

Market entry strategy to Sweden Case: Finland hand carwash

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<p>This thesis examines the opportunities for expanding the hand car wash sector in Stockholm, Sweden. The primary objective of the thesis was to develop a business plan for Finland's hand car wash company.</p> <p>The company will benefit from a comprehensive plan to expand DD franchise Carwash operations into the Swedish market, which helps discover potential partnerships and other entry modes that opens the door for future entrepreneurs.</p> <p>The theoretical framework of the thesis used the qualitative research approach. The author prepared several theme interview questions that focused on the company environment, SWOT, and microanalysis. In the beginning, the sample was made up of ten people who owned car wash businesses. Three of them, on the other hand, agreed to participate in the interviews. In addition, the information was gathered by way of observation as well.</p> <p>As a result, the business plan for opening a hand car wash in Stockholm looks promising. Finland's hand car wash strategy will focus on quality and cheap costs, or value proposition.</p>	
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1 Introduction

As stated, (Haag 2013.), one of the most critical issues of our day is the globalization of the economy. Business globalization means that more and more organizations compete with international ones by entering new markets or launching new services available everywhere as obstacles and limits dissolve. Consequently, an organization's globalization efforts will be more successful if it implements growth tactics before deciding on an entry mode. Many well-known firms throughout the world use franchising as an entrance route.

As Sweden's automobile sector grows, constructing a car wash in one of the country's two largest cities is being studied as a possible enterprise. I notice that as the number of automobiles on the road rises, the demand for car services increases. A convenient vehicle cleaning service is thus required in Sweden. (Honig 2012.)

This dissertation examines options for firms looking to expand internationally or expand their current international presence, such as entering new markets or changing ownership. Along with offering suggestions for unique needs, this report discusses the competitive analysis of Sweden's country/market and target market.

This is a research-based bachelor's thesis for the Haaga-Helia University of Applied Sciences Degree Program in International Business with a major in marketing. The goal of this thesis aims to expand DD franchise Carwash operations into the Swedish market. It helps to discover potential partnerships and other entry modes, or even possible collaborations with other Finnish companies to better understand how the local business environment works. (Küttim 2011.)

1.1 Background

Since the invention of the automobile, people have washed their automobiles. Cars are either hand cleaned by their owners at home or paid to be passed by others. However, it was not until 1914 that two Detroiters launched the world's first automated vehicle wash, named the "Automated Laundry." It was a bucket and sponge operation, with the vehicles being pulled manually through a tunnel in which one attendant soaped, rinsed, and dried each one as it passed. The attendants were exhausted after a few automobiles had to be pushed through. (Branz 2014.)

In 1940, Hollywood, California, saw the opening of the first mechanized conveyor car wash. A winch mechanism attached to the bumper of each vehicle pushed it through the car wash's tunnel while workers soaped, scrubbed, wiped, and dried each car as it passed through. In 1946, the first semi-automatic vehicle wash system was developed, reducing the amount of

manual work required throughout the tunnel. Car bumpers were connected to a conveyor belt in this system, including a sprinkler with three manual brush settings and a 50-horsepower air blower to help dry the car. (Küttim 2011.) Next, Eldon Anderson invented a car wash in 1951 with help from Archie, Dean, and Eldon Anderson. This was an automatic vehicle wash that required no human intervention. It included soap-spraying machines, scrubbers, rinsers, and dryers in the form of large brushes and nozzles. Many other car wash operators began to switch their systems to utterly automated technology since it was a success. The fully automated vehicle washes of today are incredible. They can now do a thorough job of cleaning the outside of a car in only a few minutes (Andersson 2015.).

Besides the sides and top of the automobile, they can also clean the tires and the underside. With this background in mind, it is clear that car owners care about their vehicles' appearances. The automotive sector is booming, and consumers are enamoured with their cars. In 2016, the average American family had two cars. In the United States, there are around 125.82 million residences and 251.64 million automobiles, all of which will require cleaning and detailing at some point. (Ciaramella 2011.)

The research aims at looking for the chance of expanding a Swedish hand car wash business. This thesis focuses on the business and industry environments in Sweden related to the development of a hand car wash firm. A business plan, on the other hand, is required for the actual development of a firm. Because of this, the study's primary goal is to create a business plan for a Finnish hand car wash that will aid the author in starting a hand car wash company in Finland. The author carefully chooses the study subject, taking into account the author's strengths and weaknesses. By doing a literature analysis and researching the car wash industry in Finland, this thesis project seeks to determine how to establish a business strategy for Finland's first-hand car wash.

Now that the Finland hand car wash concept has been implemented, it is time to see if it can succeed commercially. As a result, this thesis uncovers data that may be used to create a business strategy, opening the door for future entrepreneurs. (Helkkula 2012.)

Companies typically have long-term goals of expanding into new markets and deciding how to enter a new market is challenging to make early on. Several opportunities in the new market must be assessed since they might significantly impact the company's success. Franchising is a systematic method of entering new markets and expanding existing operations. McDonald's, the Hilton hotel, and Subway are just a few well-known examples. Regarding the study's goal, franchising will be evaluated as a method of entrance in the thesis. It will discuss the benefits and drawbacks of establishing a franchise system and suggest businesses interested in doing

so. This will be demonstrated with examples from DD's hand car wash. As a result, the conceptual framework will be introduced in the next chapter, paving the way for creating a company entrance mode strategy.

Secondary information was gathered by examining relevant books, internet publications, and websites to build a business plan for a hand car wash in Finland. Part of this thesis's content will focus on business planning and the macro-and industry-level business environment. This thesis does an excellent job of transforming a business idea into a viable business. The theoretical component of the theory is well-written and realistic. Consequently, the project's empirical portion (i.e., the business plan for Finland's first-hand car wash) is the results of PESTEL and Porter's five-factor analyses and competition and SWOT analyses as well as research. Furthermore, to get the data, it is necessary to investigate the business climate in that particular industry to determine whether the company concept can be a successful venture (Clark 2019).

This thesis aims to map out a comprehensive expansion strategy from Finland to the rest of the world. DD hand carwash relies on franchising as a contractual entrance route or method to expand into new areas. Some of the critical reasons foreign market entrance plans fail are a lack of precise understanding of a new market and inefficient market research efforts. This research might aid organizations who have no prior experience in entry mode or failed in new markets.

This thesis sought to answer the question: how could the DD Carwash approach enter the Swedish market?

1. What kind of competition can you expect from DD Carwash in Sweden?
2. What segment of the Swedish market should DD carwash focus on to make the profit?
3. Which form of entry into the Swedish market should DD Carwash use?
4. What kind of marketing strategy should DD Carwash employ in Sweden?

Size, growth, competition analysis, and new product innovations are just a few of the market-related characteristics that have been studied for Sweden.

- Entering the market involves:
- Deciding on an entrance technique.
- Dealing with control concerns.
- Allocating resources.
- Assessing risk appetite.

- Becoming familiar with the market.
- Distributors and partners may not be available due to legal constraints or other issues.
- Market entrance is influenced by advertising and marketing.

The study revealed, (Tuorila 2016.), a company's future performance in a new market depends heavily on its market entrance strategy. Making things easy for the organization may be achieved through a well-planned market entrance strategy. Businesses can gain size with limited resources via franchising. International franchising is a way for companies to expand into new areas while taking on minimal risk. Global Market Entry tactics employed by McDonald's, Subway, and Taco Bell include export, licensing, strategic partnerships, and direct investments.

1.2 Demarcation

Export, contractual, and investment are the three types of entrance modes to the market. There will be no discussion of other techniques because this thesis focuses on employing a contractual method where franchises will be selected for the example firm. Finland Hand Car Wash's goal is to lead the industry by offering its clients in Northern California nothing but the finest in terms of service, safety, quality, knowledge, and execution.

The researcher did a deep dive into the details of the venture. The study's goal was to determine where additional hand car washes should be built in Sweden City. The research includes information on the target markets, rivals, the location, profits made, the cash raised, and the methods used to control their business. These five factors were the focus of the investigation. To begin, does the market include a marketing component that focuses on customer demand and competition? It also emphasizes organizational strategy. While this was going on, the technical details of the prospective company's development and services were the focus. The management features highlighted the business's authority flow, organizational structure, and workers' jobs and obligations. Finally, the emphasis was on corporate social responsibility (CSR) on the commercial side. (Brundtke 2017.)

1.3 Benefits

The franchising method allows the organization to utilize the know-how of its franchisees to customize the services they offer to meet local needs. Thus, the firm reaps the benefits of globalization while yet remaining localized. Moreover, by following the franchising concept, an organization might create significant revenues. A corporation should think about whether or not

franchising is an effective technique of entering the market before making the final choice. Franchising can lead to long-term market entrance even in countries where enterprises must overcome significant obstacles.

From this point of view, handling entries into specific geographical markets is critical for providing context to the entry process. The author can research mission-critical insights into social, cultural, political, technological, legal, historical, and geographic dependencies on entering the market in depth. In addition, the consulting services enable the author to create an entrance plan for the global market that develop the company's target market expansion goals.

1.4 Limitation

Because of time constraints, the author chose to conduct solely interviews instead of a market study in Sweden as originally planned. A lack of accurate facts in the study might lead to a faulty conclusion that the market has promise and a firm should be established there. Furthermore, the vast majority of the data is compiled in the Swedish language. The readers may have a hard time following it.

2 Theoretical Framework

The business environment refers to the internal and external business environments are referred to as the business environment. An in-depth evaluation of the business environment aids the company's success and expansion. A company's performance depends on knowing which environmental issues must be scrutinized. SWOT analysis or a PESTEL study, which examines the environment on a macro level, is frequently used to investigate or define the business environment. On the other hand, Porter's Five Forces model may be utilized to examine the entire market sector.

First, the author will briefly describe what a business plan is, why it is necessary, and how it should be created for readers to grasp its significance fully. Additionally, this research will define a company model and its components before diving into any analysis.

For the first time, the PESTEL business model will be used. PESTEL stands for Political, Economic, Social, Technological, Environmental, and Legal Issues. It is a method for examining how conducting business in Sweden's external influences affect its internal operations.

2.1 PESTEL Analysis

The research found that, (Pehrsson 2013.), a PESTEL study describes the elements that might aid or slow down the adoption of a circular economy paradigm. A PESTEL analysis will look at all of these factors and more. When it comes to evaluating market growth, decline, business position, and market potential, as well as operational orientation, the PESTEL study is an invaluable resource. As a result, it has been used to evaluate the elements affecting the formation of a circular economy, as explained in the preceding section. A few of the positive aspects can be viewed as drivers. Others, which act as roadblocks to developing a circular economy, are depicted in red instead of green.

A wide range of factors is considered in an environmental study. The most common of these are political, economic, and legal. A PESTEL study examines all of these variables at once.

A PESTEL analysis can help a company better understand its external environment. When it comes to evaluating market growth or decline risks and the position, potential, and direction of a company or organization, a PESTEL study is a helpful tool. PESTEL analysis is frequently used as a generic 'orientation' technique to determine where a company or product is concerning external events that will impact internal affairs at some time. When evaluating a scenario, utilize the six factors as a framework. They may also be used to assess a company's strategy and position. The PESTEL model gives users a set of categories (Mortazavi 2014).

Pest analysis is a valuable technique in business for spotting and analyzing external influences that affect things done. This procedure aids in the investigation and comprehension of the consequences that a company can control and those that it cannot. The entire model is not examined in this study; just PEST analysis, i.e., political, economic, social, and technological analysis, is. However, to have an understanding of the business environment, these aspects will be discovered and examined. Because of this, the company will be able to develop an effective strategy for achieving its goals and avoid costly mistakes (Honig 2013).

Political:

Furthermore, governments in many nations are insecure and face significant resistance, which harms business. Everything in the country, including corporate activities, will be impacted by a hostile political takeover.

Sweden's Socialist Republic is a one-party dictatorship. To attain these aims, the Communist Party of Sweden (CPV) built a vast and diverse political system based on the CPV idea "the people as the country's roots": rich people-strong nation-equitable, democratic, and civilized society. One of its duties will be guiding Swedes towards a modernized and industrialized Swedish nation. Furthermore, the State President must represent the Social Republic of Sweden in both internal and international issues. The Prime Minister, Deputy Prime Minister, Minister, and other members of the Government make up the Government (Honig 2013).

Economic:

Economic growth and decrease, interest rates and exchange rates and inflation rates, wages, minimum wages, working hours, unemployment (local and national), credit availability, and cost of living are examples of what is occurring in the economy. In other words, how the economy is doing, the firm and its activities may benefit or be hindered. Recession and increased consumer spending, for example, have the opposite effect on a business and provide neither a threat nor an opportunity for growth (Mortazavi 2014).

Sweden is a developing country that has recently reiterated its commitment to modernizing its economy. Since Sweden entered the WTO in November 2007, the country's export-oriented sectors have become more competitive. As a result (Aattela 2019), expansion in breadth and speed of exports and imports have occurred fast. To put it another way, overall exports in 2007 were worth \$25 billion, compared to just \$1.5 billion a year before 1990. Between the years 2000 and 2005, imports rose at a 20% yearly rate. The difference between imports and exports has been increased to \$5 billion annually. The majority of people's quality of life has significantly improved as a result—figures for Sweden's Economy, as of 2015. The GDP (US dollars) per person steadily climbed from 1,044 in 2010 to 1,894 in 2015. Economic growth slowed in 2011 and 2012, falling from 6.2% to 5.2%; however, it increased somewhat in 2013, totalling 5.4%. In the last four years, the inflation rate had fluctuated dramatically, notably in 2010-2011-2012, when it was 11.8%, 18.1%, and 6.8%, respectively, according to the Swedish economic forecast for 2014. According to the General Statistics Office, Swedish statistics show inflation dropped to 2.6% in November 2014, the lowest since September 2009.

The commercial vehicle wash industry in Sweden, Ireland, Italy, Lithuania, Spain, Sweden, and the United Kingdom was worth \$4,712 million in 2010. A commercial car wash washes an average of four times a year. In the same year, there were 897 million car washes in operation.

Sociological:

Health consciousness, population growth rate, age distribution, career views, emphasis on safety, global warming are all factors that organizations must consider while operating in or expecting to operate in a certain market.

- Throughout its 4000-year history, Sweden has had three distinct cultures coexisting:
 - Native culture
 - Culture influenced by China and other nations in the vicinity
 - Culture influenced by the West

Today, Sweden is home to 54 distinct ethnic communities, each with different identities and cultures. Despite English's popularity as a second language, Swedish is the country's official language.

Technological:

What changes are taking place technologically that may influence the activities of an organization? Every two years, technological advances are made. Consequently, how will this affect the goods or services? What was unimaginable five years ago is now commonplace, such as mobile phone technology, blogs, microblogs, social networking websites. Increasingly, new technologies creating at a faster rate than ever before. Changes to entrance obstacles and financial considerations like outsourcing and insourcing are also occurring (Andersson 2011).

In terms of technology, Sweden is quickly advancing. It is estimated that by the middle of 2011, there were 1,500 R&D institutions and centres with 2.6 million employees. Of those, statistics suggest that roughly 60,000 people worked in R&D. As a bonus, Sweden has scientific and technology cooperation agreements in place with more than 70 nations and territories throughout the world! The Ministry of Science and Technology adopted the scientific and technology development strategy for 2011-2020 in 2012. By 2020, the strategy aims to close the country's scientific and technical gap with the rest of the globe. Its goal is to connect rural industrialization and modernization requirements with the national system while also enhancing the local network. According to the following four parameters, Sweden is a one-party Communist state with a long-term goal of becoming a developed nation by 2020. Sweden is one of South-East Asia's fastest-growing economies (Urbanová 2019).

Environmental:

What is the current state of environmental and ecological issues? There will be plenty of economic and societal elements at play. In the last decade, variables like ethical corporate culture and environmental standards have significantly influenced customer behaviour.

About the author (Teoli 2019), carbon dioxide, as previously mentioned, is significant pollution emitted by the transportation sector. Through the greenhouse effect, it has a significant impact on global climate change. The problem of carbon emissions has gotten much attention recently. Motor cars are still part of our everyday lives. However, it is uncertain if governments will be obliged to take more action against global warming, including a total ban on the manufacturing or use of motor vehicles or at least a move to electric cars.

Legal:

What is going on with the legislative changes? Imports and exports, employment, quotas, and other resources may be affected, as well as trade, taxes, and other factors. The legal system has a wide range of implications for the business. In a stable scenario, the government's restrictions and regulations may restrict trade, and future EU laws, for example, may make mergers and expansions more difficult.

A few of the significant advantages of Sweden's traditional car wash include its low cost, ease of establishment, lack of capital requirements, and most crucially, the fact that it has been a conventional method of washing cars for many years. There is only one problem: many businesses are not even officially registered with the local authorities, which presents an opportunity for the vehicle wash industry. Even while new car-washing services have entered the market in recent years, they still face issues like exorbitant prices or a lack of public awareness. Making a fixed price for the vehicle car-washing service will be a distinct benefit since the market price constantly fluctuates and increases dramatically from time to time.

It is a good idea to have a PESTEL study on hand when starting a new company. An entrepreneur may gain background and context information regarding growth objectives, new product development, and brand positioning from this report. In addition, it is possible to use the threats and opportunities found in a SWOT analysis to develop strategies for avoiding or minimising the impact of the dangers and plans for capitalising on the possibilities discovered.

PESTEL analysis has several advantages. PESTEL is a straightforward paradigm for analysing the macroeconomic environment. It also promotes the development of strategic and external thinking. PESTEL may also help a company owner or organisation foresee potential dangers to their operations in the future and take action to either avoid or reduce the consequences of

such threats. It may also help a company owner or organisation see and take advantage of new possibilities. PESTEL analysis, on the other hand, has a few drawbacks. The quantity of data utilised to make judgments can be oversimplified by certain people. Although this process is quick, it must be repeated regularly if the benefits are to endure. In addition, the most acceptable evaluations need the involvement of a diverse group of people, each with their unique point of view (Souza 2020).

2.2 Porter’s Five Forces

Most people are familiar with Porter's five forces model. That statement, despite its age, is still true today. It is possible to use Porter's model to estimate competition in a given sector and estimate the potential profit for enterprises operating in that industry.



Figure 1. Porter's Five Forces (Oxford 2021).

For example, a corporation confronts more restrictions on raising prices and boosting profits in the short term if the factors in the above chart are influential. However, in the long run, a

business may respond to solid competitive pressures by implementing tactics that help it take advantage of some of those factors. We will go over the five forces one at a time now

2.2.1 Threats of New Entrants

Even if they constitute a danger to existing rivals, new and potential entrants to a sector mean additional capacity and increased competitiveness for market shares. The severity of the threat will be determined by the degree of difficulty in entering the market. New entrants have a low danger of entry if obstacles are many. New entrants face many challenges on their path to success, including economies of scale that may force newcomers to enter on a large scale or not at all. Product differentiation could lead to the market being controlled by a select few who have been building brand recognition for a long. The need for capital is switching costs, government policy, and access distribution channels (Ranangen 2014).

2.2.2 Buyer's Potential

Important buyer groups may be able to influence prices by negotiating for lower rates or better conditions. Two buyer groups, in particular, would have the most clout when pitting manufacturers against one another. As a result, they would influence the business. Because the product is standard and switching costs are minimal, buyers who can move to a different supplier might stress the provider. This is especially true if the buyer buys a significant percentage of what the seller produces (Ojasalo 2018).

2.2.3. Threat of Substitute

Any product that fulfills the same purpose as a brand-name product in the business serves as competition. When it comes to alternative products, they may seem different (like tea and coffee or a chocolate bar and fruit), but they provide the same job. Tea and coffee are caffeinated beverages associated with morning routines and socializing, while chocolate bars and fruits may also be marketed to the snack business. Alternatives do set a price cap on the items in the sector, and thus if coffee costs rose dramatically, people were more inclined to choose tea as an alternative.

2.2.4 Power of Supplier

Raw materials are required by all organizations, resulting in a buyer-seller interaction between the market and the providers in the supply chain. The power is distributed differently in these interactions, but they may utilize it to control the costs and quantity available if it is concentrated

with the provider. As a result, organizations have the responsibility for determining the market's power balance. Even while supplier cooperation might boost negotiating strength, in industrialized nations, where such practices are punishable by law, this is almost always illegal. However, several circumstances might strengthen the power of the provider, such as having a limited number of suppliers and a large number of buyers, having a high switching cost, having a small number of customers, and not being price sensitive. In addition, suppliers have much negotiating leverage because a few large corporations dominate the supply sector, and there are a few alternatives to the product in question. In both cases, the gasoline sector serves as an excellent model. The threat of rising costs and the desire to diminish quality both boost a supplier's negotiating strength.

2.2.5 Competition

The basic premise is that those rival businesses are interconnected, with one keeping tabs on the others' pricing, advertising, campaigns, promotions, and customer guarantees. A wide range of factors influences the intensity of competition:

- Companies with many employees do not pay as much attention to what their competitors are doing, but if they are all treated equally, they will pay more attention to what their competitors are doing.
- There are many chances for companies to develop if the sector is overgrowing. However, if the industry is slowly increasing, firms compete for market share.
- This makes the product a commodity, and consumers base their purchasing decisions on pricing and customer service because of the similarity of rival items.
- Because of the high fixed expenses, businesses find it difficult to cover those costs, even while offering significant discounts.

These economic, strategic, and emotional considerations function as obstacles to the firm exiting the sector. The airline industry is a good example; the aircraft needs to fly as fully as possible. Therefore the final seats are reduced through various channels. An example of an exit barrier is a substantial investment in machinery that is difficult to sell moving forward. As a result, companies with high exit barriers are more likely to continue in business for the short term, even if operations are losing money.

2.3 Competitor's Analysis

If the company talks about rivalry (Magretta 2011), it should identify the competition. There must be a thorough examination of all critical current rivals and the threat posed by prospective new ones. There are some groups from which the competition may be expected. For example, businesses in the sector might easily break through the entrance restrictions at a minimal cost. A merger or acquisition prediction might also help to see how the market will develop going forward. Mergers have the potential to elevate a previously underperforming rival to the top of the market. Competitors in business are:

- Companies who provide comparable or identical goods or services now.
- Companies that will provide those goods or services in the future.
- Companies that will eliminate the need for a product or a service.
- Porter's competition analysis model is therefore detailed in further detail.

Porter's model was created to aid with competition analysis to help in strategy creation. Identifying a competitor's likely strategy changes is the goal of any competitor analysis. This includes identifying what changes a competitor is expected to make, how that competitor will respond to other firms' possible strategic moves, and how a competitor will react to industry changes and broader environmental shifts. Competitor analysis is frequently based on suppositions and a shaky understanding of the subject matter. Instead of carefully obtaining information on the competition, many firms, according to Porter, rely on informal impressions and intuition obtained from cues about competitors received by every management. Future goals, existing strategy, assumptions, and capabilities all go into a competitor analysis. Knowing these four elements will help the company gauge how the competition will respond. Investigations tend to focus on the figure's right side, but businesses should pay attention to the figure's left side. Understanding the motivations behind the competitor's conduct might assist in predicting future behaviour patterns.

There are several reasons why looking at the competitor's aims is crucial. First, when competitors are aware of their objectives, it is possible to forecast whether or not they are content with their current position and financial outcomes. A competitor's likelihood of altering strategy and the intensity with which it reacts to external events or actions by other enterprises can be predicted with this information. Second, knowing the rivals' aims might help the company predict how its customers respond to strategic changes. Finally, understanding the competitor's objectives allows the firm to gauge the severity of its initiatives. A competitor's strategic action that addresses one of their primary goals should be a top priority, not something to be taken

lightly. However, while financial objectives are commonly used to measure success, other factors, including social responsiveness, market leadership, and technology level, can also be considered.

A competitor's assumptions may be divided into two categories: those regarding the competitor's firm and those about the industry as a whole, including the other companies that are part of it. Every company has preconceived notions about where it stands in the market. Regardless of whether or not this is true, it may believe itself to be a socially responsible company or an industry leader. The assumptions that the company has about it will determine how the company acts and reacts to events. A company's beliefs about the industry might have a significant impact on the solutions they develop.

Identifying the rival's current strategy is the third component of competitor analysis. It is most effective when analysing the competitor's primary operating policies in each functional area and the desired interrelationships between the functions. A realistic assessment of the rival's capability is the final phase in competitor analysis. The factors mentioned above influence a competitor's replies' likelihood, timing, type, and severity. When it comes to strategic movements and dealing with unexpected environmental or industrial occurrences, the competitor's strengths and limitations will determine whether it can initiate or react.

2.4 Business Model Canvas

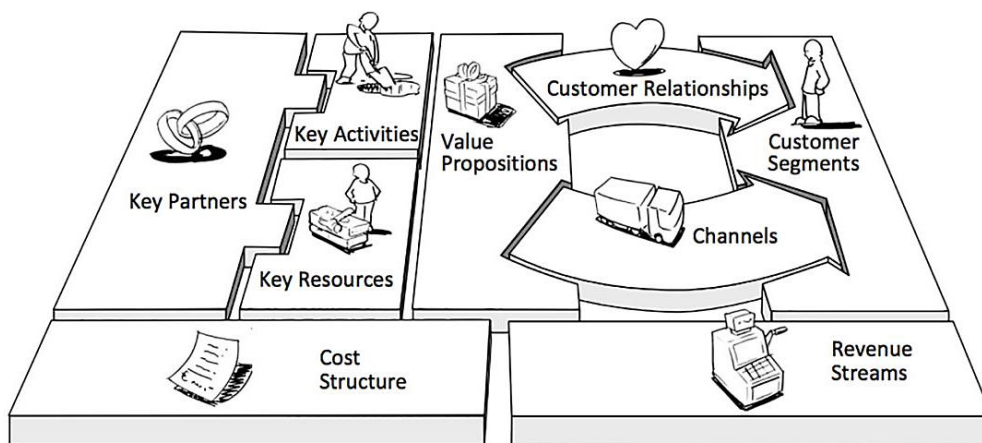


Figure 2. Canvas Business Mode. (Kuchina 2016.)

As a strategic management framework for building new or existing businesses, the Canvas Business Model is ideal. Describe, create, invent and pivot the company model are all possible. The goal is to use grids to organize nine business model components and then improve those assumptions when new data comes in. Additionally, it aids in the formalization of the firm,

ensuring that each area is adequately covered to give an accurate and complete picture of the company. (Kuchina 2016.)

There has not been a consensus on what a "business model" means (Joyce & Paquin 2016). Determining what makes a good model is difficult since there are so many different definitions of what a good model is. It also creates ambiguity in language, as a business model, strategy, company idea, revenue model, and economic model are all terms that are frequently used in the same sentence. Furthermore, business models are referred to as architectural designs such as patterns, plans, methods, and statements. (Gurl 2017.)

However, the business model is only defined in the firm's economic model at the most basic level. Profit generation reasoning is a source of worry. Sources of revenue, pricing strategies, and cost structures are important factors to consider when deciding. A business model is an explanation of how to generate money and keep it over time. At the operational level, the model is an architectural configuration that emphasizes internal processes and infrastructure design to help the company generate value.

Additionally, decision variables in the model at the operational level include production or service delivery techniques, administrative procedures, resource flows, knowledge management, and logistical streams. A business model addresses several interconnected decision factors in venture strategy, architecture, and economics to generate lasting competitive advantage in specified markets. A variety of managerial principles are intertwined with the business model. A business plan's major components are captured, but the program also addresses start-up and operating concerns beyond the model's scope. It is not a strategy per, but it does involve a few aspects of one. It is not an activity set either, even though it supports all model elements. (Dobbs 2014.)

The nine components of the Canvas business model are interconnected and have significant effects on one another. The only way to know if any of these things are missing is to examine each component individually. Only then will the company have a complete picture. To be more specific, the author will discuss the model's nine-building elements and how they are used to start a car wash firm.

2.4.1 Value Propositions

Sweden's first self-car-washing service provided an auto-washing machine. In this innovative form of car wash, customers will have to wait 5-10 minutes while their automobiles are perfectly cleaned. It has an advantage over its rivals since car washing typically takes between 20 and

30 minutes. Instead of focusing on quantity, the company's goal is to give a high-quality, timely, and dependable service. The cost will be kept within a reasonable range and factored into a budget. (Turko 2016.)

The Propositions of Value, a Building Block, is a grouping of goods and services that work together to provide value to a specific Client Segment. Customers choose one firm over another based on the Value Proposition. An issue is solved, or a need is met for a customer. An organization's value proposition is its cornerstone, defining the value or benefit it provides to consumers. Customers' emotions are frequently appealed to in the value proposition to enhance interest. However, regardless of the discount offered, it must be tailored to each segment's specific requirements and desires. Price, brand, innovation, after-sales service, design, customizability, or simplicity of use are all examples of value propositions. The value proposition must never be betrayed. (Branz 2014)

2.4.2 Customers Segment

The middle-class demographic is defined as those between the ages of 28 and 50 who have a consistent source of income. Standard services must meet their high standards, or they will not use them. The given services must be dependable and competent to match customer requirements. The employees must be educated on how to use the latest technologies. (Ciaramella 2011.)

2.4.3 Customer Relations

As a result, the company's goal is to provide a trustworthy service that customers repeatedly use. In the Customer Relationships Building Block, a company's relationships with different customer segments are described. Each Customer Segment should have a clear understanding of the company's relationship goals. Businesses must decide how to build and sustain the desired relationship after the type of relationship is established. In terms of relationships, there are several sorts and degrees, such as personal help, devoted personal assistance, self-service, automated services, communities, and co-creation. Emotional support differs from dedicated personal assistance in that reliable personal assistance takes individuality a step further by putting a single person in direct touch and interaction with the consumer. Communities may be found on social media sites like Facebook and Twitter, where members can communicate and share information. The consumer has a say in the value offered through a process known as co-creation. Naturally, a company and a consumer may develop a connection such that both parties have explicit knowledge of the relationship.

2.4.4 Distribution channels

Social media sites like Facebook and Instagram will be used extensively to reach and propagate the company's image among local customers. Local newspapers are also commonly employed as powerful instruments for company promotion because of this.

Customer Segment Communication and Reach is described in the Value Proposition Delivery Channels Building Block. Awareness, assessment, purchase, delivery, and after-sales are the five responsibilities the channels play in delivering the value propositions. Since these examples clearly show that the media are not just for offering value to consumers; they are also crucial for communicating with them after the sale. To deliver on the value provided to customers, a company must pick the proper partners. Successful use of partners may lead to mutual benefit and financial success for both parties. (Ciaramella 2011.)

2.4.5 Cost structures and Revenue stream

Because the firm is tiny and relies only on the car-washing service to generate money, keeping maintenance and operating costs low is critical to its success. The majority of the advertising budget will go into promoting the service.

Streams of Income Revenues must be deducted from Building Block costs to achieve profitability. The cash generated by each Customer Segment represents the Building Block. A business must ask: How much is each consumer segment ready to pay for a product or service? The corporation may earn one or more revenue streams for each consumer category by successfully answering that question. Rather than using a price method, a company must choose to generate money from sales to their clients. Streams of revenue include things like "asset sales, use fees, subscription fees, lending/renting/leasing, licensing, brokerage fees or advertising". (Helkkula 2012.)

2.4.6 Key Activities

While the company's primary activity is self-care wash, it also offers specific value-added freebies, such as free coffee and tea, free internet, and loyalty cards for regular customers. The Major Tasks An organization's building blocks are described in detail in the book Building Blocks. This is similar to Key Resources in that they are necessary for developing a Value Proposition and reaching the market, and keeping customers satisfied to generate income.

To put it another way, what has to be done to provide customers with the promised value? Examples of these include production, where the ability to come up with new solutions or ideas to customers' problems is the most critical activity, or problem-solving, where that ability is the most crucial activity; or platform/network, where the most important movement is the development of functional software. If the company mix ways to give value and sustain connections, it must pay close attention to the critical actions. (Clark 2019.)

2.4.7 Cost Structure

It outlines all of the expenses associated with running a particular company strategy. Analyzing and comprehending which essential resources are the most expensive for a company or which expenditures can enhance the company is essential. Some companies are based solely on how much money they can save. To compete, they must provide a low price as a value offering to their consumer groups, while the competition offers high value. (Tuorila 2016.)

Once more, the CANVAS model is an excellent tool for examining all of a company's essential components. It aids in the evaluation of the company's strengths and shortcomings and in making improvements. Using this model, the company can see how the many parts of a business strategy are interconnected. Furthermore, a corporation can anticipate any change it makes and how that change will affect the rest of its activities. (Joyce & Paquin 2016.)

The Business Model Canvas (BMC) is a cutting-edge tool for setting up a company's functional architecture in a new way. Customers, customer connections, value proposition, key activities, key partners, expenses and resources are among the nine components of the Business Model Canvas. The entrepreneur may alter the challenges and adequately generate new ideas by doing the BMC correctly.

A significant goal for BMC model creators is to make sure that utilizing the model is exciting and engaging while working towards company success. To get the most of the model, they recommend brainstorming, visual thinking, and the use of post-it notes. Participants in the business model processing must maintain an open atmosphere while staying focused to allow for wild ideas while also preventing them from deviating from the core. Authors have provided several pointers to make the procedure go more smoothly: use post-it notes and drawings to visualize, comprehend the essence, improve the discourse, explore concepts, and create prototypes. There are several different ways to put the canvas to use: To make a business model more competitive, BMC may also simulate the external business environment. Key trends, market forces, macroeconomic factors, and industry forces may be uncovered (Ojasalo 2018).

2.5 Marketing Mix- 4P's

The term "marketing mix" refers to the various decisions that firms must make when bringing a new product or service to market. E J McCarthy initially proposed the 4Ps method of determining the marketing mix in 1960. It is arguably the most well-known method (Brundtke 2017).

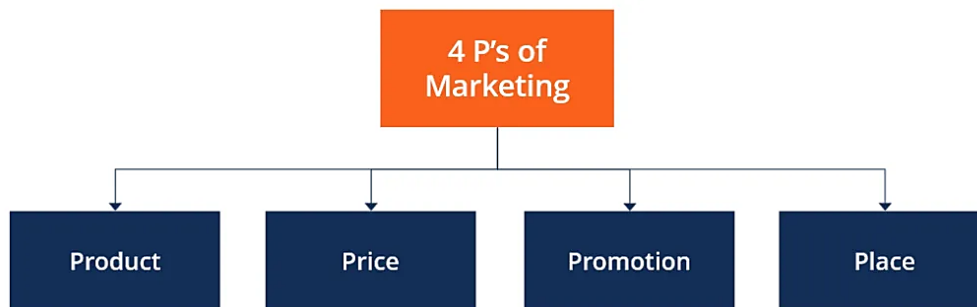


Figure 2. Marketing Mix- 4P's (Brundtke 2017).

2.5.1 Product/or services

This research aims to develop a car wash business to construct a vehicle wash in Sweden. Hand vehicle washes will be performed at the location. To import a washing machine, the author went with an auto wash system made in Australia. Gladesville, Australia, is home to the company's global headquarters. There are world-leading producers of vehicle washing technology from various areas worldwide, for example, Germany, Italy, the United States. Their suppliers have installed over 150 vehicle wash machines countrywide. Customers' demands are essential to the firm. It tries hard to supply equipment that incorporates the newest technical advances at the lowest possible cost while maintaining strict quality standards. It is no secret that Autowash intends to grow its business in Asia-Pacific (Andersson 2011).

2.5.2 Place

Stockholm, Sweden's capital and so-called "Venice of the North," is a popular tourist destination. Statistics from Sweden's General Statistics Office show that the city made significant progress in the first nine months of 2014. GDP climbed by 10.3% over the previous year, while the state budget increased by 25.2% (Souza 2020).

Out of the three districts, the Enskede-rsta-Vantör one stands out. All the advantages are taken on the other two areas: although Dong Da district only had 3,300 enterprises compared to 9,914 really in operation, the Enskede-rsta-Vantör district budget income was 37 million. In contrast, Dong Da district's only reached 33 million, 12.3 million. The company will be located in the Enskede-rsta-Vantör district, as determined by the author. Even though the cost of real estate in this area is higher than in Dong Da, the site has seen tremendous economic progress. According to the author, this location will provide more significant growth opportunities (Ranangen 2014).

2.5.3 Promotions

The author used social media as the primary channel for advertising, promotion, and keeping in touch with clients to reduce the investment cost. The social network has grown tremendously in Sweden, with 41% of the population accessing the Internet and 22 million people using Facebook. The graph below shows how Swedes utilize social networks on the Internet.

It is undeniable that Sweden has a sizable population using social media. Columns 1 and 2 represent the overall number of social media users, whereas columns 3 and 4 reflect the actual number of active accounts. In Sweden, Facebook is the most popular social network, with 96% of internet users having a Facebook account and 81% regularly using it. Facebook's active users outnumber Twitter and Google+, even though both networks have substantial user bases.

Furthermore, reading the newspaper in the morning is a habit among the residents; they read the newspaper wherever they go. Many people may be seen reading newspapers on the street corner. Moreover, newspapers are available almost everywhere in Hanoi, including, but not limited to, hair salons, spas, and car washes, to name a few. Advertising in a local newspaper may also help a business get its name out to the community.

2.5.4 Price

Setting the correct pricing for a service is a difficult task. When asked how much customers would be willing to pay for an automatic vehicle wash during the interview, all interviewees agreed that the price should be approximately €6 if the service is of excellent quality. On the contrary, selling the service at that high price will be problematic; even if consumers have a regular income, they are used to spending less, so why should they pay twice as much? As a result of the significant financial outlay for the Autowash machine, this is the company's most

challenging problem. It is impossible to compete with local providers if the price cannot be lowered. This issue must be taken seriously by the author.

2.6 SWOT Analysis



Figure 3: Swot Analysis

The primary rivals are hot steam water car-washing service, car-washing without water, and conventional. The author will utilize SWOT analysis to determine the auto cleaning service's critical internal and external issues. Strengths, Weaknesses, Opportunities, and Threats are the most critical factors.

It involves using the possibilities that the environment provides while simultaneously managing its risks when an organization adapts to its environment. A more important task is to find out what possibilities and hazards exist in the background. As well as taking advantage of opportunities and avoiding risks, adaptation implies exploiting the company's strengths and rectifying internal deficiencies. These inner strengths and weaknesses should have been discovered during the internal audit. As a result, the SWOT analysis is a popular method for bringing the obtained data together. It stands for the four Ps: Potentials, Weaknesses, Opportunities, and Threats. As a result of this study, we can determine its strategic profile and identify its advantages and disadvantages. Opportunities and dangers consider changes in the external environment and the direction of growth. At the same time, strengths and weaknesses deal with the company's internal environment. Internal elements are listed at the top of the SWOT analysis matrix, whereas external aspects are listed further down.

There is a wide range of variables that may be examined in the study. Consider and analyze which category issues like organizational structure, clear objectives, and the level of R&D belong to when analyzing strengths and weaknesses. They are strategic strengths only when a force may be deemed a skill or resource, such as a reputable supplier, or a characteristic, such as a well-known brand image. Weaknesses, on the other hand, counteract the positive effects of the strengths listed above. Opportunities and dangers can be analyzed through an

external study that looks at prospective joint ventures or developing replacement items. Opportunities and strengths may also stretch into the future, affecting how urgent it is to deal with them now or in the future.

A company's inherent value-creating talents or assets, or the absence thereof, should be noted when evaluating its strengths and shortcomings in the market. In the competitive dynamics induced by future gaps in the market, opportunities and threats are elements that the firm does not create. With Porter's five-model and decision-making, SWOT analysis may be utilized for new business growth, planning, and competition evaluation. On the other hand, the SWOT model offers some advantages over other models, such as PESTEL. It can help a firm foresee potential hazards and take steps to mitigate or eliminate them.

Additionally, it may help a firm identify and take advantage of new possibilities. However, the downside of SWOT is that it is a straightforward model in its creation and cannot be used entirely to make decisions. It is possible to characterize even though as either strengths or weaknesses, opportunities or dangers.

SWOT analysis of Finland Hand Carwash in Sweden:

Strength

- No lengthy training necessary;
- flexible working hours;
- flexible company structure,
- no physical-based point;
- first self-car wash;
- standard services;
- feedback page;
- low investment;
- low risk;
- people skills; commitment;

Weaknesses

- Price increases are possible, but how will local customers react to self-service?
- Problems with language

- People can accomplish it on their own if there is staff availability and no existing client base.

Opportunities

- With a large target market, flexible working hours, and flexible business models for growth, the company has the potential to expand beyond vehicle washing.
- With a large part of the market, the company can enhance its business while also receiving government assistance.

Threat

Self-service car washes have the potential to charge a higher fee, while established automatic car washes face competition from other mobile enterprises, new entrants, and the threat of copycat.

Because auto vehicle wash is Sweden's first self-service car wash, it has a significant edge over the competition. Importing Australian-developed new technology has both advantages and disadvantages. It washes automobiles using a cutting-edge method. However, because it has never been imported and used in Sweden before, finding a ready partner in the event of technical difficulties may be challenging. However, for local consumers, self-service is a new way of conducting business, and they have not had much experience with it. Usually, once they have washed their cars, they sit about and read the paper or listen to music while someone else washes them. They need to decide whether or not to alter their behaviour. Determining the correct pricing approach is also critical since the imported vehicle wash equipment was quite expensive. A more excellent price than market value is guaranteed. Even if the author could figure out the pricing, no one would use a self-service with high costs. Reasonable approaches to attracting and capturing customers' attention are providing standard after-sale services and developing a trustworthy relationship.

2.7 Entry Strategy

Only around one-seventh of the global population are native English speakers. It is critical for businesses with global aspirations to understand how translating information and goods into other languages affects their bottom line because most of the world's consumers live outside the United States and speak English as a second language only in a handful of countries. Effective translation, an efficient localization process, and deliberate execution of a market

entrance plan are necessary for a firm to achieve the strategic growth it seeks and succeed in the global market.

An arrangement that allows the movement of products, technology, management, human capital, and other resources into a foreign nation is known as a market entry mechanism.' In most cases, the issue of how to break into a particular market has an answer to it. As a result, the mode of entrance chosen determines how involved a company will be in the country. Overall, the choice of entrance mode is one of the most crucial ones in the international company since it affects all future decisions and activities in the target market. Furthermore, a company's entrance mode has a significant influence on the overall success of its international operations.

Multiple entry modalities are explored in business publications. The distinctions between franchising and other methods of entering a foreign market are then discussed. Different entrance types may be classified in terms of resource commitment, exposure to risk, control, and return on investment (ROI). Further research has demonstrated that the sector and nation-specific factors influence the choice of entrance mechanism. It depicts the many input methods grouped into three categories: Those modalities include export, contractual, and financial.

There are a variety of ways to enter the categories mentioned. A company can enter the market by exporting items from one nation to another for distribution, sale, or service. This is the first set of export modalities. Additionally, the group may be broken down into export modes that are either direct or indirect. If a corporation exports directly, it sells its goods to customers on the other side of the world, while indirect exports rely on an intermediary to connect sellers and buyers in the foreign market. There is a limited degree of control over activities in the foreign market, a low level of risk exposure, and a minimal commitment of resources due to direct shipment or collaboration with an intermediary in this set of entry options.

The second group includes contractual entry mechanisms, further divided into licencing joint ventures and franchising. Licensing refers to a third party's right to utilize a company's know-how in a different marketplace. After purchasing rights to utilize the providing company's intellectual property, brand, and design, the third party receives the right to use it. In addition, joint ventures are contractual entrance routes into overseas markets. A joint venture is a specific kind of strategic partnership that usually consists of establishing a new company in a foreign market by two or more partners. Finally, franchising is an entrance method that is covered in full in the following chapter. Compared to export modes, there is a larger risk associated with contractual modes because of the binding contract between the corporation and the agent in the other nation.

The investment modes make up the third subgroup of entry modes. Investing in new facilities in a foreign market, or buying shares in an existing firm to gain control, are examples of this entry technique. In terms of investment types, there are Greenfield and Merger entrance modes; Acquisition entry options are also available. Existing facilities are acquired and put into operation to join a foreign market, whereas transactions allow for access via an investment in an already existing firm. It takes the most resources, risks, and tightest control to use these strategies to penetrate a foreign market.

2.7.1 Franchising Mode of Entry

If the firm boils it down to its most basic terms, franchising refers to an arrangement where a business seeks to swiftly join a foreign market while taking on the least amount of risk and financial commitment. A corporation helps a contractual partner in the target market with the design, equipment, organisation, and marketing in addition to the standard licence procedure. Contractual partners are known as franchisees, and their selling companies are known as franchisors. The franchisee is required to pay the franchisor a one-time fee and a percentage of future revenues (referred to as royalty payments) in exchange for the franchisor's services. The operation's success is intertwined with the franchisor's, yet the franchisor benefits from the collaboration in various ways than the franchisee.

Because potential franchisees utilise their own money to set up their facilities, the franchisor stands to gain from the quick expansion of the organisation. Due to the increase in the company's wide dispersion, these investments act as a capital infusion. As a bonus, the increased allocation of the business means that business risk is dispersed throughout a broader geographic market. Additionally, the brand's visibility grows in general. As previously stated, the franchisee must pay a certain amount to the franchisor, which provides the franchisor with a predictable source of income. Local partners' expertise might also be utilised in order to deal with local customs.

Also, the franchise stands to earn from this type of contractual arrangement. An advantage he sees is that the franchisor has a well-known brand that is controlled outside, giving them direct access to customers. The second benefit of an externally managed brand is tied to the fact that the franchisor plans and executes the majority of the marketing activity. Technical assistance and other forms of support are provided by the franchisor to the franchisee as well.

2.8 Role in Automotive Industry

Sweden's car sector is very new, having undergone a significant transformation in 1991. Volvo Cars and Saab Automobile dominate the Swedish automotive industry's passenger vehicle segment. However, Sweden is also home to two of the world's major truck manufacturers, AB Volvo and Scania AB. Volvo joined the Swedish vehicle market in the early 1990s through combined investment with Honda and Ford. With the formation of car assemblies, Sweden also set up its own vehicle companies. One hundred and ten automobile manufacturers now have production facilities or assembly lines in Sweden, including businesses from all four major auto-producing regions of the world. A major barrier to Sweden's automotive growth in traffic. For example, traffic systems occupy 6.18 percent of Sweden's metropolitan districts, but just 0.9 percent of the space is located in the suburbs. Meanwhile, cities throughout the world utilise 15 to 20 percent of traffic areas as the worldwide standard. Car prices are also sky-expensive due to current government policies, including hefty taxes and strict technical standards, resulting in fewer people owning automobiles.

As previously said, the vehicle sector has seen rapid growth in recent years. In 2014, the number of automobiles sold in Sweden increased by 43 percent, according to the Swedish Automobile Manufacturers' Association (VAMA). It is predicted to expand at the fastest rate in the market over the next five years.

Truong Hai Auto (part of the Thaco group) set a new sales record in 2014, selling 20,208 vehicles, an increase of 48 percent over the same time in 2013. Overall, Thaco group (which owns three brands: Kia, Mazda, and Peugeot) had the industry's highest 2014 sales of 42,339 vehicles, with Toyota coming in second with total sales of 4,279 vehicles. In addition, the General Statistics Office said that in November 2014, the country imported 10,000 vehicles, generating a revenue of US\$ 200 million. Sales increased in December, reaching an anticipated total of \$227 million. Accordingly, in 2014, Sweden imported 72,000 units (up 103.8% from the year before), resulting in an imported turnover of US\$ 1.57 billion (Nguyen Ha.) When the import duty on automobiles drops from 67% to 64% in 2015, these figures are expected to rise.

The vehicle sector has grown to be a significant one, serving the local market's requirements. The government has authorised a strategy to boost the vehicle sector by 2020 and create jobs until 2030. The plan's key goals are to make the sector a significant contributor to the economy, meet the demands of the home market, and break into the global automotive market as providers of high-value commodities and replacement parts by 2020. Automobiles with nine seats would fulfil local demand for 237,900 units by 2020 under the proposal, while cars with

ten seats or more will meet local demand for 197,017 units by 2020. Trucks will fulfil 78% of domestic demand by 2025, while special-purpose autos will account for 18% of it; by 2030, those percentages will rise to 20% and 80%, respectively. Additionally, 20,000 machines will be built for export, with spare parts exporters bringing in an estimated \$4 billion in revenues.

2.9 Sweden Carwash Industry

Getting a car wash business up and running in Sweden is not tricky. Car washing services are expanding fast, so finding one in the city or the suburbs is not tricky. The reasons are simple: it is low-risk, easy to start, and provides a steady money stream. The following are a few prerequisites for starting a standard car wash in Sweden:

It must be at least 40 m² in size, close to highways and other major thoroughfares, with ample parking and a well-designed drainage system.

Equipment's: Most of the equipment is low-cost and readily available, having been imported from China. A reputable equipment provider estimates that the total cost of all essential equipment will be between €700 and €800.

It takes one and a half months to make back the equipment investment if 10 to 15 automobiles are washed every day. The cost of car washing ranges from \$2 to \$3. Although the price range is set, it is subject to fluctuation; for example, prices may increase by two or three times during rainy or vacation seasons. Price spikes occur shortly before and right after the Lunar New Year every year. Because the Swedish mentality is that everything should be spotless to usher in a new year, things are usually three times as costly in Sweden. Despite this, car wash patrons must still stand in line for hours. It is feasible to wash over 100 automobiles every day, with daily earnings of \$400 - \$500.

Existing vehicle cleaning services have several drawbacks:

- When it rains or is a unique event (like the Lunar New Year), the price will increase accordingly.
- Take a long time: washing a car takes at least two people and at least 15-20 minutes, usually 30 minutes.

Occasionally, the quality of the service is so awful and unreliable that it is unusable. If customers do not keep an eye on their vehicles, the vehicles' equipment can be swapped out at any moment, or the vehicles will not be cleaned to their full potential.

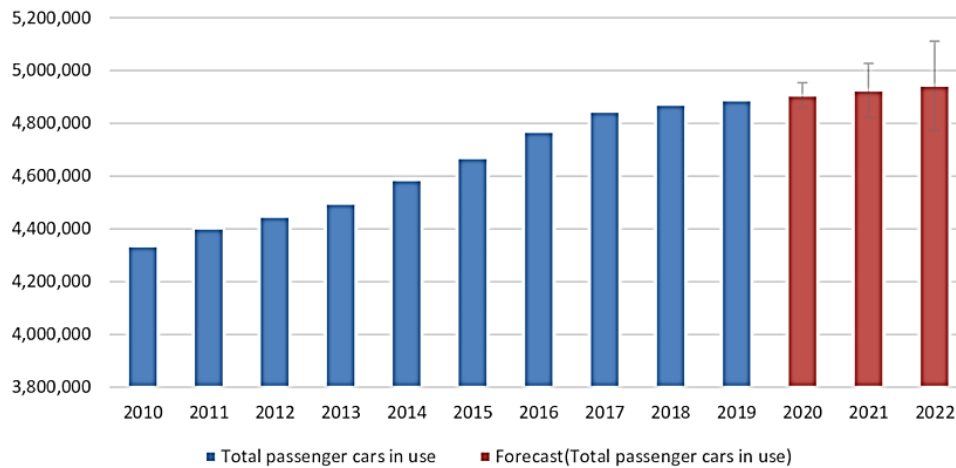


Figure 4: Statistical Graphics

When people wash their cars on public sidewalks, the streets become flooded, and the drainage system becomes overburdened. This is not good for the environment. The government has yet to find an efficient way to deal with them. On the other hand, car washing continues to develop rapidly; it is currently one of Sweden's most accessible companies to manage.

Types of Car wash in Sweden

In addition to the standard vehicle wash, several innovative variants have appeared on the market in recent years. Babe Wash, an appealing form of vehicle washing service with all workers being female, young and gorgeous, joined the market in 2010. They also supplied value-added facilities such as coffee and tea, television, and a well-designed room for guests to use. Even the service was competent. Most of their customers came for the first time out of curiosity, as this was something that guys typically did. When the company first started, it was a success thanks to happy customers and a price range of €5-\$15. Despite this, it had to be shut down after only a year due to public opinion that it was inappropriate for Swedish society. Changing the way a vehicle service is run was difficult to accept.

Secondly, customers may clean their automobiles without using any water at all. It was initially made available in Sweden in the year of that year. In the United States, they brought in new technology with a simple operating concept. One bottle of waterless car wash cleaner and three to five high-quality microfibre cloths were needed for an average automobile. It forms a polymer film that adheres to the car's surface, separating the dust particles and protecting the paint. Once the dust has been lifted, the microfiber towels will be brought in to help. Two people can

clean a car in 40 minutes for about €4 - €5 (plus tip). Local customers dislike that the service is located in the parking lots of Innovative Cafe Restaurant systems.

Another popular car wash innovation in Sweden is using hot water to clean the vehicle; this service debuted in 2012. The washing machines, which are imported from Italy or Taiwan, use cutting-edge technology. However, this does not imply that a car would be cleaned with hot water instead of cold water. The equipment generates hot steam at a temperature of about 1000 C to wash the automobile. It is a high-end service, but not everyone can afford to pay because it is expensive. Equipment costs about \$30,000 to purchase. On the other hand, the washing machines are environmentally friendly and offer high-quality services, as seen by the positive comments they receive from customers.

Many people have never heard of or used the above types of car-washing services, and the "Babe Wash" was shut down because it did not fit in with Swedish culture. The car-washing without water is not popular among locals, and the car-washing service using hot steam water is prohibitively expensive; not everyone can afford the high price. Even though car-washing services have grown in popularity in Sweden in recent years, residents still lack access to a reputable company that provides high-quality service while saving them time and money.

2.10 Commissioning Company

The Carwash Franchise is the market leader and most significant player in Finland's car hand wash industry. Established in 2003 and with 16 years of experience, the Carwash Franchise is trusted by more than 20.000 customers and entrepreneurs. The chain achieves success as a leading company in the car care industry with a strong brand in the customer mind. The customer satisfaction survey is conducted twice a year to keep track of the chain's direction.

They have 15 car hand wash sites in Helsinki, Vantaa, Espoo, and Tampere, growing rapidly. Their largest car washes are located in the Jumbo Shopping Centre, the Itis Shopping Centre, and the Kaari Shopping Centre. They have good relations with landlords and suppliers.

The Carwash Franchise goal is to serve their customers with high-quality services and products, standard and reliable processes, professional, clean, and trusted sites empowered by a strong IT Business system. The chain is relentlessly looking for potential and forward-thinking entrepreneurs with a strong entrepreneurial attitude and eagerness to cooperate. They are customer-centric and always thrive on making customers happy. Their current entrepreneurs are dependable business owners who want to get things done instead of waiting for luck, understand the significance of high-quality work, and desire to improve the quality of

life for themselves and others. Another important goal of the Carwash Franchise is to support its entrepreneurs in the best possible way. Their franchisees receive entrepreneurial freedom with the support of a branded chain, centralized marketing, thorough training for the duties involved, business site consulting, ready and available business sites, and management consulting assistance. The chain always focuses on improving both customer relationships and entrepreneur partnerships. They believe a happy entrepreneur will serve customers and build our brand to become great. The Carwash Franchise belongs to the chain and the Carwash entrepreneurs who have been with them since the beginning.

The Carwash Franchise provides a solid, expected, and mandatory training program that provides the entrepreneurs with the right way to work, standardize the operation, and maximize profit. In addition, advanced training workshops, such as milling, coatings are also available for more challenging work areas to increase staff knowledge and expertise. The chain managers are committed to keeping up with daily operations while relentlessly the following innovation to maintain competitive advantage and develop the company.

2.11 Developing a Business Plan

Definition

Every firm must have a business model. Depending on their products or services, each firm has a particular business model and strategy. A company's sales and marketing techniques are determined by its business model. On the other hand, it outlines how a business uses its goods or services to produce income and profit. An organization's value creation, delivery, and capture are described in the definition as "A business model."

"A business strategy is a systematic approach to tackling future challenges and resolving them. The strategy must strike a balance between what a corporation wants to do and what it can do to have the best of both worlds. For better or worse, it is a written forecast of the company's future state. In a business plan, the company layout their company's vision and mission and its target market and financial projections.

An effective business plan is crucial to the success of a company. It aids in the understanding of how a firm is put together, saves time and money in the long run, and helps get funding and contracts.

If a company is starting a new business, this is a valuable tool for determining what forces and circumstances will impact it. Going through the planning process is an excellent method to

reflect on the progress of owning a business. A firm will be able to identify its strengths and weaknesses, what needs to do to develop the company, and how to deal with difficulties when they arise. Because of this, the company feel in command of its company's operations when using it.

Process to Design Business Plan

To be sure, writing a business strategy is essential. Every business must be successful. Start planning the company early on with a well-structured business plan if wanting to minimize the risks. A well-prepared company strategy is essential. Developing milestones along the way to success helps the organization define goals and objectives from the beginning. An enterprise strategy cannot guarantee that issues will not arise, but it may help a firm identify and deal with potential pitfalls early on.

Instead of explaining what business is and why starting it, describe how the company will operate it with a business model that might be basic or complex. A business model should include all operations, including short- and long-term goals, for a company.

We will go through each of these elements in depth now:

First, the customer value proposition is what the company and its products/services can provide consumers to solve their problems and meet their wants better than rivals

- For each market segment, there are a certain number of consumers, their willingness to pay, and the group's attractiveness to which the value proposition is being presented or should be offered. Therefore, as the product/service is supplied, a firm should examine and research to understand the needs and wants of its target clients, including their willingness to pay for your offering. The organization may thus supply clients with the greatest distribution channels and build strong bonds with them.
- How much consumers pay for what product/service, when, and how are all aspects of the Revenue Model. For the most part, this means charging close to the reservation costs without alienating those clients that value your product or service.
- Increasing the number of clients and their willingness to pay is what a business must achieve to use the growth model. It keeps expenses low while yet maintaining prices near to reservation pricing for clients. In contrast to customers, suppliers are continually looking for methods to raise the price of commodities while simultaneously lowering the quality of those items. Maintaining the cost is next to impossible in such a scenario.

- Resources and activities are components of a company's capabilities. Rather than focusing on resources or assets, consider what a company accomplishes with those resources or support. Resources become value generated or captured when activities are performed. The quality of the resources determines how much weight can be developed and captured.

In the absence of a business model, what will happen to new start-ups and aspiring entrepreneurs? What are their options? How do they know which business model to use and which not to use? The model, widely regarded as one of the finest approaches to answering such questions, will be introduced in the subsequent section.

3 Empirical Research

Developing a business strategy for a Finnish hand car wash will emphasize the thesis' empirical section. First, however, a qualitative study of car wash owners in Sweden is conducted to answer the research questions. The data was gathered through the use of semi-structured interviews. The study also included ten current car wash proprietors since they are the most likely to have vital information to provide.

Qualitative and quantitative research methods are the two basic types of research methodology. According to the study, qualitative research is a branch of inquiry in which researchers seek to get a thorough knowledge of human behaviour and its underlying reasons. It has been established in another study that quantitative research aims to explain phenomena through the collection and analysis of numerical data. Therefore, we gather numerical data in quantitative research. Analyzing using mathematical methods is related to the last portion of the term. Our data must be in numerical form if we are to be able to employ mathematical approaches. Qualitative research, on the other hand, does not follow this rule. Statistics cannot be used to assess qualitative data since they are not numerical.

It is essential to distinguish between quantitative and qualitative data since quantitative data has a limited use case. A small list of possible answers to open-ended queries or a comprehensive defined policy might be used in this situation. It has to be evaluated and comprehended to get the most out of this information. Analysis of qualitative information aids the development of new theories based on the existing ones. Deductive and inductive methods are also included.

On the other hand, qualitative research is the way to go if a certain topic is being examined in depth. It is excellent for reviewing people and corporations from a social, cultural, and political

standpoint because there is not much prior research on the issue. As a result, qualitative research methodologies will be used to gather data for the project. The study used qualitative research to get a deeper grasp of business and industrial environments' macro and micro-level analyses. A qualitative research approach is therefore appropriate for this project.

3.1 Data Collection Method

After weighing the advantages and disadvantages of the two approaches, the author has settled on the qualitative technique for this thesis; instead of just looking at what, when, and where people make decisions, qualitative research focuses on why they make them and how they make them. Because of this, it is more common to choose a small yet targeted sample rather than a big random one. A small number of studies in policy and evaluation research use qualitative methods to understand better why and how specific outcomes were achieved.

In qualitative research, the type of evidence is of primary importance. As a result, the researcher is more equipped to grasp the context of the current situation. Before conducting tests, scientific researchers also do qualitative research. These findings can be used to improve existing theories or develop new ones that differ from what has already been published. Non-numerical data, such as qualitative data, are frequently utilized to collect procedures like interviews or process processes like classification. In qualitative data, meaning is provided by words, and the data collection findings are non-standardized, necessitating the type of the collected information. Conceptualization is used to undertake analysis in this sort of study.

Quality data are generally short-lived, only understood in context, and connected with an interpretation approach that usually leads to conclusions with a high degree of validity. Qualitative data are just that: qualitative. Qualitative methods are often associated with a constructivist theory of knowledge due to their focus on understanding experiences from the perspective of individuals who have them. As discussed in Chapter 1, the author opted to use interviews as a qualitative research approach to understand better customers' demands and expectations of a new service they are considering.

Vehicle washing equipment accounts for more than 90 percent of the Swedish market for automotive cleaning equipment. Although self-service car washes are available at many gas stations, this is not common. There is not a single car wash unit that offers a manual vehicle wash. Weather, employee liability, complaints, and physical labour are a few examples of possible explanations. Auto vehicle washes, on the other hand, are pretty expensive. As a result, it appears that manual vehicle washing presents significant potential. The success of an

authentic hand car wash firm, on the other hand, will be determined by the business strategy that is implemented.

Data collection, analysis, and interpretation are all parts of the study planning process. Quantitative research follows the same framework but uses unique tools and methodologies for data gathering, analysis, and interpretation. Qualitative research differs from quantitative research in that it focuses on the similarities and contrasts between the two.

Structured, semi-structured, and unstructured interviews are all types of qualitative interviewing. Structured methods require the researcher to pre-define the research questions, and respondents are limited to answering just those questions in response. Studies that focus on a particular subject benefit greatly from using a structured strategy. Structured's antithesis is unstructured. For example, in an unstructured interview, the researcher could jot down some of the issue's significant terms before moving on to the next question. An unstructured interview is the best method for getting in-depth responses when researching a new or little-known topic. Structured and unstructured interviewing techniques coexist in the semi-structured interview. As a result, the interviewer examined issues or questions that did not have a predetermined or finite set of responses with the semi-structured interview. As a result, an interviewer can probe respondents for further information, and the interviewee is also alerted to topics not previously considered while preparing the interview questions. The interviews may be performed one-on-one with each candidate. Because the interviews are conducted one-on-one, the subjects are free to communicate their true feelings about an issue, and the interviewer and matter have a sense of trust.

On the other hand, interviews have the drawback of being time-consuming and tedious, but the benefits outweigh this. There is some debate about whether or not using semi-structured interviews might jeopardize their capacity to collect reliable data. Semi-structured interviews are regarded as acceptable in this study to help with the measurement of perception.

3.1.1 The Implementation

Interviews, sample selection, and observation were all components of the study's research design. Thematic interview questions were created, however, for the aim of conducting interviews. A business environment study, SWOT, and microanalysis were included. The exam had fifteen questions: five on the SWOT analysis and four on the business environment. Some questions were left open-ended to allow respondents to express their opinions while also exploring the interviewer freely. As a result, a sample size of 10 participants was used in this study. The sample was three, four, and three-car wash owners, respectively, in Turku and

Helsinki. The car wash owners chosen for the survey competed directly with one another in the sector. In addition, because they were already in the car wash industry, the proprietors might have advised us more about beginning a new business, such as a hand vehicle wash. The researcher used the researcher's contact information from the car wash centres on occasion to contact the sample.

The selected sample was informed of the study's goal. They were all fans of the hand vehicle wash concept. Only three of the car wash proprietors in the area consented to be interviewed, however. Two Turku car wash proprietors could not participate in the interview because they were on vacation, and the other two refused to participate. However, one of the car wash operators in Helsinki stated that "he does not want to engage in any study activity." At the same time, the other two were rejected due to personal responsibilities they had already taken on. We chose ten people since it provided a good representation of people from different cities.

On the other hand, three interviews are sufficient for conducting a small-scale study in a rather remote location. As a result, the three interviewees each received a letter of intent in person. As a result, they consented to interviews on Wednesday, Friday, and Tuesday at 01:00 Finnish time at their workplaces. The discussions were placed one-on-one. During the interviews, there was no outside influence. Unfortunately, all responses were written down because the interviewees refused to enable recording on a digital device. Besides that, they did not allow the publication of their names, addresses, or any other personal information about them. They were, however, reassured that they could obtain a copy of the study if necessary.

Additionally, the information was gleaned via direct observation. To better understand client behaviour, the author created a chart with subject headers. The behaviours of consumers before and after a vehicle wash were the focus of this section's headings. Aside from recording the observations, the author also compiled the information gleaned from the interviews. We observed because we wanted to learn more about how car washes operate in Finland.

Additionally, what customers can expect and what issues they could be having with current car wash services are discussed. Furthermore, the author got the chance to chat with customers who were dissatisfied with the services at the car wash station.

3.1.2 Interviews

Data is collected through interviews, in which participants are given questions to learn what they do, think, or feel about something. Formal interviews involve standardized questions for all participants, whereas unstructured interviews are conducted informally with a small group

of people. Semi-structured interviews, structured interviews, unstructured interviews, and in-depth interviews are frequent typologies.

Quantitative research interviews utilize prepared and standardized questionnaires to obtain data that can be quantified. On the other hand, semi-structured or in-depth interviews are not standardized; the questions are asked differently depending on the interview's flow. In addition to the list of topics and questions to be addressed, other questions may necessitate delving further into the research questions and objectives specified. Unstructured interviews are relaxed since no questions are prepared ahead of time. The interviewee is allowed complete freedom to express their thoughts on the subject matter.

To gather information, the author used semi-structured and in-depth interviews. Skype was used for all four interviews. Mr. Lian Morris, the proprietor of a car wash in Stockholm, Vietnam, was the subject of one discussion. Interviews with Ms. Tiana Gibson, Mr. Lewis Carrol, and Ms. Sandy Morris, ages 27 to 52, were also conducted. All three routinely utilize car-washing services. They were tasked with learning about the habits and requirements of the local market. The following table summarises the interviews conducted thus far.

3.1.3 Interview Questionnaire

Interviewers may give questionnaires on behalf of researchers but also serve as a communication bridge between them. In this sense, it may be the medium via which two individuals converse, although they are geographically separated and never directly speak. In addition, it serves as a formal interview for all individuals through the questionnaire. Research questions and objectives impact questionnaire selection in a variety of ways, including the following:

- It is important to contact a specific individual as a responder and not distort or condense their replies.
- It is also important to have a large enough sample size for your research to account for the expected response rate.
- Data collection question types and numbers

The number of interviews will be determined by the questionnaire used, and the researcher can specify how they want their respondents to react.

3.1.4 Data Analysis

Qualitative research relies on meanings provided via words to analyze the data. Results are non-standard data that must be classified. The quantitative analysis makes it simpler to examine implications based on numbers and data collecting, which produces numerically standardized data that can be studied with statistics and graphs. Qualitative data analysis does not have a standardized approach. Nevertheless, there are several hypotheses, recommendations, and traditions that may be found in the literature. These four tactics should be considered while constructing the study work's analysis system: recognizing language's properties, disguising regularities, grasping the meaning of text or action, and contemplation.

If the company begin an analysis of interview material, focus on what the information informs them and what structural elements they will find there. In this case, the collected data answers the study problem since the topics have been designed such that interviewees' responses encompass the entire phenomena from every available viewpoint. It should figure out what the information "wants" to tell you from the known facts. However, qualitative analysis has two methods: deductive and inductive. When using an inductive technique, no prior theoretical foundation is assumed. Data must be related to it in some way to test a theory. The idea is mainly derived from the gathering and analyzing of data.

On the other hand, the deductive technique utilizes existing theory to help develop a study question and objective. Moreover, data analysis might benefit from theoretical propositions as well. As a result, the deductive method is appropriate for this research.

The information gathered was sorted and organized utilizing the themes of the business environment, SWOT, and micro-level analysis. The study used PESTEL, SWOT, and Porter's Five Forces analyses to make things more complicated. Establishing new businesses in the local or foreign market necessitates doing thorough research of the business environment. However, the data shows that the Finnish economy is reasonably steady in the Stockholm hand car wash. The economic climate may either provide investing possibilities or make it more difficult. The "economic element" of PESTEL analysis was considered to examine the Finnish economy. Invest in Sweden's website argues that the government is business-friendly and that Sweden has a developed infrastructure, a qualified workforce, and competitive operating costs. These findings suggest that the government and local councils actively encourage new entrants. In addition, transparency International ranks Finland as one of the world's least corrupt countries, with little red tape (Urbanová 2019).

- The entrance barriers determine this threat's magnitude, says Porter. New entrants have a low danger of entry if obstacles are many. As a result, new entrants face significant risk in Finland, where the market is free, and no unique barriers exist for the car wash industry. However, in Stockholm, new entrants face minimal danger due to the physical labour required in the hand car wash industry. In addition, existing car wash owners do not want the hand car wash service.
- As customers move from one car wash to another, their negotiating power becomes apparent in the collected data. For example, there appears to be no negotiation for the service offered in the case of Finland hand car wash, as this company will provide a cheaper vehicle wash than other car wash suppliers. For Porter, the most vital positions in pitting producers against one another would be two buyer groups. However, in Stockholm, Finland, Hand Car Wash does not have any direct competition. Buyers will not be able to haggle or influence prices as a result.
- Hand car wash service is the lowest degree of service in the car wash sector. Thus the threat of a substitute is minimal. Furthermore, Stockholm's sole vehicle wash options are automatic car washes; no manual car washes are available. Even yet, there are a chance individuals would wash their cars at home until a new hand car wash service in Stockholm is available. However, the likelihood of every automobile owner cleaning their vehicle at home is decreasing. Therefore, Stockholm's manual car wash will not be directly threatened by a substitute.
- The market and suppliers have a buyer-seller relationship since every firm requires raw materials. As a result, suppliers might use their sway over pricing and availability to impose the terms of their contracts. However, suppliers have little bargaining leverage when it comes to the Stockholm hand car wash. This is because manual vehicle washing does not necessitate the use of specialized equipment or speciality solutions, both of which are difficult to come by. On the other hand, equipment and liquids can be found in a variety of locations.
- Hand carwash rivalry was non-existent in Stockholm. Stockholm's sole hand car wash will be in the city's eponymous neighbourhood. According to the information gathered, Stockholm only has vehicle washes. Furthermore, these vehicle washes are not the company's primary focus. Instead, they are a component of a gas station.

According to the findings of the study, a SWOT analysis was conducted. Internal values are strengths and weaknesses. Therefore little investment and low risk are positives in the Stockholm hand car wash scenario. Loss risk is also low in comparison to the investment. This

means that the business owner will have no problem bearing the loss is proportional to their investment (Souza 2020).

Furthermore, based on the information gathered, it appears that Stockholm hand car wash has a bright future. There is evidence to suggest that businesses that offer low-cost, high-quality hand vehicle washes can capture a significant portion of the market share in the future. As a result, the profitability of Stockholm hand car wash depends directly on its strengths. In addition, corporations can offer the free hand vehicle wash service to their employees as a Christmas, New Year, or another occasion present, considering the low cost. The language barrier and lack of available employees are significant drawbacks for Stockholm hand car wash. Thus it appears to be a difficult task at this point. However, these difficulties may be overcome by employing a clear plan to learn Swedish and recruit fluent people. As the Swedish market is an open one, data collected shows that new entries are always possible. Hand car wash rivals in Stockholm, on the other hand, have slim odds since the investor has a difficult physical task. To counter this, hiring hand car wash employees will increase costs, making it less likely for new entrants to gain a competitive edge.

3.1.5 Data Validity & Reliability

This thesis was conducted by the author using the qualitative technique in a deductive manner. Officially published books, journals, and reputable websites were used to compile the data. The ability to adapt to a new company model is also studied through conversations with local customers. As a result, they support the thesis's validity. Furthermore, because of the present circumstances in Vietnam, it is prudent to conduct an additional study on sources of finance and money. As a result, the current estimate of required capital may only be valid for a limited time; it may grow or decrease in the future.

Qualitative research's validity is often determined by how the researcher defines their theoretical claims and, in addition, how many sources of data are used. When a study's findings, results, and analysis are deemed dependable, it means that the study was built on solid foundations of factual information. The suitable form of sample selection is often referred to as dependability. It is still important to focus on the researcher's method of collecting theories and illustrating the results of his investigation. Furthermore (Ranangen 2014), dependability necessitates that the researcher demonstrates the ability to think critically.

Despite this, researchers must keep in mind that respondents will also notice the questions they are asked. Additionally, participants must be made aware of the study's goal, and agreement must be obtained before any work may begin. There should be a clear explanation

of the research's goal and intended use given to all participants. The identity of those who respond will have no bearing on either the outcome of the principal's attitude toward them. However, when it comes to interviews, various mistakes can be made in many different ways, including interviewer-interviewee misunderstandings or misjudgments, question generating bias.

The sources utilized to support the thesis's hypothesis have been provided. It has also been gathered from other sources, such as books, e-journals, and the internet to make this report. Furthermore, the study's sample, car wash proprietors, was carefully chosen with the study's goal in mind. In addition, he demonstrated his identification and described the research's goal to them. Questions for the interviewees were developed straightforwardly, and they were allowed to respond in whatever way they saw fit. As a result, the research found that the Finland hand car wash may be a profitable venture. For example, even if the same outcomes are achieved in another city, the operational costs may be more significant in such locations. As a result, the validity of this research is only advantageous for newly established companies (Ojasalo 2018).

3.1.6 Financial Risk Assessment

Importing the Autowash machine, which costs \$52,000, from Australia to Vietnam is the most expensive part of running an auto car-washing business. Besides that, additional expenses include furniture, internet, computers, and other electrical equipment that must be used for the first three months even if no money is generated. In addition, the firm pays a higher rent rate because it is located in the Stockholm area. Salary is another significant expense. To begin with, just the owner and one employee would work together in two shifts to keep costs low.

Defining possible risks to the business in this part helps the business owner anticipate and prepare for difficulties that may develop. Since the Autowash machine is a brand-new Australian import, the maintenance risks are substantial. It will be tough to find a partner with experience in the sector if technical issues arise within the period. In addition, finding replacement equipment is difficult in Vietnam. If a machine breaks down and has to be replaced, finding a new one will be difficult. Importing new equipment may be an option, but it will be prohibitively expensive (Ranangen 2014).

Opening a firm requires a minimum start-up investment of \$67,000, according to the calculations. As a result, the cost of the service will be prohibitive. Failure to serve 35 automobiles each day or keep the pricing at \$9 would significantly negatively impact the company's bottom line.

Risk of High Price & Imitation

Once a firm is up and running smoothly and financially, the chances of it being copied rise. The business concept is simple to duplicate, and anybody may use the Autowash machine. As a result, maintaining and improving after-sales support is critical for the company, as is staying in touch with consumers. The author charges \$6 for the service, which is more than twice a comparable local option price. A major difficulty for the firm is how to persuade customers that paying for vehicle cleaning is worth it (Magretta 2011).

Breakeven Analysis & Sales

It is clear from the balance sheet and income statement that FINLAND hand car wash has relatively minimal operating expenses. In January 2016, net income reached \$80 50, which is the breakeven mark. The Breakeven point was born in the first month of business, proving the firm's viability. The breakeven threshold was only reached for seven-vehicle washes a day at 19.00 \$ each car, 40 car washes a week, and finally, 160 car passes a month for the car wash to be profitable. An estimate like this for a car wash is entirely standard in the business. Fixed and variable costs are likewise relatively low, allowing the firm to achieve the breakeven threshold slowly.

The Finland hand car wash's profit and loss statement provide sales projections for 2016, covered by the document. Only the car wash was used to make the sales prediction. The car wash costs \$18 per vehicle and is open Monday through Saturday, six days a week. It is much effort to work six days a week. Although Saturday is a day off from work for most individuals, getting their car cleaned on that day might be handy for them (Joyce & Paquin 2016).

Almost seven automobiles per day will be cleaned within the first three months, generating up to \$2520 per month in revenue. This will allow the company to break even within the first month of operation. However, sales for the first month will remain the same, at \$2520, notwithstanding the additional costs that must be covered. From April to June 2016, revenues will climb to \$3600 with ten vehicle washes every day, increasing net income. Sales rose from July to December 2016 while being stable at \$3960 per day with 11 vehicles washed. Basic car washes, on the other hand, require about 15-20 minutes per vehicle. So, three cars can be cleaned in an hour, and a single person can wash up to 21 automobiles in seven hours each day. On the other hand, car-washing and polishing can take up to 30 minutes, meaning one worker can only handle up to 14 automobiles in seven-hour shifts (Dobbs 2014).

Funding & Operating Cost

The costs of running the FINLAND hand vehicle wash are pretty minimal. The first month's expenses will be considerable because of the cost of advertising and the purchase of laundry equipment. However, the prices stay the same for the remainder of the year, making operations extremely cost-effective. The local market sells the washing liquid for pennies on the dollar. The monthly rent is around \$400, making it an excellent choice for small businesses just getting off the ground. However, the \$400 in utility costs is little more than expected, but this is done to make the company prediction realistic and safe. In other words, operational costs are calculated based on the business's actual demands, which may change over time. As a result, a rise in sales in 2021 might result in a significant profit based on current cost estimates. The profit and loss statement illustrates the in-depth study of sales and costs (Honig 2012).

Hand car wash in Finland is a small enterprise with limited resources. It will cost \$2195 to get started. A total of \$1100 will be needed to cover the machinery's \$1,000 cost as well as the license's \$100 fee. However, this company does not require a lot of outside investment or loans because the owner will take care of everything. Furthermore, this company is free of all legal obligations (Mortazavi 2014).

4 Finding & Conclusion

This chapter discusses the research done to construct a business strategy for a Finnish hand car wash and the conclusions drawn from it. As a representative sample, 06 participants were interviewed. In addition, telephone calls and personal visits were made to those individuals. Seven questions were used to compile the interview data.

4.1 Findings

Customers at the auto vehicle wash regularly voice their displeasure. Customers frequently complained about dings and scratches on the car's exterior, as well as damage to a few non-structural parts like the radio antenna and side mirrors. Even after paying a hefty price for a car wash, buyers are still dissatisfied since they have to clean and dry their vehicles afterwards (Helkkula 2012). Furthermore, vacuum cleaning is an additional charge for clients. Data from market research, on the other hand, demonstrates that clients are not loyal. Customers are not welcomed or acknowledged before the wash due to the absence of human involvement in vehicle washes. Nevertheless, hand car wash businesses in Stockholm have a great deal of

success because clients want high-quality vehicle wash at a reasonable cost (Andersson 2011).

The author recruited a diverse group of interviews ranging in age from 27 to 52 years old to get a variety of perspectives from customers. The interviews may develop a marketing strategy in the next chapter to understand the respondents' thoughts, behaviour, and attributes.

However, the interviews could only be conducted by three persons due to an agreement between them. The researcher clarified to them what end the investigation was aiming to achieve. In addition, the interviewers were given assurances of secrecy throughout the process. A copy of the research has also been made available to them, should they desire it. The interviews were also thematically done.

On the other hand, the interviewees refused to authorize the publication of their private and professional information. In addition, the data was gathered by way of observation as well. To collect information from the car wash outlet, the author prepared an observation sheet. The following graph displays the results of the interviews:

1st Interviewee Response

"Because I am in the auto car wash industry as part of my fueling station, I do not have any expertise with manual vehicle washes". Moreover, he stated that he would add to his remarks by saying that he was not the type of guy who runs a hand car wash company, as he did in support of his primary filling station enterprise. He said that the hand car wash company has more potential now that the economy is vital and people's buying habits have shifted. Investors are free to give it a go, but "I believe the hard effort, quality, and a competitive pricing might be successful" is one strategy an investor might attempt. He had nothing but good things to say about the government's efforts to help businesses. He asserted that the government is supportive of commercial ventures that have potential. They may be able to assist financially.

Moreover, they guide the types of liquids and materials employed in the vehicle wash process. However, his mind was elsewhere when it came to commercial considerations. He asserted that although there are other elements at play, the government is the most significant since it has the power to implement any policy that it sees fit. "Small businesses have the less absorbing ability for large changes," he added.

As a personal experience, the opportunity is always available if working hard. The weather is the biggest problem in Finland when it comes to manual vehicle washes.

However, proper solutions, such as an indoor vehicle wash and heating, can alleviate this problem. He also remarked on the advantages of "this enterprise appearing to be of minimal cost" as positives. There is also no direct competition, which is a big plus. He admitted that "staffing can be a drawback since it is a physically demanding job and it is difficult to find individuals in Stockholm to do hand vehicle wash" was a limitation. However, he went on to say that because car washes are not our primary business, we do not see our rivals the same way as our competitors do. While this may be the case, we continue to monitor their wash and package rates because some customers come in for a vehicle wash and purchase other items such as petrol or smokes. Customers might transfer to other business outlets for various reasons, including cost, quality, and ambience. As a result, rivals can have an impact on the business. In terms of complaints, he responded that cost is a significant issue, but customers usually complain about scratches on the car's surface very regularly. Car wash quality is a topic that comes up from time to time.

Furthermore, side mirrors and radio antennas break in the car wash because it is an automatic device; thus, we pay for those damages. He also commented on the regularity with which car wash clients return, saying that while many regular customers come back often, many random visitors also do. In his response to the success of a hand car wash business, he said that strenuous effort and dedication are required.

2nd Interviewee Response

"Finland does not have a lot of hand car wash businesses, but the overall business climate in Finland is favourable," says the author. "However, I can assure you that the Finnish government is fully supportive of entrepreneurs." The potential handwashing is good since auto washing lacks quality," he added. Concerned about the issues impacting the firm, he said that several elements might have an impact. First, because Stockholm is a tiny town where people value both quality and value, the hand car wash industry can be highly profitable. Therefore, he thinks a "huge opportunity for this business" exists. As for hurdles, he said that in the hand car wash company, physical labour is a barrier that can be handled by hiring people.

On the other side, when it comes to the advantages of hand vehicle washing, he added that the company could create social relationships that might help businesses by

communicating with consumers. Because one person cannot wash vehicles for eight hours every day, this is a potential vulnerability.

"Because Finland is an open market, I keep a close eye on my competition. I am aware of their costs, business model, and rate of expansion. If a competitor opens a shop nearby, reduces prices, or attracts new consumers, it might impact my firm in numerous ways. Because my car wash is self-serve, we often hear from customers dissatisfied with both the service and the pricing. In today's market, clients, on the other hand, are pretty savvy and will hop from one provider to another in search of the most cost-effective and best alternative."

3^d Interviewee Response

"In comparison to other Scandinavian nations, the business climate in Finland is generally favourable. The Stockholm city council can assist in forming a firm. I am convinced that this business can be successful, especially by a foreigner," he answered in response to the author's question about the possibilities of the hand vehicle industry. As for why immigrants succeed, he went on to say, "I have seen them work hard and for long hours", in response to a probing inquiry. Dishonesty and the absence of the Finnish language, on the other hand, might harm a company, according to his response. The Stockholm hand car wash industry has much potential for expansion. The wealthy drive large automobiles while foreigners labour alongside the country's typical middle class. As a result, individuals are concerned with quality, while others are concerned with money. In response to a question about hurdles, he said that the language barrier might be handled by learning or employing a native. However, he stated that the firm has less risk because investors do not have to be concerned about significant losses. Furthermore, if the entrepreneur is on their own, physical labour is a limitation.

As a proactive market leader, he responded to the competition by constantly saying to watch competitors. He went on to say that rivals might have a more significant impact on the business than the government or customers since they are available 24 hours a day, seven days a week. He stated quality is a huge concern since the auto unit cannot hide sections of the automobile, and it also scrapes the car's body in response to a query about consumer complaints. As a result, many consumers do not return to the car wash regularly. However, in answer to the question on the viability of a hand vehicle wash, he said it could succeed.

4.1.1 Other Observations

As a result, the researcher took advantage of the free time to study clients at vehicle wash facilities in Stockholm. As a result, an observation sheet (appendix 3) was created to document client behaviour before and after the vehicle wash. There were a total of ten people in the store. The low customer count was due to the researcher's time constraints, as the observation process takes a lengthy period. In addition, the research was done on a Saturday and Sunday in July of this past year (Aattela 2019).

This was the first time a client had visited the car wash and paid for an automobile wash. After then, the customs agent left the building and proceeded to her car. We began by removing the car's radio antenna and closing the side mirrors. After that, we drove the car to the wash to get some soap and water in it. We pushed the automobile out of the harbour after it had been washed for around ten minutes. She, on the other hand, left the automobile in the garage. We returned to the store inside and purchased a cleaning cloth, which we forgot to bring in the car. Next, we used a hairdryer to remove the condensation off the front and rear screens and the glass doors. As we drove around the automobile, we attempted to dry it from top to bottom. She, on the other hand, refused to comply and sped off in her car.

In addition, the second client was driving a brand-new automobile. In addition, he footed the bill for a trip to the vehicle wash. He did, however, cover the car's headlights with some cloth to prevent damage. The client also removed the foot mats and grabbed a token for car vacuuming after the car wash. To make matters worse, the client began cleaning while wearing a spotless suit. As a result, he drove away without vacuuming or drying the car.

In addition (Honig 2013), the third client also footed the bill for the car wash. He had to wait in line, though, because it was a busy time. As a result, he shut the side mirrors, but he neglected to remove the radio antenna before doing so. Thus, he emerged from the vehicle wash with a damaged antenna due to the car wash. In addition, he dried the vehicle from the exterior as well as the door panels himself. In addition, he cleaned up after himself by paying a fee. Nevertheless, the most significant thing was that he removed the wheel cups and wiped the rims of the tires with a rag. As a result, his hands got filthy.

A different customer paid for the vehicle wash and vacuuming. As a result, he began sweeping the house in preparation for the vehicle wash. He removed the car's footrests and the infant seat. He finished cleaning the car's inside and moved on to the trunk. However, the vacuum cleaner broke down after a certain period, and the user had to pay an additional fee to finish cleaning the boot. The buyer washed the car and dried it himself, taking 10–15 minutes total.

When they paid for full service, customers had disagreements with car wash employees, but their vehicle was not adequately washed from below or around their rims. The customer was unsatisfied and irritated because the employees did not manage the matter professionally by saying it was not their responsibility. Additionally, five clients just went through the motions of getting their cars washed while paying for them using their credit cards and then left (Pehrsson 2013).

4.2 Conclusion

This research aimed to see if there was any potential for opening a manual car wash in Finland. To better understand how to start a hand car wash firm in Finland, this thesis looked at the business and industrial environments and conducted hands-on research. However, growing a business, in reality, necessitated creating a business plan. Therefore, an essential purpose was to develop a business plan for a Finnish hand car wash that could assist the author in building a similar firm in Sweden. This was the study's principal goal. In addition, the study utilized the qualitative research approach. In addition, data was gathered through semi-structured interviews. We also prepared several theme interview questions that focused on the company environment, SWOT, and microanalysis. In the beginning, the sample was made up of ten people who owned car wash businesses. Three of them, on the other hand, agreed to participate in the interviews. In addition, the information was gathered by way of observation as well. Customer behaviour before and after the vehicle wash was observed by the author in an observation chart.

Sweden's business climate is stable and helpful, according to research findings. Three of the company founders praised the Finnish government's backing for the new venture. Hand car wash businesses have many potentials since clients want high-quality wash at a reasonable cost. The inconvenience and discontent of consumers with vehicle washes is another essential aspect of drawing a fair market share (Helkkula 2012).

Additionally, Finland's hand car wash industry has some advantages, such as minimum investment and low skill requirements, which will help the sector remain competitive while providing high-quality service. However, as a foreign investor, there is a significant problem in a hand car wash, such as language. There is also no direct competition for hand vehicle washes now in Stockholm as the city solely has auto washes. However, further entries in the future cannot be ruled out at this point. Despite this, the study's findings reveal that rivals are aware of each other's approach, as well as their strengths and limitations. As a result, it will be essential and beneficial for new entrants in the hand car wash industry to do competitive

research. Competitors can also impact the business by changing prices and offering different products at the car wash (Küttim 2011).

According to the study's findings, the Finnish market is favourable for establishing a hand car wash company. That the Finnish government and local municipalities help, new investors was the point being made. The strength of this business is a minimal investment and low risk. However, interviewees have also shown that physical labour and the weather might be a concern. Existing rivals also include car wash services, which are a consequence of the company's primary operation, which is petrol stations. Despite this, manual vehicle washes in Stockholm do not face any direct competition.

Furthermore, the findings from the observations and interviews support the notion that customers are dissatisfied with the auto car wash experience. However, even after paying a premium fee for an auto car wash, the consumer still needs to do some little cleaning on their automobile. As a result, the business plan for opening a hand car wash in Stockholm looks promising (Ciaramella 2011).

As previously mentioned, the study's primary goal was to build a business strategy for a hand car wash firm in Finland. As a result, a detailed business strategy was created. Quality and cheap costs, or value proposition, will focus on Finland's hand car wash business strategy. Furthermore, only one person will be in charge of all activities because of the high initial expense. For the start-up costs, the business plan calls for \$1100, which is a pittance?

Although the entrepreneur's capital is \$14700, it is enough to last for around six months even if no customers come in. Despite this, the company makes a profit of \$76.80 in the first month of operation, breaking even. Furthermore, it continued to rise for the rest of the year. There is also a very favourable and consistent scenario in terms of sales projections. However, the minimal running and maintenance costs are a benefit of this low-investment firm. What is more, at the end of 2016, the company had a robust cash flow of \$ 2950. This demonstrates that the company will be able to cover its costs with available cash.

According to a market study based on Porter's five forces model, Finland's hand car wash in Stockholm has no direct competition. The hand car wash also has a cheap cost because the current service provider cannot substitute it. Aside from that, suppliers and purchasers cannot influence the Finland hand car wash industry due to the industry's reliance on readily accessible cleaning material and cheap per-vehicle wash costs (Andersson 2015). In addition, the business strategy briefly shows Stockholm's three main competitors. As demonstrated by a SWOT analysis, the Finland hand car wash may be effective with minimal investment and

reduced risk. However, as a visitor from another country, the company may have difficulties due to a language barrier. A successful hand car wash company in Stockholm may be predicted based on research and a business strategy (Finch 2013).

Thesis work, on the other hand, was a challenge. The author began working on the thesis in October of 2021, and it was nearly impossible to finish it before September of the following year. The supervisor, on the other hand, helped the student through the thesis process step by step. The thesis could not have been completed in time without her help. Furthermore, collecting the data for the study was extremely difficult because the author lacked personal relationships and was also ignorant of market behaviour. On the other hand, the author was successful in her quest to gather information for her thesis.

4.3 Suggestions for Future Study

For the most part, this thesis is aimed at helping students comprehend and put ideas into practice in the context of a business plan. The author makes the following suggestions based on his research, which should be implemented in full. Market analysis is critical for understanding the local market, identifying risks, and forecasting possibilities no matter what business is in. In terms of customer analysis, comprehensive customer analysis is required to build up the proper consumer segmentation, the appropriate policies, and the offered product or service (Haag 2013).

The main goal of this dissertation was to expand a Swedish hand car wash company. This study, however, solely looks at the Swedish town of Stockholm as a whole. Accordingly, a thorough investigation should be carried out at the national level to assess the possibilities for hand car wash businesses. Furthermore, future studies should consider that finding individuals for physically demanding jobs are challenging in Sweden.

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