States, Mexico, Peru, Russia, and Hong Kong. To make this control of part of the production and distribution possible, Tutto Piccolo owns two delegations: Tutto Piccolo Asia and Tutto Piccolo USA. Online sales through the website also account for a large part of the company's revenues. The company currently employs more than 80 people in total. (Tutto Piccolo 2021.)

3.2 Current Situation

One of the problems that are the order of the day and faced by all companies globally is the covid-19 crisis. Companies have had to face new changes, modify their operations and management, and adapt to a unique situation to compete in the market. Depending on the sector, some companies have been more affected by the pandemic. In particular, global fashion has fallen by 15.7%, to a volume of 1.19 billion dollars. (Riaño 2020.)

In the case of Tutto Piccolo, the crisis had also had a direct impact in 2019, when the pandemic began. The company has had to manage its relationship with customers and suppliers carefully. The Financial Director (2021) states that "flexibility has been prioritized at all times as it is necessary to empathize with customers, adapting payment terms and conditions according to each one's situation." During the months of lockdown, the company used aid provided by the Spanish government to maintain employees' salaries and lines of loans to cover the company's losses.

On the economic side, sales are estimated to have declined by approximately 17%. The most affected markets were Spain, Italy, Eastern Europe, and Asia. On the other hand, there has been a less significant drop in markets such as the U.K., where the company maintains a large volume of revenue, and the United States, where sales are almost unchanged between the two years. In the case of the United States, two new shops have even been opened in Miami (own international stores), which shows the excellent trend of the company in the U.S. market. (Financial Director 2021.) The table below shows the turnover figures for 2019 and 2020 by region, with the differences and percentage variations.

AREA	2019	2020	DIFFERENCE	%
SPAIN	4.671.555€	3.493.604€	-1.177.951€	-25,22%
ITALY	1.177.241€	809.595€	-367.646€	-31,23%
NORTH EUROPE-USA	2.397.317€	2.276.105€	-121.212€	-5,06%
EAST EUROPE-ASIA	1.051.165€	769.664€	-281.501	-26,78%
MIDDLE EAST-LATIN AMERICA	613.076€	508.779€	-104.297€	-17,01%
ONLINE STORES	861.834€	925.695€	63.861€	7,41%
OWN INTERNATIONAL STORES		129.939€	129.939€	
TOTAL	10.772.187€	8.913.381€	-1.858.806€	-17,26%

Table 1. Tutto Piccolo's turnover revenue for the years 2019 and 2020 (Tutto Piccolo 2020)

As shown in the table, all areas clearly show decreased turnover except for online sales (Online Stores), which are up by 7.41%. Online sales also occur at the international level, but it is more interesting to isolate the data individually. This data is curious as it shows that consumers have continued buying through this channel despite the economic crisis, which has even been favored. With the problems caused by the crisis, there has been an upward trend in e-commerce. For this reason, companies including Tutto Piccolo will have to improve the online shopping experience and invest more money in these platforms (Regadera González 2020).

3.2.1 Distributors

Tutto Piccolo is currently working with various distributors at the national and international levels. One of the most important at the national level is El Corte Inglés, a company that distributes services and products through department stores, where it has a space reserved exclusively for the sale of its products. On the other hand, it has its own Tutto Piccolo stores. It also works with multi-brand shops outside the company that distributes Tutto Piccolo products and other children's fashion brands. In the United States and Asia, it also works with franchisees to which has allowed them to open Tutto Piccolo shops to sell the garments through a transfer of the brand rights. As mentioned above, e-commerce will be growing continuously, and companies will have to invest much more in this sales channel. For this reason, Tutto Piccolo is initiating processes to be able to sell its products on platforms such as Amazon or Zalando. (Tutto Piccolo 2021.)

3.2.2 Partners

Tutto Piccolo has different partners with whom it currently operates. Both in the United States (Miami) and Asia (Taiwan), it works with brand licenses to increase its international presence. Moreover, one of the company's main partners is Agatha Ruiz de la Prada, a famous Spanish fashion designer who in 2002 created her own children's fashion brand and gave the rights to Tutto Piccolo to develop her product. (Grupo Tutto Piccolo 2021.)

3.3 Product Portfolio

Tutto Piccolo has an extensive and varied product portfolio. As mentioned above, the clothing is aimed at children and babies between 0 and 12 years of age. Within this age range, there are many differences as children and babies are still growing. Therefore, there is a need to create up to 13 different age ranges to include the collections. To cover the needs of each range and at the same time offer a more exclusive product, the company has designed up to 73 clothing collections for different age ranges. There are collections for a smaller age range (from 0 months to 3 months) and more extensive collections (from 12 months to 6 years). To make it easier for the reader, below is a table summarising all age sub-ranges and the number of collections available for each. (Tutto Piccolo 2021.)

AGE SUB-RANGES	NUMBER OF COLLECTIONS
0M-3M	1
0M-24M	2
0M-36M	9
0M-4Y	9
0M-6Y	15
0M-8Y	1
1M-6Y	1
1M-12Y	1
3M-6Y	8
3M-12Y	10
6M-12Y	1
12M-6Y	1
12M-12Y	14

Table 2. Age sub-ranges and number of collections (Tutto Piccolo 2021)

If one looks at the collections, it can be seen that 29 of the 73 collections are targeted to two main age ranges. These ranges are between 12 months and 12 years (it has 14 collections) and between 0 months and 6 years (it has 15 collections). These two age ranges are relatively broad and cover Tutto Piccolo's entire market segment. In this way, the child or baby has a wide variety of collections available regardless of age. As the age ranges are significant, there is the possibility to combine several children with the same collection even if the age difference between them is vast.

To make this part more visual and to be able to observe a small sample of the product catalog, the author of the thesis has chosen a collection from each of the named ranges. Thus, for the age range 0 months to 6 years, the collection "Bolero" has been selected and is shown below.



Figure 13. "Bolero" collection from 0M-6Y (Tutto Piccolo 2021)



Figure 14. Garments from "Bolero" collection (Tutto Piccolo 2021)

Similarly, for the age range 12 months to 12 years, the "Swing" collection shown below has been chosen.



Figure 15. "Swing" collection from 12M-12Y (Tutto Piccolo 2021)



Figure 16. Garments from "Swing" collection (Tutto Piccolo 2021)

As shown in the images, Tutto Piccolo garments are designed with a traditional style but based on exclusivity and differentiation. All products are characterized by their technical definition, including the most demanded quality and printing parameters in the market.

4 Finland as a Target Market

As mentioned at the outset, Tutto Piccolo intends to expand the sale of its products to Finland. Before the decision is taken, a market feasibility study must be carried out. For this reason, in this part, Finland will be examined as a target market. The country's general factors and characteristics and the competition in the Finnish market will be analyzed. The PEST analysis will be used to study the general environment, and Porter's Five Forces analysis will be used to analyze the characteristics of the competition (specific environment).

The study is related to fashion, but more specifically to children's fashion. Thus, the analysis will focus on the market for children's and babies' fashion for 0-12-year-olds in Finland, as this is what the company Tutto Piccolo does.

4.1 PEST Analysis

As explained earlier in the study, the general environment analysis seeks to obtain information that allows the company to identify which economic and social system variables can significantly impact the company's strategy.



Figure 17. PEST-Analysis structure (Martín 2017)

This tool provides an overview of the market situation and helps the company understand future difficulties and possible opportunities for internationalization. The PEST analysis

encompasses the market's political, economic, social, and technological factors to be studied. These factors concerning Finland and how they affect the company will be examined below.

4.1.1 Political Factors

On 6 December 1917, the Parliament proclaimed the independence of the state of Finland (Laine 2019). In 1995 Finland became a member of the E.U., and in 1999 it became a member of the Eurozone, adopting the common currency of the other countries. Before joining the EU, Finland already had legislation very similar or even superior to that of the E.U., as it was already a member of the EEA (European Economic Area). (Winther & Heath 1996.)

Being a member of the E.U. is an advantage for Tutto Piccolo. One of the principles on which the European Union is based is free trade between the community members. This situation makes it easier to export products without taxes and restrictions. (European Union 2020.)

Regarding the current political system, Finland is a parliamentary republic with a head of government (prime minister) and a head of state (president). With the country's accession to the E.U., the role of the prime minister has been dramatically strengthened as he or she directs foreign policy. Finland is divided into 19 regions and 70 sub-regions. (European Union 2021.)

Compared to other countries, Finland has a shallow level of corruption. There is no specific reform credited with reducing corruption, but some strengths do not allow such actions to occur. (Ministerio de Asuntos Exteriores de Finlandia 2005.)

4.1.2 Economic Factors

In 2020, Finland's Gross Domestic Product was 237,467 million euros. This data has slightly decreased compared to 2019 by 1.3%. Over the years, Finland's GDP has grown steadily, indicating a well-functioning country. Similarly, looking at GDP per capita, Finland is in a good place with an average data of €42,880 in 2020. Together with the Human Development Index compiled by the United Nations, this indicator gives a picture of its inhabitants' high quality of life. Wealth is distributed equally, with little difference between social classes. (Country economy 2020.) The unemployment rate is around 8.1% in March 2021, which is very low compared to other countries (Trading Economics 2021). According to the Consumer Confidence Indicator, consumer confidence weakened slightly by 2.2 points from February to March 2021.

In contrast, consumers' expectations about their economy within the next 12 months were excellent, and they also intended to spend money on durable goods. Finns have more confidence in their economy than in the country's economy. In March this year, 42% of consumers thought that the country's economy would deteriorate, while 32% believed that their economy would improve over the year. (Official Statistics of Finland 2021.)

The primary sector is industry, which accounts for approximately 21% of GDP (Santander Trade 2021). Also, the forestry industry has traditionally been significant in the country as 75% of the land area is covered by forest, and many wood products are exported. In addition to the forestry industry, metallurgy, engineering, and electronic goods are also important sectors. (Agrodigital 2019.)

59% of Finland's exports are destined for E.U. countries, and 70% of Finland's imports also come from E.U. members. It can be concluded that a large part of the trade relations takes place within the European territory. (European Union 2021.)

Concerning the case company, it is clear that the conditions and the leading economic indicators in Finland are favorable for business, as Finns have a relatively high standard of living. This situation means a higher purchasing power of the population and a profitable for Tutto Piccolo.

4.1.3 Social Factors

Finland has approximately 5.5 million inhabitants spread over 338,450 km² (the lowest population density in the E.U.). 50% of the population is located in and around the Helsinki region. Seventy percent of the population lives in urbanized areas or near urban centers. Only 6 percent live in rural areas. The average age of the population is 42. Finnish is the first language spoken, although more than 5% speak Swedish and other languages such as Russian and English. (Oficina de Información Diplomática del Ministerio de Asuntos Exteriores 2020.)

In 2017, a report concluded that Finland ranks second in the world in human capital. For Finns, education is a necessary investment. That is why, in terms of education, welfare, and employment, they are at the top of the studies. (World Economic Forum 2017.)

As mentioned above, Finland is one of the least corrupt countries globally in terms of institutional corruption. According to the most recent Transparency International Corruption Perceptions Index, Finland ranks third in the world. (Transparency International 2020.) This situation is also in addition to the equality between men and women. According to the World Economic Forum, Finland ranks second in the world in gender equality. This factor is not

surprising when women have held many senior government positions. The level of education is equal between men and women, there is no gender pay gap, and laws are adopted to favor the combination of work and family life. (Charlton 2021.)

Focusing on the family aspect, the birth rate in Finland is even above the European average, but it has also decreased in the last decade. According to Save the Children, Finland ranks among the best countries in the world for having children and among the five countries with the highest child well-being, according to UNICEF. (Sovijärvi & Poppius 2015.) In addition to this, since 2013, the Finnish government has been trying to boost the birth rate with subsidies for families who have children, which is relevant to Tutto Piccolo's interests (Sierra 2019).

4.1.4 Technological Factors

In Finland, technology plays a key role. In the electronics and software sector, many advances have been made in the country. New companies in this sector are continuously being created, together with clean technologies, where Finland represents 1% of the global market. There are also many start-ups emerging in the country thanks to the excellent business conditions for creating them. Beyond the electronics sector, they are also known for environmentally friendly diesel engines, developments in the shipbuilding industry, and the construction of large lifts. (Sovijärvi & Poppius 2015.)

According to a United Nations Development Programme report, Finland is the most technologically developed country globally. The report included aspects such as spending on research and development and the number of scientists and engineers. Still, it mainly analyzed factors such as the ability of citizens to use technology, the management and use of the Internet, and other criteria concerning the population. (European Commission 2001.)

When it comes to fashion, Finland is also different. Global fashion is facing a big challenge, as its unsustainability traditionally characterizes it. Its sustainable culture means that more and more companies in the fashion industry make excellent clothing materials more environmentally friendly. (Cord 2019.) This factor could be of interest to the company in question as there could be some kind of cooperation with local brands. Companies that today have certificates and corporate social responsibility have a competitive advantage in the market.

4.2 Porter's Five Forces Analysis

As mentioned earlier in the thesis, Porter's Five Forces tool analyzes a particular sector's specific environment or micro-environment. Contrary to the PEST analysis, this model will

focus only on the children's fashion sector to show the possible opportunities and threats in the industry. Regardless of the market sector, this type of analysis is also essential for companies that want to make a long-term profit as it helps to prevent undesirable situations. (Peiro 2020.) Below is an outline of Porter's Five Forces model.



Figure 18. Porter's Five Forces Analysis structure (Porter 2008)

The model consists of five forces, each of which is a factor that directly influences the degree of rivalry between competitors in the industry. This analysis aims to determine whether the company is in an attractive sector or, on the contrary, the rivalry is too intense, and it is not profitable to establish in the new market. The five factors of the model are the intensity of current competition, potential competitors, substitute products, bargaining power of suppliers, and bargaining power of customers. (Porter 2008.)

The following part will give an overview of the competitive situation in the market using Porter's five forces analysis and will analyze each factor of the model separately.

4.2.1 Competition Analysis of the Children's Fashion Market in Finland

In this part, the competitive situation in the Finnish children's fashion market will be analyzed by implementing Porter's Five Forces model. As mentioned above, this tool is intended to make a clear judgment about the feasibility of the company's expansion in the new market. Depending on the level of each factor in the model, it will be determined whether Finland is

an attractive country for the company's interests. All forces will be analyzed as they are all part of the analysis tool, but it is necessary to point out that there are two of them with minor or no importance: The power of suppliers and the threat of substitute products. The production of the case company is outside Finland, so it has no relevance in the study.

On the other hand, the threat of substitute products in the fashion market is almost non-existent. Even if improvements can be made and current products become obsolete, there will be no other good to replace the garment itself. The level of each factor can be low, moderate, or high. The figure below summarises the results obtained for each element, and the reasons for this result are explained below.

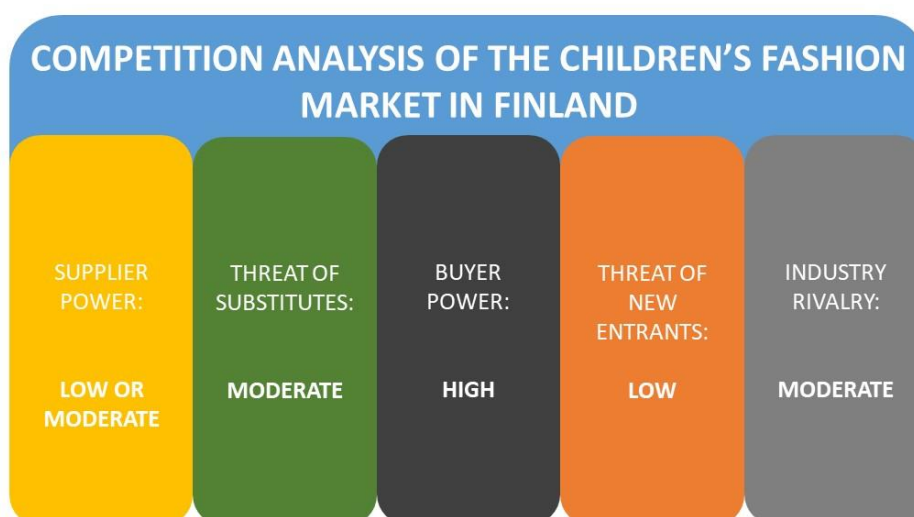


Figure 19. Competition analysis of the children's fashion market in Finland

As shown in the figure, supplier power is low or moderate, the threat of substitute products is moderate, consumer buying power is low, the threat of new entrants is low, and market rivalry is moderate. The reasons for each factor are explained in more detail below.

4.2.1.1 Supplier Power

Textile suppliers all over the world and also in Finland are experiencing many problems in selling their products. Tutto Piccolo has decentralized production in China, where costs are significantly reduced. With such a cheap production of garments, it is challenging for other suppliers to compete on price with China. They have the capacity and resources to produce

in large volumes at very low costs, thanks in part to cheap labor. The world's leading textile suppliers are in Asia, and the characteristics do not vary much, so companies decide which supplier to buy from based on prices and conditions. It can be said that the Asian suppliers come to have a specific power because they are aware that they have lower production costs which are of interest to companies. Still, the other suppliers around the world do not have very high bargaining power. (Fernando Rojas 2013.)

The corporate social responsibility and sustainability of these Asian companies is a factor that can be a determining factor today, as environmental awareness is becoming increasingly important. In this respect, companies in Finland have a tremendous competitive advantage and may have bargaining power as companies increasingly seek to distinguish themselves with sustainability and social responsibility certificates. (Sarrià 2021.)

Based on this information, it can be concluded that the bargaining power of suppliers in Finland is low or moderate.

4.2.1.2 Threat of Substitutes

In this case, the threat level of substitute products is moderate, as children's and general public clothing in Finland is already characterized by high quality and durability. In particular, children's clothing is made to be comfortable and safe, to keep the child or baby protected. The country's climate does not allow for much change in the type of fabrics used and how people dress, so clothing brands are conditioned by an obvious climatic factor (Storpellinen 2018).

There is a possibility that in the future, due to the advancement of technology, better materials will be available for the products, so that the old ones will be replaced. Finnish children's clothing has high prices because the materials they are made of are of high quality. If cheaper materials are available that provide the same quality of the product, there is a possibility that others can replace the current garments.

Based on this information, the risk of substitutes in the Finnish market is moderate.

4.2.1.3 Buyer Power

The bargaining power of suppliers is low to moderate, which makes it easier to assume that consumer power is high.

There are many globally operating clothing brands with very similar characteristics in the children's fashion market, so the bargaining power lies with the consumer. Added to this

factor is the price of the products. In the case of Tutto Piccolo, its products are aimed at an economically stable public. Prices are relatively high, which is a significant factor for the consumer. Although the products of the different brands can be differentiated based on quality, if the consumer observes lower prices for one product than for another, the purchasing decision tends to go to the cheaper option. For these reasons, the bargaining power of buyers is described as high.

4.2.1.4 Threat of New Entrants

If the sector is attractive and generates revenues, it will always be in the interest of companies to enter the market. Similarly, although the sector may be attractive, entry barriers prevent new entrants from entering the market, protecting incumbent firms. Barriers to entry may be legal, economic, or might be related to public opinion. (Sánchez 2015.)

In the case of the children's fashion industry in Finland, the first barrier to entry is economical, as it requires a considerable investment that not all companies can make. Depending on the entry mode, the investment goes to building factories, advertising in the country, or opening shops. Besides, the knowledge required about fashion is also very high, so not every company can enter the sector.

On the other hand, fashion companies entering Finland know that the country's climatic conditions do not allow them to sell the same products like those sold in Spain or Italy, so they have to adapt part of their production to their destination country. In the same way, the companies already operating in the country are well-established in the market, with a consolidated reputation and image. Consumers are loyal to specific brands that have been on the market for a long time, are founded in Finland, and also carry with them the seal of sustainability, a factor that Finnish consumers increasingly value.

Based on this information, the threat of new entrants to the market is low.

4.2.1.5 Industry Rivalry

One of the most important factors in Porter's Five Forces model is industry rivalry. If the rivalry of the fashion industry is very intense, it means that the barriers to entry are shallow, and therefore, companies penetrate the market more efficiently. If there are many firms in the same sector in the market, competition will be stronger, and as a consequence, a price war will occur in the industry. On the contrary, if the rivalry between companies is very low, there is no competition between them because no new companies are wishing to enter the market. This situation may be due to high barriers to entry. As a general rule, the less

competitive a sector is, the more profitable it is and therefore the more attractive it is. (Luenendonk 2019.)

There are already home-grown brands for children and babies beyond the clothes offered by the megastores in Finland's children's fashion sector. In the last ten years, many local companies have emerged in the fashion sector. Some of the brands are targeted solely to children, while others sell for both children and adults. Among the brands are Wildkind Kids, Vimma, Aarrekid, Metsola, Papu, Gugguu or Reima. (Sarén 2018.)

The threat of new competitors is low due to the barriers to entry, but it does not mean there is no competition among existing companies. The products they sell have similar characteristics as most of them have been created in Finland and follow a similar trend. One of the factors that Finnish children's fashion companies also share is the concept of sustainability, always trying to be environmentally friendly. Also, brands are increasingly opting for unisex clothing designs, breaking with the prejudices conceived by society. Brands such as Papu, Wildkind Kids, or Vimma already practice this trend based on total gender neutrality. (Storpellinen, 2018.) The prices of these brands are also relatively high compared to chains such as H&M, Zara, or Mango, which operate in Finland. Tutto Piccolo would therefore mainly compete with local brands, with high prices and distinguishing itself by a more classic and conservative design but following new market trends.

Based on this information, the rivalry of the children's fashion industry in Finland is moderate.

As shown in the competitive analysis, the most critical factor in the Finnish children's fashion sector is consumer power. Consumers can decide where to shop based on their interests and prices. In such situations, companies must adopt product differentiation strategies or price more competitively than other companies.

In the case of Tutto Piccolo, their style is already well established, and the garments will not differ from those they currently produce. The changes would only be in the type of fabric in certain clothes, adjusting to the conditions and temperatures of the country. Tutto Piccolo would compete with its brand design and with prices similar to those of competitors. The Spanish children's clothing brand would intend to gain the trust and loyalty of Finnish consumers, who would see Tutto Piccolo as a reliable, distinguished brand already consolidated in Western Europe.

4.3 Finnish Children's Fashion Market and Competition

The textile apparel market in Finland has declined over the last few years, according to a report by ICEX in 2016. The drop of approximately €500 million per year is a complicated situation considering the industry's size in the country. This decline has been mainly due to online shopping and increased recycling of clothing. As mentioned above, this is a factor that is increasingly becoming a trend in Finland. Recycling is second nature to the Finns, who have now extrapolated it to clothing, making them leaders in a circular fashion. (Kudel 2020.) Besides, the entry of large textile chains has diminished the importance of the stores where local brands used to be sold.

Concerning children's fashion, many small shops have been forced to close due to difficulties in keeping them open during the coronavirus pandemic or have reinvented the business, selling other types of products such as children's utensils and toys. Online sales have also had a significant impact on the sector. The increase in online shopping is growing, and clothing exchanges occur on Facebook and other web platforms. (Nyrhi 2016.)

The best-selling children's clothing brands in Finland are the large Nordic chains like Henne & Mauritz Kids (Sweden), Name it (Denmark), Cubus (Norway), or Jesper Junior (Finland), although some American brands are also present. Spanish brands arouse interest in the market as Zara and Mango are present in large stores such as shopping centers, but there is little awareness of smaller companies. As mentioned in the thesis, the consumer's purchasing characteristics for children's clothing in Finland are characterized by functionality, price, climate, and ethical garments production. (Nyrhi 2016.)

In the case of Tutto Piccolo, the company should be aware of its competitive advantages in entering the country. The company's market segment targeting children and babies aged 0-12 years is already established, so internationalizing in Finland will depend on knowing how to convey the company's values, meet the market's needs, and arousing the consumer's interest.

Below is a figure showing the most common brands of children's clothing on the Finnish market. The figure consists of two perpendicular axes combining price and quality. The vertical axis represents the price, and the horizontal axis quality, both from lowest to highest.

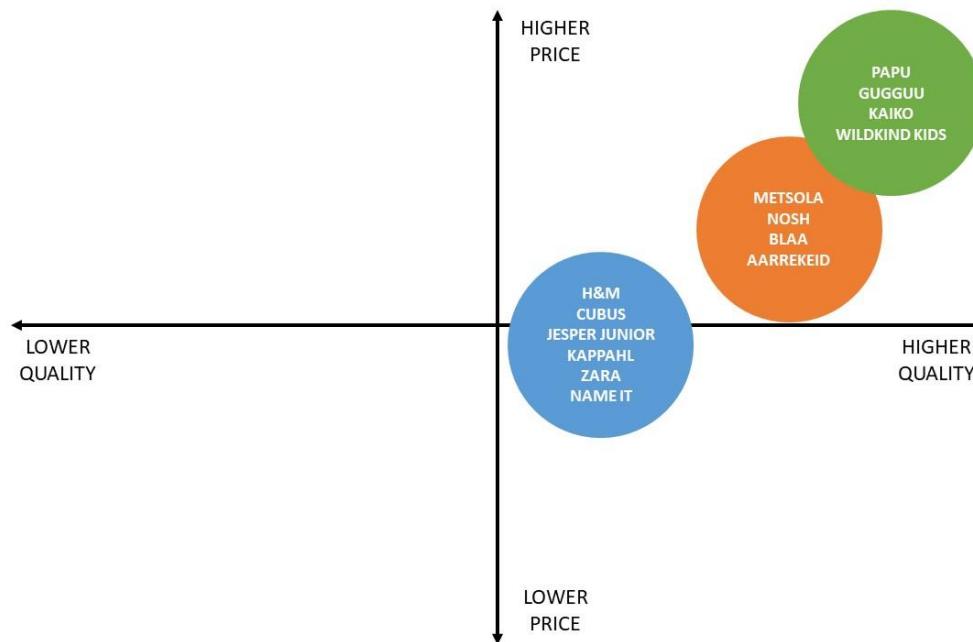


Figure 20. Brand competition in the Finnish children's fashion market (D'Aveni 2007)

As can be seen, there are three main groups of brands ranked by similarities and characteristics. The best-known children's clothing chains in Finland are H&M, Cubus, Jesper Junior, Kappahl, Zara, and Name It. These brands are within the average price range of the sector, and the clothes are of very acceptable quality. Such products are affordable for the consumer, as they are available at affordable prices compared to other brands, and the quality is still excellent. These companies manage to achieve this excellent quality-price ratio thanks to economies of scale. Their capacity is so large that it allows them to have a large production volume while reducing costs. This kind of strategy of offering a product at a lower price than the rest is called cost leadership. (Pérez 2017.)

On the other hand, other companies in the sector, such as Metsola, Nosh, Blaa, and Aarrekid, opt for a riskier strategy. They aim to differentiate themselves from the better-known brands with a much higher quality of garments and higher prices. These brands are not so well known at an international level, as their market segment is minor. Companies positioned at this level and manufacturing garments with higher prices also aim to transmit other types of values that capture consumers' attention.

Finally, fashion brands aim to differentiate themselves from the rest and focus on a single market segment with a very high purchasing power and specific preferences, willing to buy the garments at high prices. This situation is the case with brands such as Papu, Gugguu, Kaiko, and Wildkind Kids in Finland. These companies focus on a specific audience, the products are manufactured with the highest possible quality, and the prices are very high.

In the case of Tutto Piccolo, the strategy adopted will be similar to brands such as Metsola, Blaa, Nosh, and Aarrekid.

5 Empirical Research and Data Analysis

This part of the study presents the empirical research carried out during the thesis, how it is formulated and designed. First, the research methods are introduced followed by data acquisition and analysis.

The empirical part of the thesis corresponded to information from sources such as press articles, books, opinion articles, reports, an online survey, and interviews. Concerning information on the case company Tutto Piccolo and its needs, a phone interview was conducted with the financial director, where the main vital questions relevant to the study were raised. Five face-to-face interviews and fifty online surveys through "Google forms" were carried out to obtain more accurate results for the research and determine the characteristics of Finnish people's purchasing decisions in the children's fashion sector and brand awareness. Through these primary sources and information obtained from reliable external sources, the viability of Finland as a market segment for the case company was determined.

5.1 Design and Formulation of the Empirical Research

As mentioned above, the empirical research was based on the interview with the case company's financial director, interviews with potential Finnish customers, and an online survey also to potential Finnish customers between 30 and 45 years old. Both qualitative and quantitative methods have been used during the study, as both approaches are necessary for the analysis.

Phone calls carried out the interview with the financial director, but messages were also exchanged via e-mail. Apart from face-to-face interviews with five Finnish customers, the platform "Google forms" was used for the online survey to collect information about the Finnish people's purchasing characteristics in the children's fashion sector and awareness of the Tutto Piccolo brand.

5.2 Data Collection

The data collection was initiated at the beginning of 2021 when the author started the thesis. Both the data obtained from the interviews, online survey, and the collection of theoretical information were carried out from January to May. The different stages of the procedure are specified below. Besides, the author of the thesis started an internship in 2020 at Tutto Piccolo, where he obtained knowledge and information about the sector. The following figure shows the different steps in the data collection.



Figure 21. The data collection process

Writing the thesis was started in January 2021, at the same time the collection of theoretical information was taking place. This process ended in May when all the theoretical part regarding the study was written. The author's thesis topic was already determined in advance, so during the internship in the case company, relevant knowledge was gained to choose the correct information. Once all the theory was finished, the interview with both the financial director of the case company, interviews with potential customers in Finland, and the online survey took place. This process took approximately two months. The interviews in Finland, together with the online survey and conclusions of the thesis, were produced in May 2021.

5.3 Data Analysis

In this part, the data collected from the empirical research is analyzed. Firstly, the interview conducted with the financial director of the case company is analyzed to go into depth about the reasons for entering Finland. This part is followed by examining the interviews and the online survey conducted to a specific population segment representing a small sample.

5.3.1 Company Interview Analysis

The interview and conversations with Tutto Piccolo's financial director helped to draw an overview of the company's current situation, the brand's products, and the company's management of the Covid-19 pandemic. The author of the thesis together with the financial

director discussed the reasons why the company is interested in expanding into Finland. The case company was at the disposal of the author of the thesis at all times.

Conversations were always held through phone calls, but emails were exchanged when the information obtained was in documents. The questions posed by the author were previously formulated to get the most relevant information for the study. Answers obtained in the interview were used to examine the market in Finland and to determine the strategy adopted by the company. The results of the interview are presented in the third point of the thesis, where the company and the current situation are described. The questions asked by the author of the thesis to the financial director of the case company can be found in Appendix 2, at the end of the thesis.

5.3.2 Finnish Potential Customers Analysis

The data collection from Finnish potential customers was carried out using two different methods. On the one hand, five interviews took place face-to-face leaving the interviewee to answer freely. On the other hand, to make the study more solid, the tool "Google forms" was used to carry out the online survey and obtain a quick analysis with the various answers. All the answers both from the interviews and the online survey, allowed to create an objective view from the consumer's perspective, helping to improve the reliability of the study. The questions for both the face-to-face interviews and the online survey were the same, except that in the face-to-face interviews more information could be added freely.

5.3.2.1 Face-to-face Interview Analysis

Five Finnish adults between 30 and 45 years old were interviewed. All interviews were conducted to the same population segment. By interviewing a small sample of the population, it was possible to get another view of the Finnish children's fashion market, the characteristics of purchasing decisions regarding dressing children and babies, preferences for children's fashion, and awareness of the Tutto Piccolo brand in Finland.

The answers obtained in the face-to-face interviews were manually transferred to the questionnaire in order to have all the data collected in one format and to analyze the questions visually.

5.3.2.2 Online Survey Analysis

The online survey was conducted to the same specific population segment as the interviews: potential Finnish customers (people between 30 and 45 years old), and the answers were stored in a database for further processing.

The link to the survey was sent via WhatsApp to people targeted and the same users share the link with other potential customers. The survey was also posted on some Facebook groups which had members for the completion of the questionnaire. It was open for 20 days and a total of 52 responses were collected for analysis. The survey can be found in Appendix 1.

The responses from the two types of data collection were similar. It was found that the main preferences when buying children's or baby clothes are based on the comfort, durability, and price of the clothes. A clear trend previously stated during the thesis was also observed. Finnish people are more environmentally conscious, and brands that meet sustainability requirements have an added value in their highly valued products. One of the points in favor of the case company is that consumers are willing to pay a higher price if the quality is outstanding and the design is attractive.

Each of the questions from the online survey analyzed individually, is shown below.

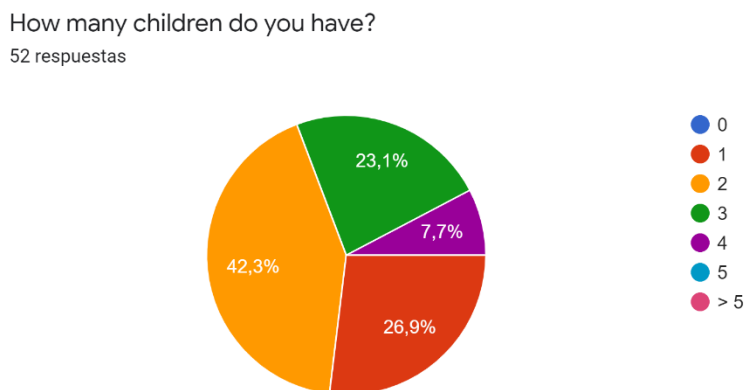


Figure 22. Children number

The figure above shows the first question of the survey, where it was intended that the people who completed the questionnaire were people with babies or children in their care. Otherwise, the survey could not be continued as it is not relevant to the study. According to the data obtained, 42.3% of the respondents have two children, 26.9% have one child, 23.1% have three children and only 7.7% have four children. As can be seen, most families have two children.

Do you have any children between 0 and 12 years old?
52 respuestas

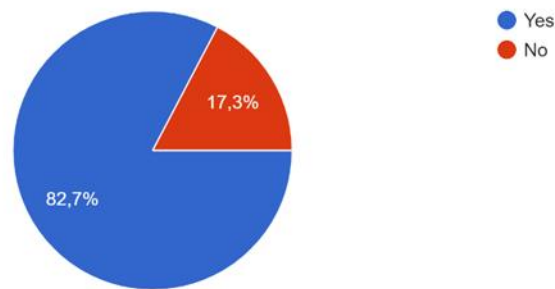


Figure 23. Age range

The figure above shows the second question of the survey. This question was formulated to distinguish families with a child under 12 years of age and those who did not have any child under 12 years of age. In case they did not have any children under 12 years of age, the survey could not be continued, since it is not relevant to the study. According to the data obtained, 82.7% of the respondents had a child between 0 and 12 years of age, which is quite logical considering that the profile of the respondents was people between 30 and 45 years of age. On the other hand, 17.3% have no children in this age group.

What age group do your children from 0 to 12 years old belong to? (mark as many rows as you have children aged 0-12 years)

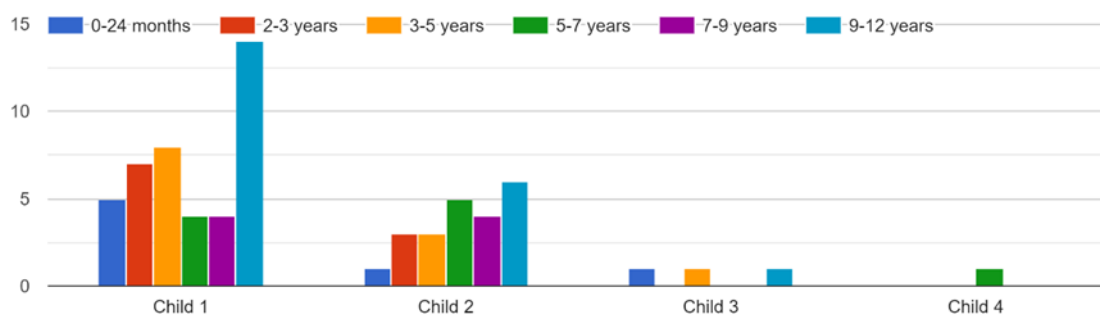


Figure 24. Age range within children and babies from 0 to 12 years old

The figure above shows the third question of the survey. From the second question, only families with children between 0 and 12 years old could proceed with the survey. The data in this question should be aggregated so that a more accurate conclusion is obtained. This question was intended to find out the most common age ranges of children between 0 and 12 years old. According to the data obtained, the majority of respondents who have at least one child, child is located between 9 and 12 years old. The following age bands are more evenly matched so that the children are randomly between the bands 2 to 3 years, 3 to 5 years, 5 to 7 years, and 7 to 9 years. This question is useful for analyzing consumer buying behavior, as it will primarily target a majority age group of children.

How often do you buy clothes for your children?
43 respuestas

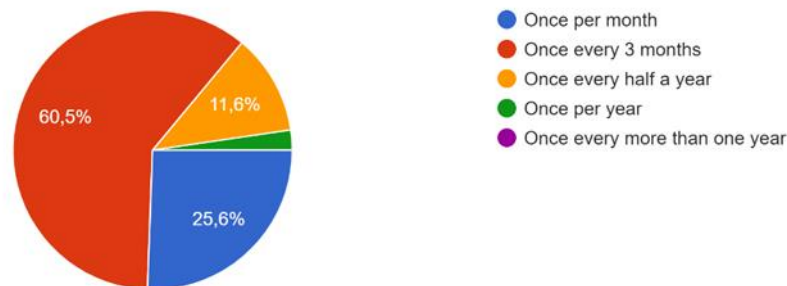


Figure 25. Frequency of purchase of clothes

The figure above shows the fourth question of the survey, where the aim was to find out the frequency of purchase of consumers. This data is useful to check whether the consumers surveyed make regular purchases of children's fashion products, as it will indicate that the sector is attractive to the company in question. According to the data obtained, 60.5% of the respondents make purchases of clothing for their children aged 0 to 12 years every 3 months. 25.6% make purchases every month and 11.6% once every 6 months.

How much do you spend annually on children's clothing?

43 respuestas

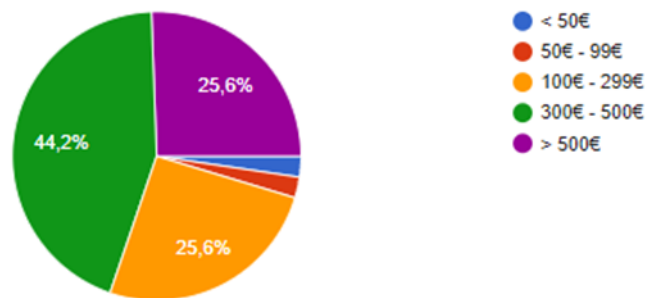


Figure 26. Annual spending on children's clothing

The figure above shows the fifth question of the survey. In this case, the aim was to find out the annual expenditure on children's clothing of families with children between 0 and 12 years of age. According to the data obtained, 44.2% of respondents spend between €300 and €500 per year, which is quite a considerable amount. 25.6% spend more than €500 per year and 25.6% spend between €100 and €299 per year. It is a positive factor for the company that a high percentage of consumers spend between €300 and €500, as it represents a high expenditure on children's fashion products.

What type of clothing preference do you have when dressing your child? (check all that apply)

43 respuestas

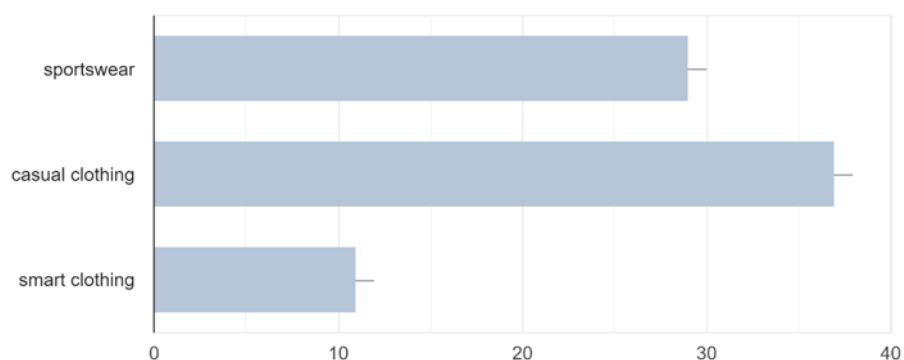


Figure 27. Style preference

The figure above belongs to question number six of the survey. To assess consumer preferences, it was necessary to establish a question about clothing style. Clothing styles were divided into three groups to simplify the question: sportswear, casual clothing, and smart clothing. According to the data obtained, a greater number of respondents answered that they prefer casual clothing when it comes to dressing their children, ahead of sportswear, which also has a significant weight in children's fashion. The least significant weight is given to elegant clothing. This style is not so much in demand by consumers, who opt mainly for sports and casual clothing.

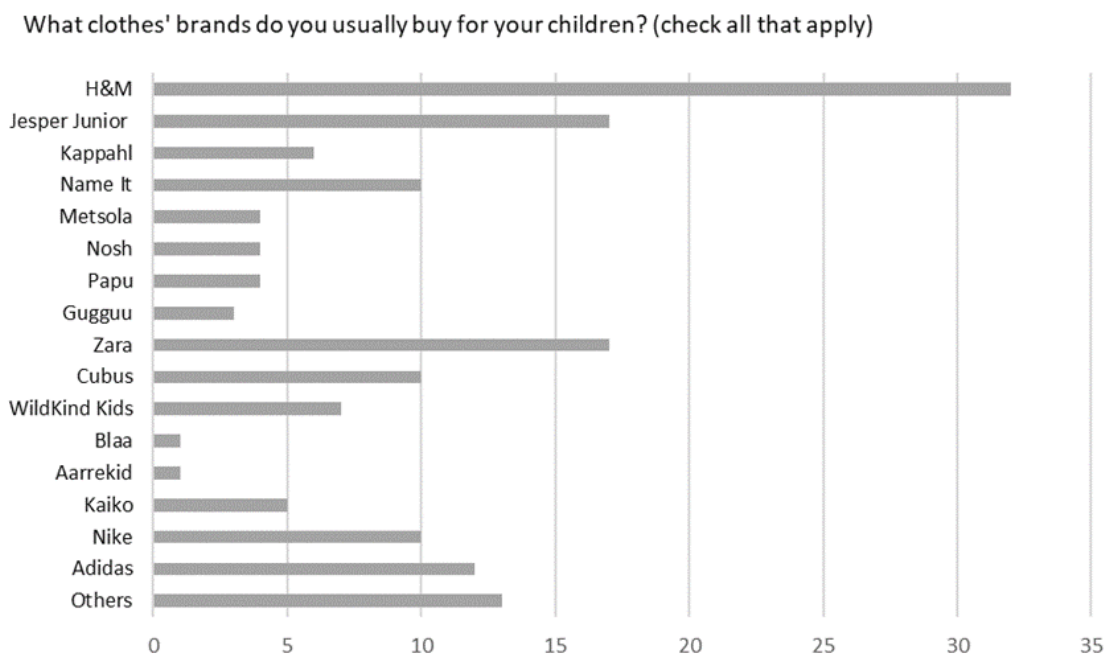


Figure 28. Brand preference

The figure above shows the seventh question of the survey. This question is intended to find out the most important brands for consumers where they usually buy their children's clothes. According to the data obtained, consumers have a strong preference for H&M, one of the most internationally known brands, in addition to Zara, Jesper Junior, Cubus, Name It, Kappahl, and WildKind Kids. These brands are known for a more casual style of clothing. Among the most popular sportswear brands are Adidas and Nike.

Where do you buy your children's clothes more often? (check all that apply)

43 respuestas

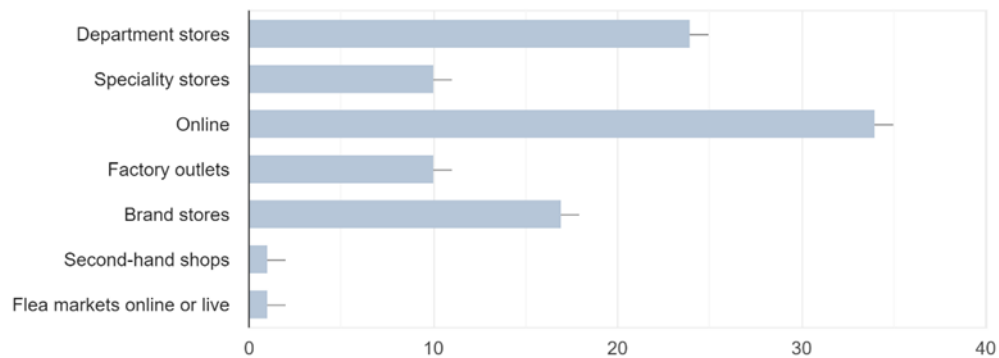


Figure 29. Places of purchase

The figure above shows the eighth question of the survey. This question aims to find out the most common points of sale where consumers buy their children's clothing and thus, determine the best positioning strategy for the case company. According to the data obtained, online shopping is becoming more and more common among consumers. Companies' investment in online platforms must be very high. Following online shopping, consumers also tend to go to department stores to buy children's clothing. These department stores are very convenient for consumers as they have all the stores available in one place. There is also a large number of consumers who go to the brand's own stores located outside the department stores.

How important are the following factors when shopping children's clothes? (tick one that apply in each row)

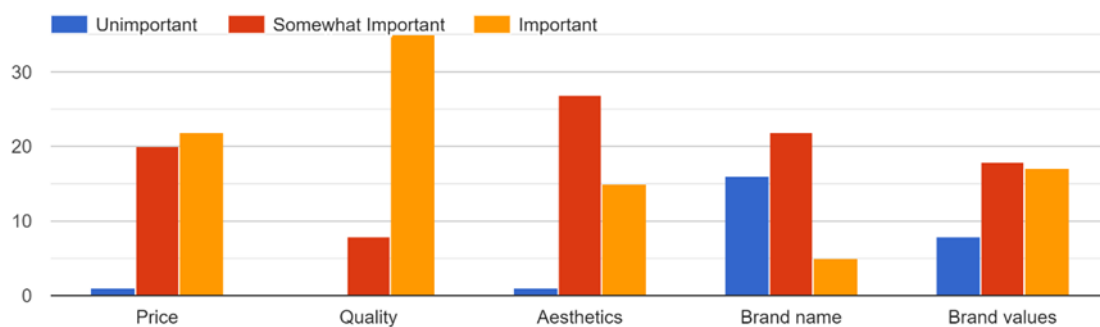


Figure 30. Importance of factors

The figure above shows the ninth question of the survey, which aimed to determine the importance given by the consumer to each factor mentioned. The factors are: price, quality, aesthetics, brand name, and brand values. According to the data obtained, the most important factors for consumers are price, quality, and brand values. As the least important factor, consumers choose aesthetics. The most unimportant factor according to the consumers surveyed is the brand name.

Do you know the children's clothing brand from Spain "Tutto Piccolo"?
43 respuestas

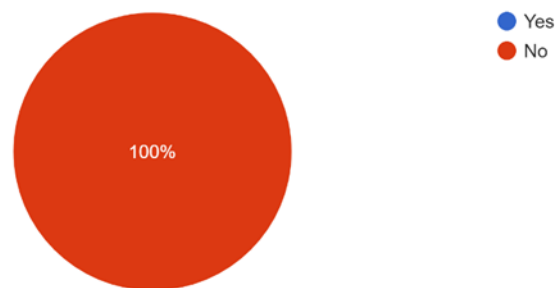


Figure 31. Brand awareness of Tutto Piccolo in Finland

The figure above shows the last question of the survey, where a simple statement was asked to find out the awareness of the case company Tutto Piccolo in Finland. The response was unanimous. 100% of the respondents were unaware of the existence of the Spanish Tutto Piccolo brand.

6 Development Plan for Entering Finland

This part of the thesis will show the most suitable entry mode with which the company should penetrate Finland with its products. The strategy carried out will be crucial for the success of the case company. The author of the thesis has relied on the theory of the study and empirical research to determine the main objective of the thesis, which is to develop an entry plan for Tutto Piccolo in the Finnish market. First, a SWOT analysis will be performed, where an overview of the whole company is presented, followed by the chosen entry mode for the company and the explained reasons behind each of the decisions. Finally, a more in-depth conclusion on the adopted marketing strategy will be given.

6.1 SWOT-Analysis

As mentioned earlier in the study, SWOT analysis is a very popular tool to overview the company's situation and consists of four different elements: strengths, weaknesses, opportunities, and threats. SWOT is very useful for creating marketing strategies and is based on a summary of the company's internal and external factors that affect the company's decisions. A SWOT analysis figure for Tutto Piccolo is shown below, followed by explaining each analysis component.

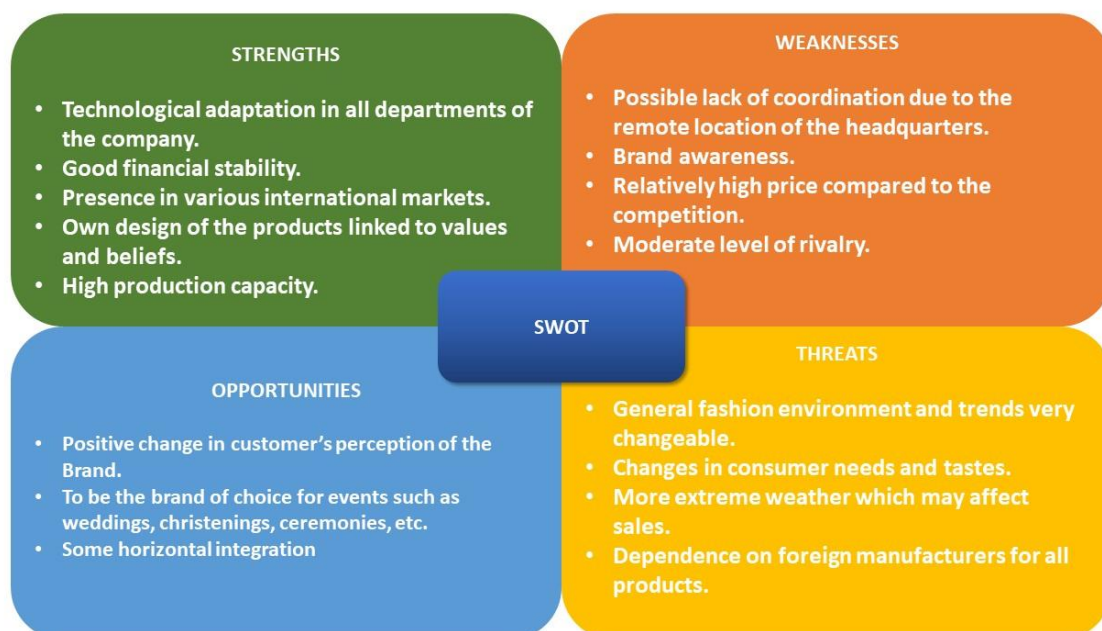


Figure 32. SWOT analysis of Tutto Piccolo regarding children's fashion industry in Finland

This analysis provides information regarding the Tutto Piccolo case company. It is based on the author's knowledge of the children's fashion industry and the company, the empirical research carried out for the study, and the interviews conducted with both the company's financial director and the sample Finnish population. Each of the SWOT elements is described in more detail below.

6.1.1 Strengths

The Tutto Piccolo case company has many strengths in the Finnish children's fashion sector. One of them is good financial stability. Despite the difficulties caused by the pandemic, the company has continued to maintain a high turnover, which allows it to be competitive in the market and to be able to withstand significant investments such as internationalization into a new market. The company's rapid growth has allowed it to expand into more markets, which has enabled it to gain more international experience and brand recognition in Spain and other countries worldwide. The company's production capacity is very high, which allows it to supply a high volume of demand without any problem.

On the other hand, the brand's garments have their design, accompanied by values and beliefs transmitted to the consumer to build consumer loyalty. This attraction method is widespread in the fashion sector. It is a very mature sector in which the differences are no longer in the design but in manufacturing, the company's values, corporate social responsibility, etc. Besides, another of the strengths of the company in the case is technological adaptation. As mentioned above, the fashion sector is also characterized by technological innovations, which Tutto Piccolo is working to adapt to the market. All the company's departments incorporate new technological advances to streamline tasks, and continuous investment in R&D is made.

6.1.2 Weaknesses

The company in question also has some weaknesses that it must consider when entering the market. Depending on the chosen mode of entry, it should be known that there may be a lack of coordination between the new market and the decisions taken from Tutto Piccolo's headquarters in Spain. It could hinder the functioning of the company and the success of internationalization, as there would be a lack of communication between the members. As was seen in the interviews, the Tutto Piccolo brand is not particularly well known among the Finnish population, which is a weakness in entering the market. The brand will have to gain consumer trust to build consumer loyalty.

Moreover, as mentioned above and illustrated later, Tutto Piccolo's positioning in the market will be characterized by the fact that it will distinguish itself from more well-known and established brands such as H&M, Cubus, or Zara. This positioning may be a good differentiation strategy. Still, it is also true that prices are higher than those of competitors, which may be a disadvantage in consumers' purchasing decisions.

Similarly, it has been observed during the interviews that Finns are price conscious but are willing to spend the money if they consider the product to be of quality. As stated earlier in the thesis, the level of rivalry in the industry is moderate. Although Tutto Piccolo aims to distinguish itself from competitors such as H&M or Zara with other product features and other values, it also faces other companies competing for the same market segment. These brands try to position themselves in the same strategic place, such as Metsola, Nosh, Blaa, and Aarrekid. All companies will have to adjust their strategies to gain as much market share as possible.

6.1.3 Opportunities

Among the opportunities for Tutto Piccolo in the Finnish children's fashion market is the possibility of a positive change in consumer perception of the brand. The company's brand is currently hardly known in the country, but this could change, which would increase sales and market share in Finland.

On the other hand, the company is characterized by a classic and elegant design that perfectly fits important events such as weddings, christenings, ceremonies. Tutto Piccolo would aim to be the brand of choice for such events, which would mean having a very exclusive niche market. This point of view is not the main goal for the time being, nor is it intended to happen in the short term. Another type of opportunity that could arise for the company in question would be horizontal integration with a company in the same sector. In many cases, to not compete with each other and lose profits or simply gain a larger market share, companies decide to join forces and make some kind of cooperation in the market. It means merging companies, buying the license of a brand, or creating new products for the customer that were not manufactured before. Such actions will be an opportunity if they have a direct benefit for the company.

6.1.4 Threats

Among the threats to the company in the Tutto Piccolo case is a possible change in consumer preferences, which would lead to a drop in sales or a distrust of the brand. Similarly, fashion is a fast-moving industry with short-lived trends, which means companies

have to pay close attention to market behavior. Also, Tutto Piccolo's production is decentralized, which makes the company dependent on foreign producers. This situation could be a problem if there is any kind of setback with the producing country. In addition to all these threats, there is an undeniable climatic factor in Finland. The cold seasons can be very harsh and extended depending on the year, affecting products destined for a less adverse climate.

6.2 Choice of Entry Modes

As explained earlier in the thesis, there are different entry methods for a company. The decision will depend on the company's objective in the new market, the resources it has at its disposal, and the control it wishes to maintain in the foreign market. The intermediate and hierarchical modes are both characterized by the fact that they require a significant investment. Also, these entry methods aim to have greater control over the actions in the foreign country and are used when there is a clear competitive advantage. In contrast, export modes are the most common for first market penetration as they are low risk. The investment required is much lower, the resources employed are also lower, and the control over the shares is less but easier to master.

The main objective of the Tutto Piccolo case company is to penetrate the Finnish market with its products without seeking any kind of alliance with a partner. Likewise, the production of the garments would remain in the same place. The control it wishes to maintain over the shares in the foreign country is relatively low, as there is no need to have a high level of control. The company is not in favor of making a significant investment. For these reasons, intermediate and hierarchical entry modes are ruled out of the available options, and only export modes remain. These modes can be divided into two types: direct export and indirect export.

To decide which of the two options is more suitable to penetrate the market, the characteristics of the two methods (direct and indirect) are presented in the table below.

ENTRY MODE/ CHARACTERISTICS	DIRECT EXPORT	INDIRECT EXPORT
INVESTMENT NEEDED	Larger investment	Little or no investment
FLEXIBILITY	Less flexibility in some cases	More flexibility
SALES POTENTIAL	Higher potential	Low potential
MARKETING CONTROL	Better control	Limited control
RISK	Higher risk	Lower risk
EXPERIENCE	Experience in foreign market	Limited experience

Table 3. Features of direct and indirect export (Pedrero Carrasco 2014)

Export modes are the least risky and require a lower initial investment. For first-time foreign market penetration, these modes are the most common among enterprises.

Within the export modes, the most suitable for the Tutto Piccolo case company at present is the direct export mode. The company already uses this method through an agent who is in charge of selling the products. Although it involves a higher investment and the risk is higher, the sales potential is more significant. The company maintains control in most of the operations, a characteristic that Tutto Piccolo has in all markets.

Therefore, the author of the thesis concludes that the decision to enter the market will be through the direct export mode, using agents to sell directly to retailers. The only drawback is that the direct export mode requires prior knowledge of the foreign market, in this case, Finland. Currently, there is no member of Tutto Piccolo who can perform this function, so it would be necessary to look for an agent with knowledge and experience regarding the children's fashion market in Finland. It is best to find an agent who is a native of the country, know more specific aspects of the market, and communicate in Finnish. This process is of great importance in the market entry plan because it will determine the penetration capacity of the case company.

Another aspect to consider in the entry mode is the points of sale where the company intends to establish its products. The market for shopping centers and department stores is an attractive option for the case company, but also multi-brand shops located around

Helsinki metropolitan area. Brands tend to cluster in department stores as this is where the population goes for non-food shopping. In this way, logistics costs for companies also decrease, making it easier to reach the final consumer. There are approximately 120 shopping centers throughout Finland. The number of visitors to these shopping centers is increasing in the last few years, and the share of sales is 17% of the total retail sales. Some of the most famous shopping centers in the country are Stockmann, Kamppi, Sokos, or Forum, and they are located in the Helsinki metropolitan area. (Finnish Council of Shopping Centers 2019.)

6.3 Conclusion of the Market Strategy

As mentioned above, the case company will use the direct export mode, using agents or sales representatives as a market entry mode. This decision has been made based on the author's experience in the sector and the empirical research conducted both through interviews with the financial director of the case company and interviews with the Finnish population between 30 and 45 years old. Surveys also were of great importance to obtain more accurate data. On the other hand, the sales points with the highest potential in the Finnish market are located in department stores and brands tend to cluster in one place. Tutto Piccolo would initiate market penetration through multi-brand shops both located in shopping centers and independent stores, such as making a small sample of products available to the customer and observing demand behavior. As mentioned above, Tutto Piccolo will have competitors in the market with similar product characteristics. The figure below shows the new competition between the brands.

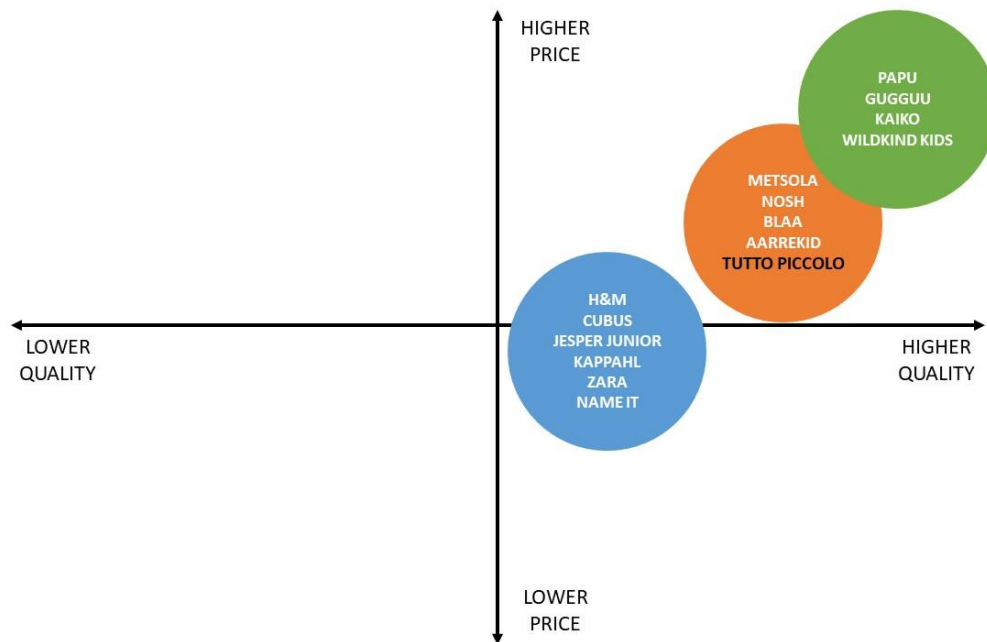


Figure 33. New brand competition in the Finnish children's fashion market (D'Aveni 2007)

The company will maintain the same policy as in Spain and other European countries, where it is one step above the best-known brands in the sector in terms of price and quality. In this way, Tutto Piccolo attracts attention as a new brand, penetrating a risky market position.

If the case company sees an apparent market acceptance of the products in the long term, some changes in the entry mode may be necessary, mainly regarding sales points. Instead of selling through multi-brand shops, it may be feasible to open one's shop or perhaps to team up with a local partner. For the time being, the best option for Tutto Piccolo is to keep risk low, showcase its products to the new market, and try to capture the attention of new potential consumers.

7 Conclusion

This part provides a conclusion of the study and all the information gathered during the research process. In this way, the answers to the research questions, both the main question and the sub-questions, will be shown. The validity and reliability of the study will also be assessed, and suggestions for further research will be given.

7.1 Answers for Research Questions

The thesis aims to provide a viable entry plan into the Finnish market for the case company Tutto Piccolo, which intends to expand the products in a new market. A previous analysis of the country had to be made to reach a clear conclusion about the children's fashion sector, where the most relevant factors and statistics of both Finland and its population were analyzed. The main research question, "Is Finland a suitable target market for Tutto Piccolo?" is answered after first answering the sub-questions.

Sub questions

Who are Tutto Piccolo's main competitors in Finland?

Tutto Piccolo has several competitors in the children's fashion sector in Finland. Many fashion brands with similar characteristics are currently operating in Finland. To make it easier for the reader to understand the study, all the most common brands have been grouped into three groups according to their particularities. It is easier to identify where the case company and its most direct competitors are located. Thus, the main competitors in Finland are Metsola, Nosh, Blaa and Aarrekid. These brands are very similar in price and quality to Tutto Piccolo's garments. Secondary competing brands one step below are H&M, Zara, Name it, Kappahl, Cubus, and Jesper Junior.

What are the characteristics of Finnish people's purchasing decisions when buying babies and children's clothing?

The characteristics of purchasing decisions in Finland concerning children's and baby clothing are based on three main factors. The first is quality, which represents one of the essential components in the purchasing decision. The second factor is price, which also influences consumers. Although, as demonstrated during the thesis, the Finnish population enjoys a high standard of living in general, they take price into account when making purchases. Finally, the values conveyed by the brand are also crucial for potential Finnish consumers, who are increasingly aware of ethical and sustainable values. The traditional fashion world is changing, and companies are looking to restructure how they operate to

attract consumer attention. Therefore, quality, price, and brand values would be the decisive factors in purchasing.

On the other hand, people interviewed were asked about the frequency of shopping for children's and baby clothing. The most accurate conclusion based on the responses is that shopping occurs approximately every three months depending on the family.

What kind of preferences do Finnish people have when buying babies and children's clothing?

Based on the data obtained from interviews and empirical research, there is a particular preference for sportswear as a comfortable and more straightforward way of dressing children and babies. Similarly, the country's climate also influences the way of dressing, so comfortable outfits are sought that also allow the child to be mobile at the same time. Dress overalls are also very common in Finland among young children.

Although many families dress their children in sportswear, there is also an attraction to casual clothing. During the less cold periods, families choose to buy more sophisticated and beautiful clothes. Although the dress is never exquisite, there is a taste for aesthetics.

Among the most common brands for children's clothing purchases are Jesper Junior, Cubus, KappAhl, and H&M.

What is the brand awareness of Tutto Piccolo in the Finnish market?

Tutto Piccolo is an unknown brand in Finland. Of the ten people interviewed, no one was aware of the brand. Despite being an international company and well known in other countries such as Spain and Italy, the almost non-existent presence in Nordic countries such as Finland, Sweden, Norway, Denmark, and Iceland means that potential consumers do not recognize the brand. This factor could be sensed beforehand without the need to carry out an exhaustive study. The company in question has not penetrated Finland before, so the brand's existence is likely unknown.

Main question

Is Finland a suitable target market for Tutto Piccolo?

Theory regarding new market entry was studied, and a country analysis was conducted to answer the main research question of the thesis. Interviews were conducted with the case company's financial director and potential consumers to determine a market entry strategy.

The case company should penetrate the Finnish market by the direct export method, using the help of agents for sales actions. The aim will be to introduce the products in multi-brand

shops to test consumer acceptance. Increasing brand awareness in Finland and conveying the company's values to customers will depend on the work of the qualified agent. Based on all this information, the author of the thesis concluded that Finland is a suitable market for Tutto Piccolo. The following table is a summary of the research questions.

RESEARCH QUESTIONS	KEY FINDINGS
<i>Who are Tutto Piccolo's main competitors in Finland?</i>	<ul style="list-style-type: none"> • Main competitors: Metsola, Nosh, Blaa and Aarrekid. • Secondary competitors: H&M, Zara, Name it, Kappahl, Cubus and Jesper Junior.
<i>What are the characteristics of Finnish people's purchasing decisions when buying babies and children clothing?</i>	<ul style="list-style-type: none"> • 3 decisive factors: Quality, Price and Brand values. • Purchase frequency: Once every 3 months.
<i>What kind of preferences do Finnish people have when buying babies and children clothing?</i>	<ul style="list-style-type: none"> • Style preference: Sportswear and casual clothing • Most popular brands: Jesper, Cubus, KappAhl and H&M
<i>What is the brand awareness of Tutto Piccolo in the Finnish market?</i>	<ul style="list-style-type: none"> • Ignorance of the existence of Tutto Piccolo
<i>Is Finland a suitable target market for Tutto Piccolo?</i>	<ul style="list-style-type: none"> • Market Entry Plan: Direct Export Mode

Table 4. Research questions and key findings

The table above lists all the research questions and the most relevant findings for each of them.

7.2 Validity and Reliability

The main objective of the thesis was to answer the research questions, both the main question and sub-questions. The author met the main goal, as all questions could be answered as accurately as possible. The data for the thesis was collected from primary and secondary sources. Primary information was collected through interviews with the financial director of the case company and the Finnish population aged 30-45 years and previous knowledge about the studied topic. Secondary information was obtained from official reports, books, electronic media, and internet sources.

Through the interview with the financial director, and the number of tools and analyses used throughout the study process, it can be affirmed that the research is valid and reliable.

7.3 Suggestions on Further Research

The empirical research based on primary sources focuses mainly on the interviews carried out. Therefore, the thesis only collects the opinion of the interviewees, and the conclusions obtained are based on the answers obtained. The people interviewed represent a small sample of the population. Although it is sufficient to give validity to the study, much broader research is recommended using tools to carry out mass interviews with the people. In this way, the data would be more accurate, and other opinions not included in the strategy would be taken into account. It is also recommended to investigate the differences between demographic locations in a country where the land area is enormous, but the population density is low. Furthermore, the chosen export method and the whole market entry strategy adopted by the author should be implemented and tested.

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Appendices

Appendix 1. Finnish Potential Customers survey

Children's Fashion in Finland

This questionnaire is part of the thesis, that focuses on the analysis of the children's fashion market in Finland and the design of an entry plan for the company Tutto Piccolo S.A. For this purpose, within the empirical research, it is necessary to observe the characteristics of the purchasing decisions of potential Finnish consumers, preferences, habits, etc. The questionnaire does not collect personal information and is answered anonymously.

**Obligatorio*

1. How many children do you have? *

Marca solo un óvalo.

- 0
 1
 2
 3
 4
 5
 > 5

2. Do you have any children between 0 and 12 years old? *

Marca solo un óvalo.

- Yes
 No

Salta a la pregunta 3

3. What age group do your children from 0 to 12 years old belong to? (mark as many rows as you have children aged 0-12 years)

Marca solo un óvalo por fila.

	0-24 months	2-3 years	3-5 years	5-7 years	7-9 years	9-12 years
Child 1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child 5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. How often do you buy clothes for your children? *

Marca solo un óvalo.

- Once per month
 Once every 3 months
 Once every half a year
 Once per year
 Once every more than one year

5. How much do you spend annually on children's clothing? *

Marca solo un óvalo.

- < 50€
 50€ - 99€
 100€ - 299€
 300€ - 500€
 > 500€

6. What type of clothing preference do you have when dressing your child? (check all that apply) *

Selecciona todos los que correspondan.

- sportswear
- casual clothing
- smart clothing

7. What clothes' brands do you usually buy for your children? (check all that apply) *

Selecciona todos los que correspondan.

- H&M
- Zara
- Cubus
- Jesper Junior
- Kappahl
- Name it
- Metsola
- Blaa
- Nosh
- Aarrekid
- Papu
- Gugguu
- Kaiko
- WildKind Kids

Otro: _____

8. Where do you buy your children's clothes more often? (check all that apply) *

Selecciona todos los que correspondan.

- Department stores
- Speciality stores
- Online
- Factory outlets
- Brand stores

Otro: _____

9. How important are the following factors when shopping children's clothes? (tick one that apply in each row) *

Marca solo un óvalo por fila.

	Unimportant	Somewhat Important	Important
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Aesthetics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand name	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Do you know the children's clothing brand from Spain "Tutto Piccolo"? *

Marca solo un óvalo.

- Yes
 No

Este contenido no ha sido creado ni aprobado por Google.

Google Formularios

Appendix 2. Interview with the case company's financial director

The interview was conducted informally, without pre-defined questions. Although it did not have a defined structure, all relevant topics to the research were covered during the interview. The main issues were the following:

1. Company's current economic situation.
2. Economic situation during 2019 and 2020 (differences between the two years).
3. Business management with Covid-19.
4. Company distributors.
5. Main company partners.
6. Future strategies.
7. Product portfolio.