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MARKET ANALYSIS OF THE FINNISH FOOD MARKET FOR
FOOD PRODUCTS FROM SCHLESWIG-HOLSTEIN

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The purpose of this thesis was to study market research and the main elements of a market analysis to apply this knowledge to a market analysis of the Finnish food retail market for companies from Schleswig-Holstein. The client organization for this thesis was the Chamber of Commerce and Industry in Lübeck (IHK zu Lübeck).

The theoretical background covers the theory of market research and market analysis. In the first part is explained how a research is conducted. The second part defines what is covered in a market analysis. The conceptual framework illustrates the market analysis conducted in this thesis.

Data and background material for the market analysis was gathered from secondary data which was found in online databases, books, articles and was provided by industry experts who were interviewed for the purpose of this thesis. Primary data was gathered through interviews with Finpro, the Finnish Grocery Trade Association and the Finnish Food and Drink Industries' Federation.

The market analysis examines the Finnish food and food retail market. This includes Finland as a target market, relations between Finland and Schleswig-Holstein, consumer behaviour, import, legal framework, retail, procurement and distribution. Furthermore, a small database was created for the client and its members. It contains companies and organizations which are active in the Finnish food market.

The results of this study can be used by the IHK zu Lübeck to support its members in entering the Finnish market or improving the existing export activities to Finland.

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1 INTRODUCTION

From September 2012 to March 2013 I did an internship in the marketing department of the German-Irish Chamber of Industry and Commerce in Dublin, Ireland. During those six months I worked on a trade mission from Germany to Ireland. One part of the trade mission was a market analysis of the Irish wine market which also contained the chances of German wine in Ireland.

I got interested in this kind of task but also in organizations which provide services for companies to improve their business, especially in an international context. When thinking of my thesis I wanted to write about a topic which is useful to a company or organization and provide them with my thesis to improve or extend their business. Thus, I decided to write a market analysis for the Chamber of Commerce and Industry in Lübeck (Industrie- und Handelskammer zu Lübeck in German; short IHK zu Lübeck).

The IHK zu Lübeck is a membership organization which offers several services and products to companies in the region of the old Hanseatic city of Lübeck. The Chamber also helps companies with the internationalization of their business.

The topic of the market analysis is the study of the Finnish food market and the chances for food from Schleswig-Holstein, the northernmost state of the Federal Republic of Germany, in Finland. With this thesis I aim to provide the IHK zu Lübeck with an analysis which can be used to support companies in extending their business to Finland.

I am from Lübeck which is the second biggest city in Schleswig-Holstein and have studied in Rauma, Finland. This personal connection to the topic and my experience to write a market analysis during my internship in a Chamber of Commerce and Industry Abroad helped me in this thesis project. Altogether, I have lived in Finland for about four years and have a basic knowledge of the Finnish language. This was an asset for me when researching the Finnish food market.

2 PURPOSE AND BACKGROUND OF THIS STUDY

2.1 Purpose and objectives

The purpose of this thesis is to study the Finnish food market and the chances of imported food products from Schleswig-Holstein, Germany in Finland. This market analysis was conducted for the Chamber of Industry and Commerce in Lübeck, hereinafter called IHK zu Lübeck, which can be used by the IHK or by its member companies to enter the Finnish market or to improve their existing exports. The thesis shall also be usable as a reference in my CV.

In the theoretical part of this thesis the following objectives and questions will be achieved and answered:

- How to conduct a good research.
- How to conduct a market analysis.
- What are the elements of a good market analysis?

In the practical part the following questions will be answered:

- How is the Finnish food market structured?
- How is the competition in the Finnish food market?
- What characterises the Finnish consumer and their behaviour?
- How are the chances for food products from Schleswig-Holstein?

2.2 IHK zu Lübeck

In Germany all companies that are registered in the republic regardless of their size and business area have to be a member of a Chamber of Commerce and Industry. However, there are a few exceptions, e.g. for farms. The IHKs represent industry, commerce and service companies, and act as a mediator between politics and their member companies. Furthermore, the Chambers offer business related services and provide objective advices for public decision makers. (IHK Schleswig-Holstein 2013.)

The Chambers in Germany were also assigned tasks by the state such as issuing certificates of origin and carnets or setting vocational training examinations. They also maintain a database of companies which comply with environmental standards. (IHK Schleswig-Holstein 2013.)

The Chamber of Commerce and Industry in Lübeck was founded in the year 1853 and represents the industry between the Baltic Sea and the river Elbe. The IHK zu Lübeck has approximately 70,000 members which are based in Lübeck as well as in the districts Herzogtum Lauenburg, Ostholstein, Segeberg and Stormarn. (IHK Schleswig-Holstein 2013.)

The IHK zu Lübeck is part of the Association of German Chambers of Commerce and Industry (DIHK), the umbrella organization of the 80 Chambers of Commerce and Industry in Germany and the 120 German Chambers of Commerce Abroad (AHK) located in 80 countries. Since 2006 the IHK zu Lübeck has also been a part of the working group IHK Schleswig-Holstein which deals with issues that are of a supra-regional concern. The other members of this working group are the IHK zu Flensburg and the IHK zu Kiel. (IHK Schleswig-Holstein 2013.)

3 THEORETICAL BACKGROUND

The theoretical background of this thesis is divided into two parts: market research and market analysis. The market research deals with the research process and *how* it is conducted. The second part deals with the market analysis which contains *what* is researched.

3.1 Market research

Market research is a process which runs through several steps. The steps vary in literature, depending on what the author wants to emphasize. Mainly they include around seven steps.

Figure 2 shows the chosen research process for this thesis. It was developed by Alan T. Shao (1999, 62) and is the ideal process for the purpose of this thesis.

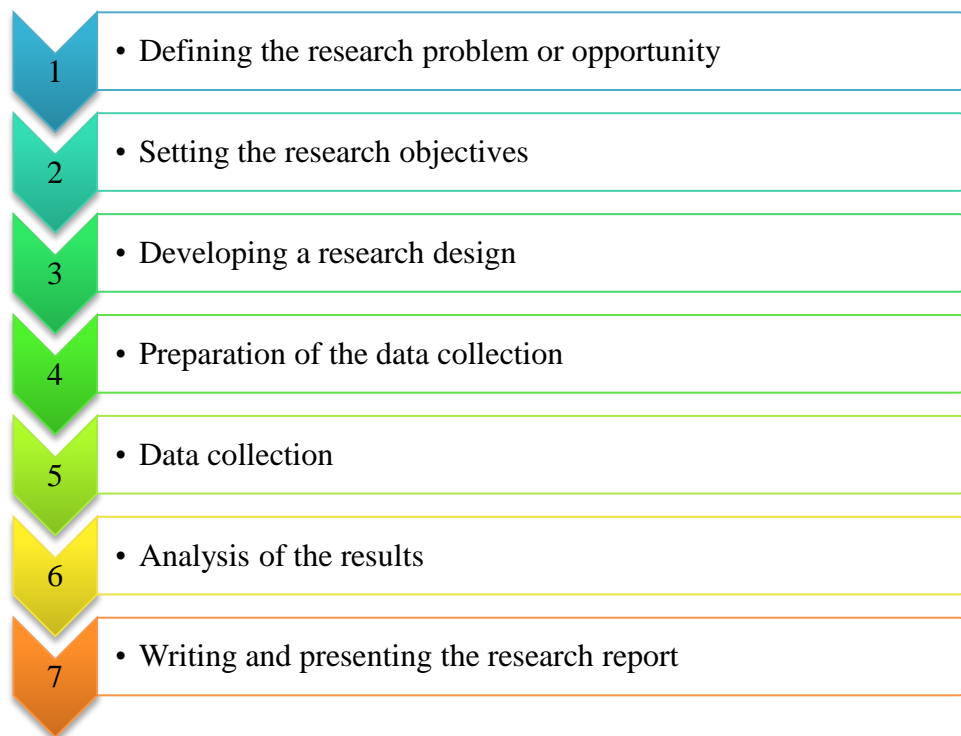


Figure 1. Research process. (Shao 1999, 62)

3.1.1 Defining the research problem or opportunity

Defining the problem is very important in the beginning of a market research as it gives the direction for the following steps of the research process and the actual research. This might take time but the better it is done, the easier the research process will be later on. The definition of the problem starts with the recognition that a process or task is not functioning well. It needs to be observed closely to evaluate the problem. (Webb 2002, 15.)

An accurate assessment of the problem is needed to specify the areas of the research and the required data. The context of the problem needs to be considered during the assessment as well. The evaluation of the research problem or opportunity is very important as the following steps and actions build on the definition and give the direction of the research. Furthermore, the researcher needs to consider what is already known and what the risks related to the problem are. This saves the researcher from needless extra work or problem solving after a risk occurred. At this stage already the available resources should be considered as well as how the gained information will be of use to the client. (Shao 1999, 61-64; Webb 2002, 15.)

In the end of the studies the students of SAMK write a bachelor's thesis in which they apply the knowledge they have gained during the studies and their internships which are part of the degrees in SAMK. The IHK zu Lübeck focuses on Finland and has a food cluster in the Chamber. This combination offered a research opportunity to study the Finnish food market for a student, while providing the IHK zu Lübeck and its members with new valuable information.

3.1.2 Setting the research objectives

Setting the objectives is to clarify what the client wants to learn and which knowledge he or she wants to obtain. Thereby, the research objectives should go hand in hand with the definition of the research. Without objectives and thus without context a reliable and valid research is impossible. (Shao 1999, 64-65; Webb 2002, 14.) However, the difficulty when setting objectives is to include organizational ob-

jectives as well as decision maker's objectives. To conduct a successful research the objectives of the client's organization and the decision maker have to match. (Malhotra 2012, 76.)

There are two types of objectives in this research. At first, there is a theoretical part in which the researcher found out the elements of a market analysis and how it is conducted. Furthermore, the researcher had a look into the set-up of a company database. Secondly, there is the practical part. The general objective is to conduct a market analysis of the Finnish food market which contains learning about the food market in Finland, who is already in the market, the consumer behaviour and the distribution channels.

3.1.3 Developing a research design

This step already starts in the beginning with the definition because in there the basics are established and with the research design a few steps later it is ensured that the objectives are reached. It is the framework of the project but at the same time it should be flexible. In this step the researcher should already consider the information he or she will gather, the method he or she wants to use to collect the data as well as the measurement method for the data and how he or she wants to analyse the data. The client company or organization is seeking for information which the researcher will gather in his or her research. There are two categories of research which can be conducted – exploratory and conclusive. Conclusive research again has two types of research – descriptive and causal. (Shao 1999, 65; Webb 2002, 18-20.)

Exploratory research

As mentioned already above, the exploratory research is highly flexible and there is no formal structure for the execution of this research. Often it is used to gain preliminary information when no details are needed, so to explore and uncover. This means also that the costs for exploratory research are relatively low. The researcher learns from the experience he or she gains during the research and from experiments. The data can be collected in many different ways which can be primary as well as secondary data. Exploratory research is often used if no knowledge about the topic is

available yet and it is less scientific. The samples are rather small or experiments are conducted. The main goal is to explore as the title already implies and not to conclude. If that is needed, a conclusive research can follow. (Shao 1999, 66-67; Webb 2002, 20.)

Conclusive research

Contrary to the exploratory research is the conclusive research. It is used to get information which can be used for evaluations and conclusions and thus, they need to be reliable and are more specific. The topic is often known well and therefore, the researcher can focus more on the details and new findings. The approach depends on the purpose and the flexibility of the study as well as on the costs and the data collection method. Nevertheless, the method is formal and often more statistical. (Shao 1999, 67.)

Descriptive research is probably the most common type of research and is used to describe a situation, opportunity, problem, behaviour or characteristic of interest. The research problem and the information needed have to be defined well in the beginning and therefore a structured research plan is needed. The data can be gathered from several sources. The samples are rather big and the resources need to be suitable because this type of research might be used by managers for important decisions. Relationships between the research and other variables can be shown but it does not go further into the details. Descriptive together with exploratory research can be a good combination for a project to succeed. (Shao 1999, 67-68; Webb 2002, 20-21.)

Causal research is used to explain relationships between one or more situations, opportunities, problems, behaviours or characteristics of interest. As descriptive research, it is structured, conclusive, costly and statistically sound. This type of research could be used for instance to explain the relationship between advertisement and sales. (Shao 1999, 68-70; Webb 2002, 21.)

The chosen research design for this thesis is the conclusive research as most of the information is already available. The research is mainly descriptive as it can be seen in Chapter 6; however it also includes some elements of an exploratory research (conducted by expert interviews to gain more insight into the chances for companies

from Schleswig-Holstein). In Chapter 7 the findings are evaluated and conclusions were drawn. This is descriptive research too.

3.1.4 Preparation of the data collection

In literature several data collection methods can be found. Nonetheless, there are no set rules which method to use or if it should be a single or mixed method approach. The researcher has to decide which method(s) suit(s) best to his or her research. However, all data needs to be valid and reliable. It should be relevant to the research and it should not be too difficult to acquire in a reasonable time frame and for appropriate expenses. (Webb 2002, 21-22, 29.)

There are two types of data for researchers to use – primary and secondary data:

Primary data

When doing research and the data is collected by the researcher him- or herself, it is called primary data. It is original data which is collected for the purpose of one's own on-going research. This data is mainly gathered, if the needed data does not exist yet, the previous data is out-of-date or otherwise not accessible. However, it can be time consuming and expensive. (Shao 1999, 72, 151.)

There are four main methods for data collection: Survey research, qualitative research, experimental research and observation. The first, survey research, requires big samples and it is structured or semi-structured. There are interviews which can be done face-to-face, by and on the computer, but there are also questionnaires which can be sent out by email or fax, or they can be handed out and collected afterwards. (Webb 2002, 22.)

Another research method is the qualitative research in which the interviews are unstructured and the sample size is small. The aim is to get also the beliefs, feelings and attitudes of the interviewees. The first method is depths interviews which are done on a one-to-one basis and thus, they can be free discussions without any pressure. Another method is group discussions (approx. 6 to 10 persons) where the participants

discuss about a given topic by the researcher. This method is useful if the researcher is not only interested in the answers to the questions but also in the group dynamics during the discussion. The third method is the projective technique. This is used when the researcher cannot acquire the beliefs, feelings and attitudes of the interviewees by asking questions but when the interviewee is projecting his or her feelings onto persons or objects. (Webb 2002, 22-23.)

In experimental research independent variables are tested or manipulated and subsequently the effects are measured. This can be done in an artificial setting (laboratory experiment) or in the office or home of the respondent (field experiment). In observation the researcher is not questioning the respondent but is observing him or her to learn about the behaviour. Observation can be expensive and time consuming if the activity or action is long-lasting or the waiting time until the occurrence takes a long time. (Webb 2002, 23-24.)

Secondary data

This type of data is the same as primary data and was collected in the same way but it was collected for a previous other purpose. Companies also save time and money when using it as they do not need to carry out the research and can use the data instantly. Next to saving time and money also the availability, accessibility and relevance of the data are reasons why secondary data has become more popular over the years. The secondary data can be internal, meaning it was collected within the company and can be used for the research. It can also be external and can be published by the government or colleges, in trade or professional association reports, in newspapers or magazines, in electronic databases or by research institutions. However, the researcher has to consider that the data was intended for a different purpose and thus it was interpreted respectively. It is also not known how the data was collected and therefore the researcher does not know if the data is accurate. (Shao 1999, 74, 124, 136; Webb 2002, 22.)

Already during the planning phase of the bachelor's thesis, the decision was made to collect secondary data and conduct interviews with industry experts to gain a deeper insight. Furthermore, this combination was ideal for the chosen time frame and for the purpose of a bachelor's thesis. The secondary data was evaluated well and was

collected from reliable sources. The interviews were conducted with industry experts. Two of them work for organizations which are involved in the food retail in Finland.

3.1.5 Data collection

The actual conduction of the interview or the completion of the survey form is the data collection. This is done by the methods or only one of them which are described in chapter 3.1.5. The collection method the researcher chooses depends on the research he or she wants to conduct but also on the time frame, the demographics of the respondents, the survey content if one is used, the length and structure of the research or the desired response rate. Furthermore, the researcher has to be prepared for potential mistakes or errors and needs to react to them and make the adjustments accordingly. (Shao 1999, 75-76; Webb 2002, 26.)

The chosen data collection for this bachelor's thesis was on the one hand the collection and analysis of secondary data from online sources like statistical databases and Emerald, a database containing articles. On the other hand, depth interviews with experts from organizations engaged in the Finnish food industry and market were conducted to receive a deeper insight into the Finnish food market.

3.1.6 Analysis of the results

The analysis of the results is the processing of the data which was collected in the previous step. How the analysis is done depends on the data collection and the research as well as on the measurement method. The researcher has to check first, if the data he or she has collected is complete, consistent, accurate and legible. This is especially important when quantitative data has been collected. Then the data is coded which is assignment of responses to scores or codes, and after that the analysis of the results can be done and conclusions can be drawn. (Shao 1999, 76; Webb 2002, 26-27.)

The moment the researcher decides for sampling and data collection he or she also must decide at the same step how the result should be analysed. If this is done later, it takes additional time and effort. (Webb 2002, 26-27.)

The answers of the interviewees will be checked, if they are complete and afterwards they will be compared with each other, and also with the secondary data that everything is consistent. The secondary data was already analysed after it had been collected for a different purpose. Thus, it is important to be cautious because the purpose might have been the complete opposite.

3.1.7 Writing and presenting the research report

This is the last step of the market research. Reports are at least presented in a written format and in addition they can be presented orally, if the client requests so. Important is also to remember to meet the requirements which have been set by the client together with the researcher in the beginning. (Shao 1999, 76-77; Webb 2002, 27.)

A research report contains an executive summary, and the description of the research environment. This includes the research design and the context of the research as well as possible assumptions how the research was conducted in order that the reader understands what was done and for which reasons. After these parts the results of the research follows. The requirements set by the client give a guideline whether the results are simply presented in the report or if they are explained and interpreted with an evaluation or recommendation. When writing the report the researcher needs to consider the reader and the audience to which the content will be presented. The report is a tool on which decision will be based. Therefore, it is important that the reader understands the results and interpretations because he or she was not part in the process. (Shao 1999, 76-77; Webb 2002, 27.)

The last step of the market research was an on-going process from the beginning. Nevertheless, it was divided primarily in two parts. At first the researcher concentrated on the theoretical background before focusing on the practical part and the ac-

tual research. Already from the beginning of the writing process of the thesis, the project was presented in three seminars to the supervising teacher in SAMK and to fellow students. At first there was the presentation of the project plan, followed by the second seminar in which the researcher introduced the theoretical element of the thesis. Before handing in the final version of the bachelor's thesis, the researcher presented her whole work in a third seminar.

3.2 Market analysis

Market analyses are mainly done when a company considers entering a new market. Thus, all alternatives need to be considered well before making any decisions and the data collected in the analysis needs to be reliable because it influences the decisions. It starts with an external analysis and then ends with the internal analysis. In the external analysis there is at first the macroenvironment which includes political, legal, economic, social and cultural as well as technological aspects, on the other hand there is the microenvironment which is about the customers, suppliers, intermediaries, stakeholders and competitors. The external analysis is also the more expensive and time-consuming part which needs to be conducted very thoroughly. (Stevens et al., 2012, 7-9.)

If the external analysis indicates that a market entry could succeed, the financial analysis follows the previous external analysis. In the second part of the analysis – already internal because it is about the company – the financial situation of the company is examined carefully as well as the profitability and the return on investment. A thorough analysis can attract investors to support the company in their extension. (Stevens et al., 2012, 7-9.)

In the last part of a market analysis is the company itself. That seems at first slightly unusual because it does not have directly to do with the market which shall be entered, but it is important as the resources the company has are analysed as well as purposes and objectives. An opportunity might be considered profitable after the external and financial analysis but it might not match the purposes and objectives of the company. Despite a thorough market analysis, it cannot be guaranteed that a market

entry will be successful. Nevertheless, the better and detailed an analysis is the smaller the chances of failures are. (Stevens et al., 2012, 7-9.)

The market analysis in this bachelor's thesis is of the Finnish market and therefore, it is a foreign market for companies from Schleswig-Holstein. Although both Finland and Schleswig-Holstein as a federal state of Germany are members of the European Union, the Finnish market is still a foreign market with its differences and singularities for companies from Schleswig-Holstein. Thus, every company from Schleswig-Holstein that enters the Finnish market should have foreign business knowledge, foreign institutional knowledge and internationalisation knowledge (Kuada 2008, 26) to be successful.

Foreign business knowledge is what a company knows about suppliers, clients or customers, competitors and the market in another country. This can be gained through the study of the micro environment of the foreign market. The foreign institutional knowledge is equal to knowing the macroenvironment which includes the governmental policies, bureaucratic regulations or culture such as the business culture, social values and norms as well as rules of behaviour. The last knowledge a company needs when targeting a foreign market is internationalisation knowledge. This means that the company has to know how to do business outside of the home country and the domestic market as well as know about the procedures in international operations. (Kuada 2008, 26.) Within the European Union international operations are much easier as many rules and regulations are set by the EU and thus, they are valid for the home – in this case Schleswig-Holstein – and the target market – Finland. This knowledge is all gained through a market analysis of the target country.

Table 1 introduces the business environment of companies but as one can see it shows mainly the same sub-categories as in Figure 3. Nevertheless, some are more while others are less detailed. The sub-categories of the external analysis can be found in the first two columns while the financial and internal analyses can be found in the right column.

The study conducted is for the IHK zu Lübeck and the researcher does not know which company will use the market analysis. Thus, the internal environment (right column) will not be considered further and is marked red. As the microenvironment is dealing with the direct environments of companies, it is only covered on a general level such as the competition in the Finnish food market or the consumer behaviour in the market.

Table 1. Business environment. (Palmer & Hartley 2002, 5-15)

Microenvironment	Macroenvironment	Internal environment
Customers	Economic environment	Marketing
Suppliers	Political and legal forces	Production
Intermediaries	Social and cultural forces	Finance
Other stakeholders	Demographic environment	Personal
Competitors	Technological forces	R & D
	Information environment	

3.2.1 Macroenvironment

The macroeconomic environment is not directly connected to companies but nevertheless it is influencing them as well as the microeconomic environment. The elements of the macroenvironment are interdependent which means that they influence each other. If changes occur, it affects companies rather on the long-term than on the short-term. (Palmer & Hartley 2002, 11.) Changes are on a broad scale – both negative and positive, for instance if economic conditions of a country change (Doyle & Stern 2006, 87).

Economic environment

The economic environment is the economy of a nation. There are two indicators of a nation's economy. There is the gross domestic product (GDP) and the household disposable income. During a boom period the consumption and together with the sales of goods and services are increasing while during a recession sales and consumption are declining. Other indicators of the economy are the wage level and the level of

employment as well as the currency. (Morrison 2011, 29; Palmer & Hartley 2002, 11-12.)

Forecasts for companies are based on the situation of the national economy and the forecasts of that. It is also important to understand the relationship between economic factors and the state of the current demand. While some products are related to the income, others have to be bought anyhow. (Palmer & Hartley 2002, 11-12.) Some goods might not be bought at all anymore, if one's situation is degrading, whereas other products are switched against cheaper brands and the sales volume of expensive or luxury brands decrease. On the other hand when more money is available the sales volume might not necessarily increase because different goods and services are bought. Furthermore, increasing wealth can also be seen in the purchase of more expensive goods and services. (Palmer & Hartley 2002, 11-12.)

Many competitors in a market create pressure for companies and the prices for the products and services for customers go down, while on the other hand competition evolves and the costs for the resources are going up (Palmer & Hartley 2002, 12).

Political environment

The political environment is forming the macro environment and it is its main influencer through new or altered legislation by politicians, but also supranational organizations such as the WTO can have an impact. The form of government and the political stability have a big impact on the economic environment of a country. Furthermore, the political environment influences the market and production of companies as well as the competitive framework. The fiscal and monetary policy for instance is affecting the wealth of companies, the public sector and the people. A further indicator what kind of a political environment prevails in a country is the freedom of expressions for press and individuals. (Morrison 2011, 29-30; Palmer & Hartley 2002, 13.)

Social and cultural environment

The social and cultural environment is about shared attitudes and values as well as about symbols, rituals and material manifestations such as art and literature in a country or nation. This environment is living and changes over time. It has to be kept

in mind that some values can change faster than others. The life expectancy for instance has increased over the years, the role of women in the society has changed and also leisure and healthy lifestyles have become more popular. (Palmer & Hartley 13, 382-385.)

For a company it is important to understand the social and cultural environment because it influences the company within and from the outside, for instance the sales. Especially, if a company is entering a new market, it needs to learn about customs and values of this market. The main factors to consider are the consumer behaviour and the business relationships in the market. In some cultures the relationship between both parties needs to be established well before a business deal is made. Also distribution channels need to be considered; for instance wholesaler versus corner shops. (Palmer & Hartley 13, 382-385.)

Demographic environment

The demographic environment is the structure of the population of a country or nation. The main factors which are considered are the size and the age of the population. They can have a big influence on companies which are depending on the structure of a population. For instance, a company that is selling walking frames has more sales in a country which has an older population than in a country with a high birth-rate. (Palmer & Hartley 2002, 13-14.)

In western countries the demographic environment is stable; nevertheless it is slowly changing because the number of elderly people is increasing. Another demographic structure which is slowly changing is the household because the number of single households is increasing. A third factor for companies to consider is the geographical structure as this influences the distribution of products: rural vs. urban area. (Palmer & Hartley 2002, 13-14.)

Technological forces and information environment

The technology and the development of it as well as further improvements have a big impact on companies and organizations all over the world; even in the sense that a certain technology is not available everywhere. The other macroenvironmental factors can influence how and if technological know-how will be adopted in a society

and the business environment of a country. During the last decades the change in the technological environment has become faster and faster, especially in IT. Thus, investments in technology can be a competitive advantage, but it also helps companies with their daily work. This environment also includes the infrastructure which is essential for the transport of supplies and goods. (Morrison 2011, 29, 334; Worthington & Britton 1997, 8, 126.)

As mentioned above the microenvironment is not detailed in this bachelor's thesis because it focuses on the direct environment of the companies and the researcher does not know them. Nevertheless, there are a few microenvironmental aspects that will be covered, even though on a general level. There are two types of competition in the Finnish food market - between the grocery trade groups on the one hand and between the products itself on the other hand. Furthermore, there is the consumer behaviour and their decision making when purchasing their groceries as well as the distribution.

Macroenvironment in the Finnish food industry and the food retail market

The economic environment for the companies from Schleswig-Holstein is still the European market as well as the Finnish economy. The Finnish economy is stable and the Finnish food market is currently slightly growing. Forecasts are predicting small growth during the next years. However, those predictions are highly linked to the further development of the euro zone and the European markets. Finland also has a stable political environment. It is a democratic governed country, the corruption is low and Finland is also a member of a number of supranational organizations and of course the European Union.

The Finnish culture generally is European but it was also influenced in the past by Sweden and Russia. Finns are direct and like to go down to business right away. During the summer holiday season (from midsummer to the end of July / beginning of August) the business life slows down. The main part of the Finnish population lives in the south of the country while the north is sparsely populated. The three biggest grocery retail groups are also present in the north of Lapland to supply the Finns that live up there with food products.

The technology and the IT used in Finland are well developed and the country is also known for the mobile phone manufacturer Nokia which recently was bought by Microsoft. In Finland there are over 9.5 million mobile phone subscriptions (Suomalaisilla jo 9,7 miljoonaa matkapuhelinliittymää 2013), in a country of 5 million inhabitants.

3.2.2 Microenvironment

The people and organizations that affect – both direct and indirect – a company and its actions are the so called microenvironment of the company (Palmer & Hartley 2002, 7). If changes occur they are limited to the market in which the company or organization operates such as the buying behaviour of the customers. As the changes in the macroenvironment as well as the changes in the microenvironment are out of the influence area of the company, thus the company has to adapt as well as possible to possible changes, regardless if they are positive or negative. (Doyle & Stern 2006, 87.)

Customers and customer behaviour

Customers are the most important part of a company because without them there is no business. A company has to think about the needs of the customers and what they want. This should be done by keeping in touch with the customers and by being proactive rather than following the wishes and requirements. (Palmer & Hartley 2002, 7-9.) Meeting the customer needs and wishes is vital for companies for survival and success (Worthington & Britton 1997, 9).

One part of knowing one's own customers is to understand their behaviour and habits. Companies have to learn why the customers choose their product and not one from their competitors. This decision making process differs a lot between products. Companies also need to know what influences the decision making and how it is done. Those influencers can be different – like the culture, media or family and friends; they also have different intentions when doing so. Another influencer is the knowledge of the people about a product or the lack of knowledge and information. Often decisions are also made during the shopping process. (Pant 2007, 52.)

Suppliers

They are important as well because they have the power to influence the company and thus, they need to be reliable. Suppliers deliver goods and services which are sold onwards with more value. Through malfunctioning products or a delay in production the suppliers can have a negative impact on the company. (Palmer & Hartley 2002, 9.) Often companies switch to suppliers which are located on the other side of the globe to save money or receive resources with better quality. However, longer transportation routes include higher possibilities of delays or exchange rates might change. But also receiving domestic supplies can be affected, for instance by technological changes or new laws by the government. (Worthington & Britton 1997, 8.)

Intermediaries

Intermediaries are between companies and their customers; such as wholesalers or retailers, but they can also be middlemen or agencies. These intermediaries are promoting, selling and distributing the products to the consumers or the final customer. Especially large-scale producers use intermediaries to sell their products. (Karunakaran, K. 2008, 27-28; Palmer & Hartley 2002, 9.) A good example for this is food production. The producers sell their products mostly to grocery trade groups, chains or stores where the products are sold so that the consumers do not need to purchase every product from a different producer but can get everything they need from one place.

Competitors

The competitors are as important for a company as the suppliers and the customers and need to be considered well. The company has to know the status, strengths and weaknesses of the competitors to be successful and not be kicked out of the market by them. Having a competitive advantage, regardless what that is, is an important competence for companies which they should gain to achieve and maintain. The competitors can be domestic as well as foreign; the competition might be indirect or direct. (Karunakaran, K. 2008, 28; Worthington & Britton 1997, 9.) Markets as well as companies can focus their strategies and planning on the competitors, for instance what the competitors do or do not do (Stevens et al., 2012, 4).

Other stakeholders

Next to the above mentioned organizations and individuals companies have also some stakeholders that are not that close to them but are influencers nonetheless. These are government agencies, the local community, pressure groups, and the society in general. (Palmer & Hartley 2002, 9-10.)

Microenvironment in the Finnish food industry and the food retail market

The microenvironment is directly or indirectly influencing companies. This part is looking at the case of a company from Schleswig-Holstein that is interested in entering the Finnish market.

The direct customers for companies from Schleswig-Holstein are of course the importers or the grocery trade groups. However, when looking at the definition above, the end-consumers that eat the food products are the consumers. Furthermore, the companies have to listen to them and their needs, if the consumers change their eating habits. If the consumers do not buy the products anymore, the companies also lose their business partners as those do not want to purchase products they cannot sell.

Suppliers can be very different. Some companies only need machines because they grow and produce the food themselves while others also purchase cereals or fruits from farmers and other ingredients to produce the end-product. The intermediaries are the business customers. Those are the Finnish importers and the grocery trade groups. They are dealing directly with the consumers because the consumers do not want to buy every product directly from the different producers. Below is also explained that the Finns prefer buying everything from one store like hypermarkets.

The competitors are the other producers with their brands that produce the same kind of products and aim with them for the same consumer groups. The names of the producers and their brands that are available in the hyper- and supermarkets can be found in chapter 5.2. Stakeholders are all organizations and individuals that are involved or influenced in some way by companies and their business. The biggest stakeholders are the Finnish and European authorities with their rules and regulations concerning food production and retail.

3.3 Database

A database is a collection of customer data with all details. These are personal details and contact data but also the sales history and all communication between the company and the customer. The data can be collected internally as well as externally. (Tapp 2000, 21, 48.)

Databases need to be kept up-to-date all the time which means for companies that they have to invest time and money to do so. Consumer data tends to change more slowly than the data of business customers. Nevertheless, changes in addresses, names or circumstances need to be updated. Data of business customers can change up to 30% within one year because employees change their positions within a company or leave. It is also possible that a company simply goes out of business. (Tapp 2000, 41.)

Marketers need to consider the Data Protection Acts when using data or contacting the customers. On an international level they have to be particularly careful as the laws in countries differ from each other, especially in Europe. (Tapp 2000, 47-48.)

This bachelor's thesis will not contain a database a company might have of its customers. It is a collection of contact data of players in the Finnish food market as well as of institutions and organizations that are working in the market too. The contact data in the database (Chapter 6.6) was found on the websites and was publicly accessible when the researcher collected the data. Furthermore, it was updated during the thesis process and was up-to-date when the final thesis was handed in in the end of September 2013.

The data in the database includes market players, institutions and organizations that are currently active in the Finnish food market. Contact persons were deliberately left out due to changes in companies and often it was not publicly accessible.

The database contains:

- Name of company, organization, institution
- Address(es)
- Contact data (phone, email, website)

3.4 Conceptual framework

The conceptual framework is an adaption of an opportunity assessment process by Stevens, Sherwood, Dunn and Loudon (2012, 8).

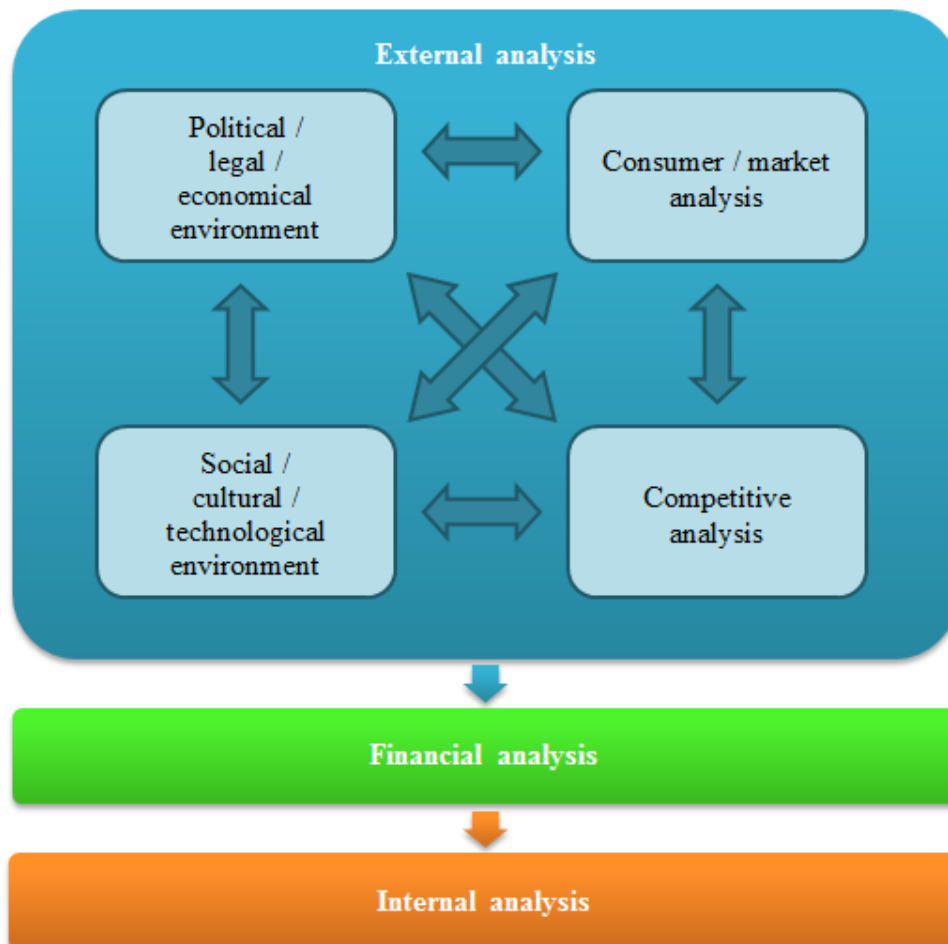


Figure 2. Conceptual Framework. (Adapted from Stevens et al., 2012)

The opportunity assessment process has three steps which contain several sub-analyses. The first step is the external analysis followed by the financial analysis and ends with the internal analysis. As the market analysis is conducted for the IHK zu Lübeck which uses the results itself and provides its members with them, the financial and the internal analysis are left out as they are executed by the members themselves. This is due to the fact that it is not known which members of the IHK zu Lübeck are interested in exporting their products to Finland and, what are their financial resources or internal plans. Nevertheless, the financial and internal analyses

are part of an opportunity assessment process and so they are mentioned in the conceptual framework but do not contain the sub-analyses.

In the external analysis there are four sub-analyses which all influence each other as indicated by the arrows, e.g. the legal environment in a country or region affects the competition by law.

Political / legal / economical environment: This analysis includes the political and legal as well as the economic background of the target market, e.g. political stability, governmental regulations, law or the economic situation.

Consumer / market analysis: The consumer as well as the market analysis is about the market and the consumer in it, e.g. market size or buying behaviour.

Social / cultural / technological environment: This analysis includes the social and cultural as well as the technological background of the target market, e.g. existing technology or cultural and social aspects which need to be considered when entering a new market.

Competitive analysis: The competitive analysis deals with the competition in the market and the potential competitors that are already in the market.

4 PROJECT IMPLEMENTATION

This thesis was written between spring and autumn 2013. The consideration of a potential topic by the researcher started in the beginning of the year but became more concrete after a kick-off meeting with the marketing lecturer Kati Antola in the end of April 2013. Shortly after, potential organizations were contacted to offer them a bachelor's thesis which would contain a market analysis as the main subject. The chosen organization was the IHK zu Lübeck as already introduced in the introduction and the background of this thesis.

In May was the first seminar in which the project plan for the thesis was presented. For the project plan preliminary research was done to define the basics of the project and to set up a time frame for different phases of the thesis. Right after finishing the project plan the theory was gathered and research was started for the theoretical part of the thesis. In the middle of June in the second seminar this part was presented. The books used for the theoretical part were found in the SAMK library as well as online from DawsonEra and Ebrary.

After the theoretical part of this bachelor's thesis followed the application of the knowledge to the chosen case. The data collection for the market analysis was divided into two parts. On the one hand there was qualitative research for the primary data which was done by depth interviews. On the other hand secondary data was used which was found online for amongst others in statistical databases or in Emerald – a database for articles – provided by the interviewees and found in books. This type of data collection was chosen because it is a good combination of the use of previously collected data and new data focused specially on the topic of this thesis. However, the holiday season in Finland in July affected the planning of the interviews so that they were conducted in the end of July and the beginning of August which extended the writing process for approximately one month.

Interviews for this bachelor's thesis could be arranged with Kari Luoto who is the managing director of the Finnish Grocery Trade Association, Heli Tammivuori who is a director (commercial policy) in the Finnish Food and Drink Industries' Federa-

tion as well as with Esa Wrang who works for Finpro and is an expert on the food industry. The interview questions can be found in Appendix 2. However, they were slightly adjusted for every interviewee.

After the interviews the answers were analysed and compared. In some parts they differed while in other parts the experts agreed with each other. Based on the interviews and the secondary data the market analysis was done and written. During this phase, a change of supervisors occurred, howsoever it did not influence the writing process. However, due to some discrepancy between the theoretical and the practical part, some of the theory which was not applied in the latter part was deleted and replaced by valid theory. In the middle of September the third seminar followed in which the thesis was presented as a whole with a focus on the practical part. In the end of September 2013 the final version of the thesis was handed in and afterwards it was sent to the client, the IHK zu Lübeck.

5 PRODUCTS AND COMPANIES

5.1 Products

The market analysis considers the whole Finnish food and food retail market but focuses partly only on breakfast products and on confectionaries.

Breakfast products

From a German point of view typical breakfast products are bread and buns, different types of spread such as marmalade or chocolate cream, cold cuts, cheese, eggs and muesli. Finns on the other hand do not eat marmalade for breakfast as they eat either sandwiches with cold cuts and/or cheese and vegetables such as cucumber, bell pepper and tomato, or they eat cereal based breakfast like porridge or muesli. However, in this market analysis the so-called breakfast products that were considered are cereals (porridge and muesli) and marmalade.

Breakfast cereals

The most popular breakfast cereals are porridge grains and muesli. The main cereals for porridge are oat or a four-grain mix. The main muesli types are original mixes (grains and fruit) or crunchy mueslis. (Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.)

Confectionaries

In this bachelor's thesis sweets such as gummy bears or lollipops are considered as well as other confectionaries such as chocolate, truffles, liquorice and marzipan. Ice cream was left out. The most popular sweets and confectionaries eaten in Finland are chocolate in general and sweet mixes (200-300g) (Tammivuori, personal communication 06.08.2013).

Marmalade / Jam

Marmalade and similar products are made from fruits or berries and mostly canned in jars. The most popular flavours in Finland are strawberry, raspberry, apple and berry mixes (Tammivuori, personal communication 06.08.2013).

5.2 Companies present in the Finnish market

As there was almost no information available which companies from Schleswig-Holstein already sell their products in Finland, the researcher has conducted some field research in Rauma, in western Finland, to see which products and brands were sold in August and September 2013. The hyper- and supermarkets where research was conducted were Prisma (S-Group), K-citymarket (Kesko), Valintatalo (Suomen Lähikauppa) and Lidl. It should be kept in mind that this is only a small sample and therefore, further producers and brands can be present in the Finnish food market.

The findings show that there are three different ways for producers to be present in the Finnish market. One way is a formation of a subsidiary to be also present in Finland. This is the strategy Dr. Oetker chose; however this is not a northern German company. Then it is possible to simply export the products to Finland, this is done for instance by Alfred Ritter GmbH & Co. KG. The third way is to produce food products which are sold under the names of the private labels like H. & J. Brüggem KG from Lübeck (see also chapter 6.5.2).

Some producers sell their products under the name of the individual brands while others sell them under their own name. In the following lists the producers can be found that sell their products in Finland. The right column is only filled, if the respective producer has individual brands. However, not all products have to be sold under the brands' names.

Table 2. Producers of cereals and muesli

Producers	Brands
Kellogg's Finland	Corn Flakes, Coco Pops, Special K, All Bran, Tresor, Rice Krispies, Frosties
Rainbow (<i>private label, S-Group</i>)	
Eldorado (<i>private label, Suomen Lähi- kauppa, Wihuri</i>)	
Pirkka (<i>private label, Kesko</i>)	
Suomen Nestlé Oy	Fitness, Lion, Cheerios, Nesquik Cereal, Cookie Crisp

Weetabix Food Company	Weetabix, Alpen
Oy Semper Ab	
Oy Närpes Topfood Ab	SunMuro
Raisio Oyj	Elovena, Nalle
Finax Finland Oy	
Dr. Oetker Suomi Oy	Vitalis
Mulder Natural Foods N.V	Tilo's Bio
Helsingin Mylly Oy	Myllärin
Urtekram International A/S	
Taivalkosken Mylly – Oy West Mills Ab Ltd.	
Virtasalmen Viljatuote Oy	
Sysmän Luomuherkut Oy	
Lantmännen	Start!, Axa
AMS Sourcing B.V	Euro Shopper
Lidl Stiftung & Co. KG (<i>brands are private labels</i>)	Master Crumble, Crownfield
X-tra (<i>private label, S-Group</i>)	
Birkkalan tila	
Myllyn Paras Oy	

In Finland, there are different types of packages for sweets. There are the bags and boxes with sweets or chocolate which can be also wrapped separately, single chocolate bars or liquorice sticks, chocolate bars or multipacks. The pick and mix concept is also very popular, mostly provided by Candy King which belongs to Accent Equity Partners. The sweets and confectionaries are produced by different producers like HARIBO.

Table 3. Producers of sweets and confectionaries

Producers	Brands
Nestlé	KitKat
Mondelez Finland Oy	Marabou, Milka, Daim
Cloetta Suomi Oy	Jenkki, Mython, Läkerol, Leijona, Sisu, Malaco, Polly, Tupla, Royal, Mint-Mint...

Lindt & Sprüngli AG	Excellence
Oy Halva Ab	Duudsonit, Mega Mix, Salmiakki, Väiski,...
Mars, Incorporated	Mars, Snickers, Twix, Dove, Milky Way, Bounty, M&M's
Wm. Wrigley Jr. Company (belongs to Mars, Inc)	Airwaves
Brunberg Oy	Alku, Suukkoja,...
Oy Panda Ab	Juju, Juhlapöydän Konvehteja, Lakumix, Natural, Lakupala, Pepe, Pop, Smoothie, Suklaa Mix, Suomi, Toffeemix,...
Oy Karl Fazer Ab	Fazerin Sininen, Marianne, Omar, Dumle, Julia, Fazerina, Xylimax, Geisha, Tutti Frutti, Ässä, Suffeli, Kismet, Pantteri, Re-mix, Fazer Angry Birds,...
Dammenberg	Secret Passion, True Love,...
Ferrero	Kinder, Raffaello, Rocher, Tic Tac...
Rainbow (<i>private label, S-Group</i>)	
Pirkka (<i>private label, Kesko</i>)	
Alfred Ritter GmbH & Co. KG	Ritter Sport
X-tra (<i>private label, S-Group</i>)	
Eldorado (<i>private label, Suomen Lähi-kauppa, Wihuri</i>)	
August Storck KG	Riesen, Toffifee, Werther's Original
HARIBO Lakrids Oy Ab	MAOAM, Chamallows, Matador Mix, Goldbären, Colo-Rado, Click Mix, Black & White, Piratos,...
Lidl Stiftung & Co. KG (<i>brands are private labels</i>)	Bellarom, Mister Choc, Fin Careé, Sondey, J. D. Gross, Sugarland,...
Perfetti van Melle	Chupa Chups, Mentos, Meller,...
Kouvolan Lakritsi Oy	
PEZ International GmbH	
Fisherman's Friend	
Cavalier N.V	
Procter & Gamble	Vicks
Candy King	<i>Brands and/or producers:</i> HARIBO, Panda, Brynild, Tangerine, Totte Gott, Dals, Bubs, Fazer, Lamy

	Lutti, Astra Sweets, Cadbury, Halva, Malaco, Matthijs, Lonka, Candy Land, Sila Gum,...
Karkkikatu Oy (<i>belongs to Cloetta</i>)	

The marmalades and jams are mainly produced by Finnish companies in Finland. Due to the natural environment several types of berries grow well from the south to the north of the country. Thus, there is no need to import berries and also some of the jams and marmalades for the private labels are produced in Finland.

Table 4. Producers of jam and marmalade

Producers	Brands
Saarioinen Oy	Dronningholm
Marjajaloste Meritalo Oy	
Herkkumaa Oy	
Fine Foods Oy Ltd	St Dalfour, Mackays, Jam It!
Felix Abba Oy Ab	Ekströms
Oy Roberts Ab	
AMS Sourcing B.V	Euro Shopper
Riitan Herkku Oy	
Zentis	
Lidl Stiftung & Co. KG (<i>brands are private labels</i>)	Maribel
Rainbow (<i>private label, S-Group</i>)	
Pirkka (<i>private label, Kesko</i>)	
X-tra (<i>private label, S-Group</i>)	
Eldorado (<i>private label, Suomen Lähi-kauppa, Wihuri</i>)	

While it is possible for Finnish customers to buy several different brands which are extended with the private labels in the stores of the three biggest grocery trade groups, Lidl is selling mainly private labels.

6 MARKET ANALYSIS

6.1 Target market

The target market for the food products from Schleswig-Holstein is Finland. This chapter 6.1 will introduce Finland briefly as well as its food market and the economic relationship between Finland and Schleswig-Holstein.

6.1.1 Finland as target market

Political background

Finland is in the north east of Europe and it has been independent republic since 1917. In the east Finland borders on Russia (1269 km), in the north on Norway (727 km) and in the northwest on Sweden (586 km). The rest of the border (1100km) is the Baltic Sea coast. With the plane it takes from Germany to Finland about two to two and a half hours; the combined passenger-freight ferries take 27 to 30 hours to cross the Baltic Sea. (AHK Finland 2013.)

Finland has 5.4 million inhabitants (2012) and has one of the smallest densities of population in Europe. While the area of Finland is almost the same as Germany's, the number of inhabitants is much lower. On average 16 inhabitants live per square kilometre but this is much higher in the south, while on the other hand it is much lower in the north of Finland.

Two thirds of the Finnish population live in the Turku – Helsinki – Tampere triangle in the south of the country. Alone in the Helsinki region live about 1,4 million inhab-



Picture 1. Finland. (European Commission 1995 – 2013)

itants. (AHK Finland 2013; GTAI 2013; Population and population changes by major region, region and sub-regional unit, 2011 2012, 74.)

Finland is a parliamentary republic which is governed by a six party coalition under the prime minister (pääministeri) Jyrki Katainen from the National Coalition Party (Kokoomus) since 2011. The other parties of the coalition are the Finnish Social Democratic Party (SDP), the Left-Wing Alliance (Vasemmistoliitto), the Green League (Vihreäliitto), the Christian Democrats (Kristillisdemokraatit) and the Swedish People's Party in Finland (RKP). (AHK Finland 2013.)

The president of Finland is Sauli Niinistö (presidentti) who is in his first term in office since the beginning of 2012.

Finland has been a member of the European Union (EU) since 1995. Furthermore, the republic is a member of the WTO, OECD, WTO, Council of the Baltic Sea States and the UN. As in Germany, the currency in Finland is the euro. (GTAI 2013.)

Finland is bilingual and has two official languages – Finnish and Swedish. Six per cent of the Finnish population speak Swedish as their mother tongue. Nevertheless, in business life also English is used. (AHK Finland 2013; GTAI 2013.)

Table 5. Basic data of Finland. (AHK Finland 2013; GTAI 2013)

Capital	Helsinki
Form of government	Parliamentary republic
Head of state	Jyrki Katainen (Kokoomus)
Head of government	Sauli Niinistö
Area	338,145 km ²
Inhabitants	5.4 million (2012)
Population density	16 inhabitants per km ² (2012)
Languages	Finnish, Swedish (business language also English)
Currency	Euro (€), 1 euro = 100 cents

Economy (structure, development, investment climate)

The Finnish gross domestic product has been increasing over the last decade, apart from 2008 when also Finland was hit by the global financial crisis (Gross domestic product, 2001 – 2011 2012, 318) and it is expected to increase further over the next years due to an increase of foreign trade and private consumption (GTAI 2013). However, any prediction is closely connected to the development of the economic situation in the euro zone.

Table 6. Economy data of Finland. (GTAI 2013)

GDP	194.5 billion euro (2012)
GDP per capita	35,900 euro (2012)
Rate of inflation	+3.2% (2012)
Rate of unemployment	7.7% (2012)
Import of goods	59.3 billion euro (2012)
Export of goods	56.8 billion euro (2012)

The general economy of Finland also affects the food market. The economic situation of the food market is currently not that bad as there is still a small growth. Food is consumed every day and thus the consumption is not affected as much as holidays for instance. Nevertheless, the consumption of high priced food has gone down or remained static while the sales of low priced food have increased, especially in areas with a high unemployment. However, the rise in sales is due to a price increase of the products. On the contrary, during the first six months of 2013 the sales volume decreased. In 2013 (January to June) the sales went up by 3.8% which is due to the rise of 5% in prices. (Luoto, personal communication 31.07.2013; Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.)

The private consumption decreased in 2012. Nevertheless, for the year 2013 an increase of 0.7% is expected as well as an increase of private consumption for the next two years. (Bank of Finland 2013; GTAI 2013.)

Germany is on the third place for imports as well as for exports (see Figure 4 and 5). Only their neighbours Russia and Sweden import and export more to / from Finland

than Germany. The exports to the European Union have a share of 53.6% of the total exports. The imports from the EU have even a share of 62.7%. (GTAI 2013.)

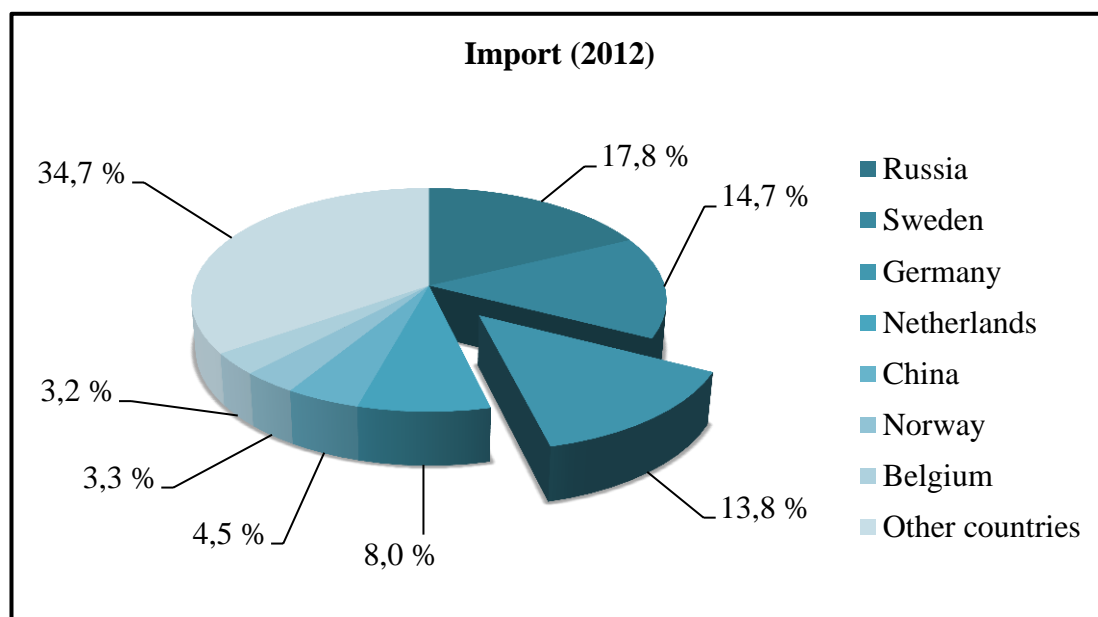


Figure 3. Import (2012). (GTAI 2013)

In 2012 the main goods that were imported from Germany were petroleum and chemical products, over one quarter of that were pharmaceutical products, as well as machines, electronics, raw materials, food products, and cars and car parts (GTAI 2013). Most of the goods were shipped to Finland in 2012, only 11,000 tons were transported by rail (8,000t), on the road (1,000t) or by other means of transportation (3,000t) (Finnish Customs Statistics 2013, 33).

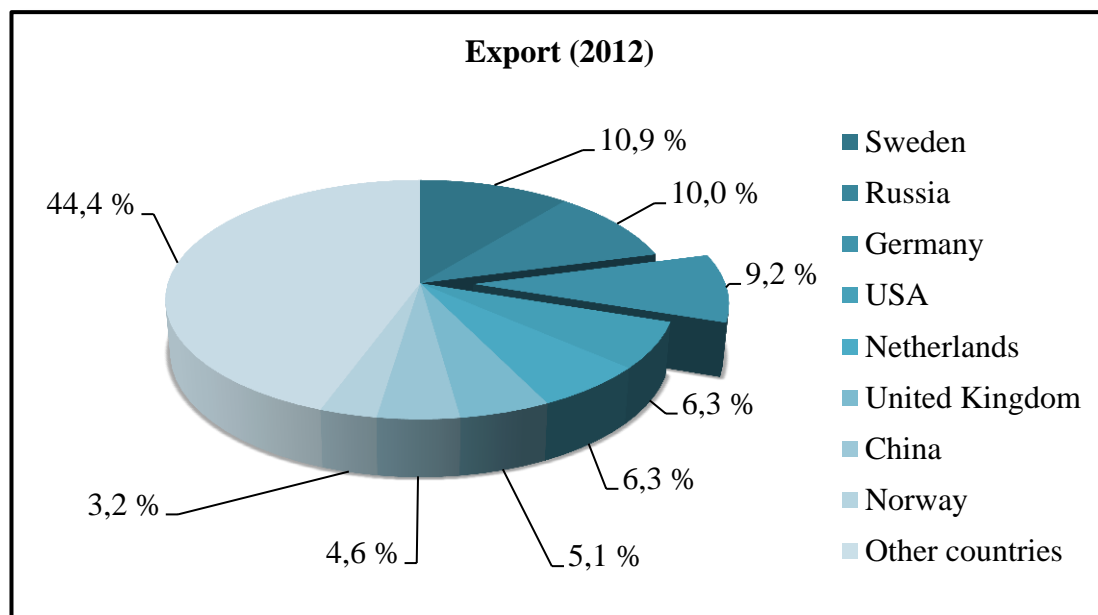


Figure 4. Export (2012). (GTAI 2013)

In the same year Finland exported mainly machines, paper and cardboard (about $\frac{1}{4}$ of the exports), petroleum as well as chemical products of which almost one quarter were pharmaceutical products, raw materials, iron and steel, and electrical engineering to Germany (GTAI 2013). As the imports, most exports were transported by ship in 2012. Nonetheless, 125,000 tons of goods were transported by rail to Germany and 2,000 tons by other means of transportation. (Finnish Customs Statistics 2013, 33.)

6.1.2 Relations between Finland and Schleswig-Holstein

Schleswig-Holstein is the northernmost state of the federal republic of Germany with access to the Baltic Sea. This gives the opportunity to ship goods directly from Schleswig-Holstein over the Baltic Sea to Finland within 27 to 30 hours. However, Finland did not belong to the top 10 export destinations of Schleswig-Holstein in 2012.

- | | |
|-----------------------------|-------------|
| 1. Denmark | 6. Belgium |
| 2. United States of America | 7. China |
| 3. Netherlands | 8. Italy |
| 4. United Kingdom | 9. Poland |
| 5. France | 10. Austria |

(Statistisches Amt für Hamburg und Schleswig-Holstein 2013.)

The value of the imported goods to Schleswig-Holstein in 2012 decreased by 2.4% compared to the previous year. The decrease of the imported goods that originated from the European Union was 1.2%. This also affected the imports from Finland. However, the decline was only 0.7% from 719.7 million euros in 2011 to 714.7 million euros in 2012. During the same time span the volume of the goods decreased from 3.81 million tons in 2011 to 3.66 million tons in 2012. That is a decline of 4%. (Ein- und Ausfuhr des Landes Schleswig-Holstein 2012 – nach Ländern 2013; Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013.)

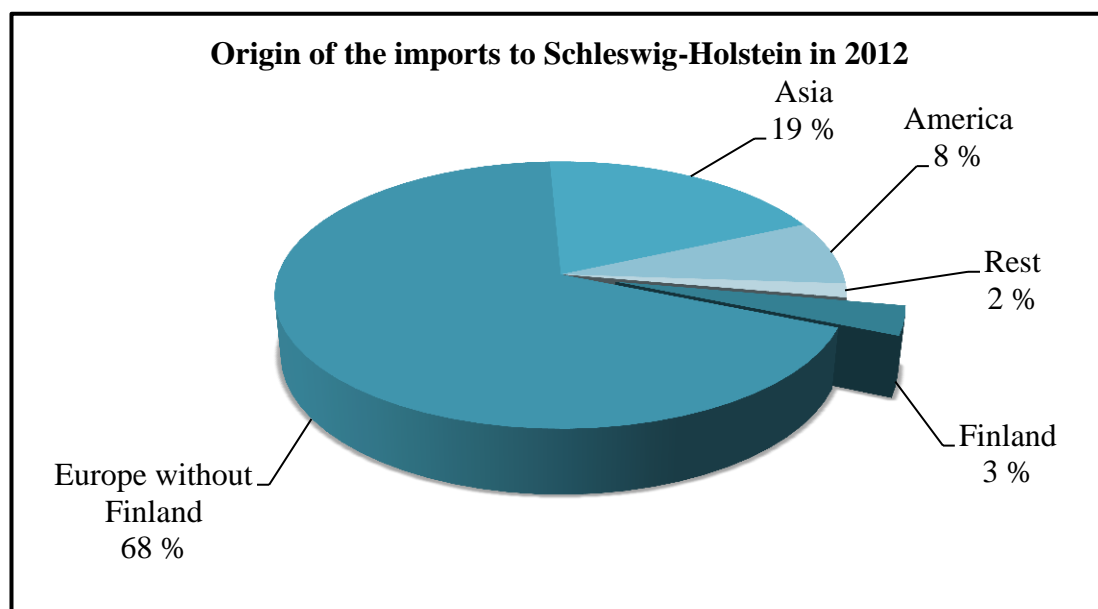


Figure 5. Imports to Schleswig-Holstein 2012. (Ein- und Ausfuhr des Landes Schleswig-Holstein 2012 – nach Ländern 2013)

The total value of the exports from Schleswig-Holstein increased by 2.9% from 2011 to 2012. Nonetheless, the exports to the EU decreased by 2.3% at the same time. One reason for that is also the exports to Finland which dropped from 279 million euros (2011) to 183 million euros (2012). That is a decline of over 34%. When looking at the volume of the exports the decrease is not that drastic. In 2012 Schleswig-Holstein exported 2.46 million tons of goods to Finland which is 3.6% less than in 2011 (2.55m tons). It also should be kept in mind that the export of goods to Europe de-

creased after the economy crises in 2008/2009 from about 75% to less than 70% while the exports to non-Europe destinations increased. Howsoever, the value of the exports stayed approximately the same between 2010 and 2012 (around 18.5 billion euros). (Ein- und Ausfuhr des Landes Schleswig-Holstein 2012 – nach Ländern 2013; Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013.)

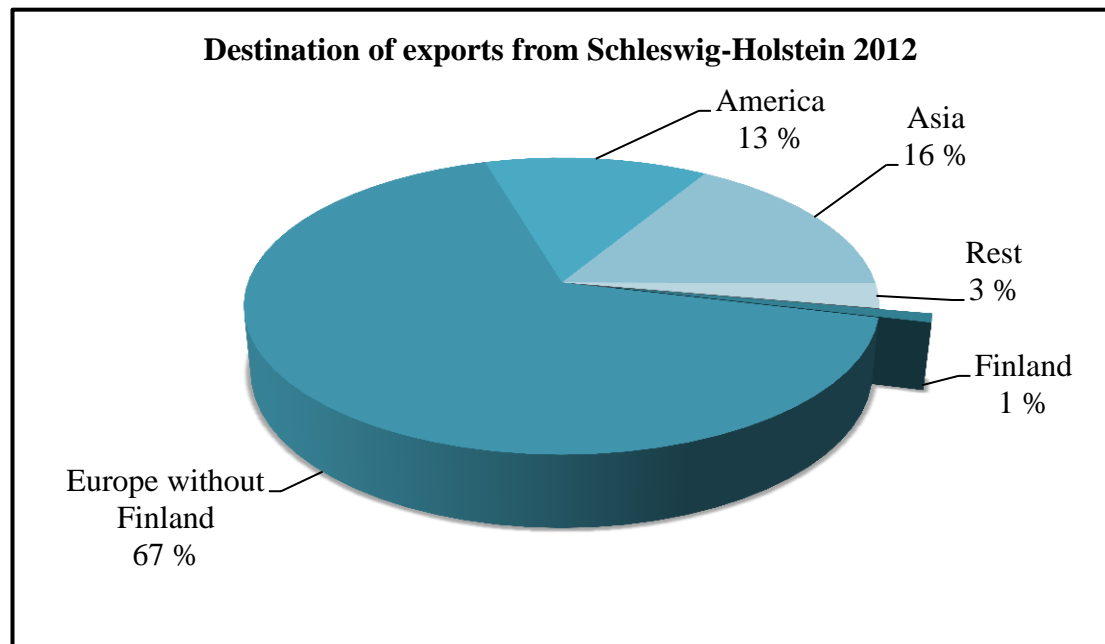


Figure 6. Exports from Schleswig-Holstein 2012. (Ein- und Ausfuhr des Landes Schleswig-Holstein 2012 – nach Ländern 2013)

When having a look at Figure 8 it can be seen that over half of the exports from Finland to Schleswig-Holstein are pulp, paper and paper products. That was over 1.9 million tons in 2012. The next biggest product group which was exported were cereals with 57,532 tones. However, this accounts only for 1.6% of the total volume of the exports. This is followed by nitrogen compounds and fertilizers (except natural fertilizers) with 54,508 tons (1.5%), basic mineral chemical products with 45,729 tons (1.3%) and products of forestry and logging with 41,635 tons (1.1%). Almost 41% of the exports account for other products as well as unidentified goods which is technically the second biggest product group, however it cannot be said what products those unidentified goods were. Out of the 41% over 1.4 tons did not classify for any other product group. Therefore, it cannot be said what type of products they were

and how the mixture and the volume of those products was. (Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013.)

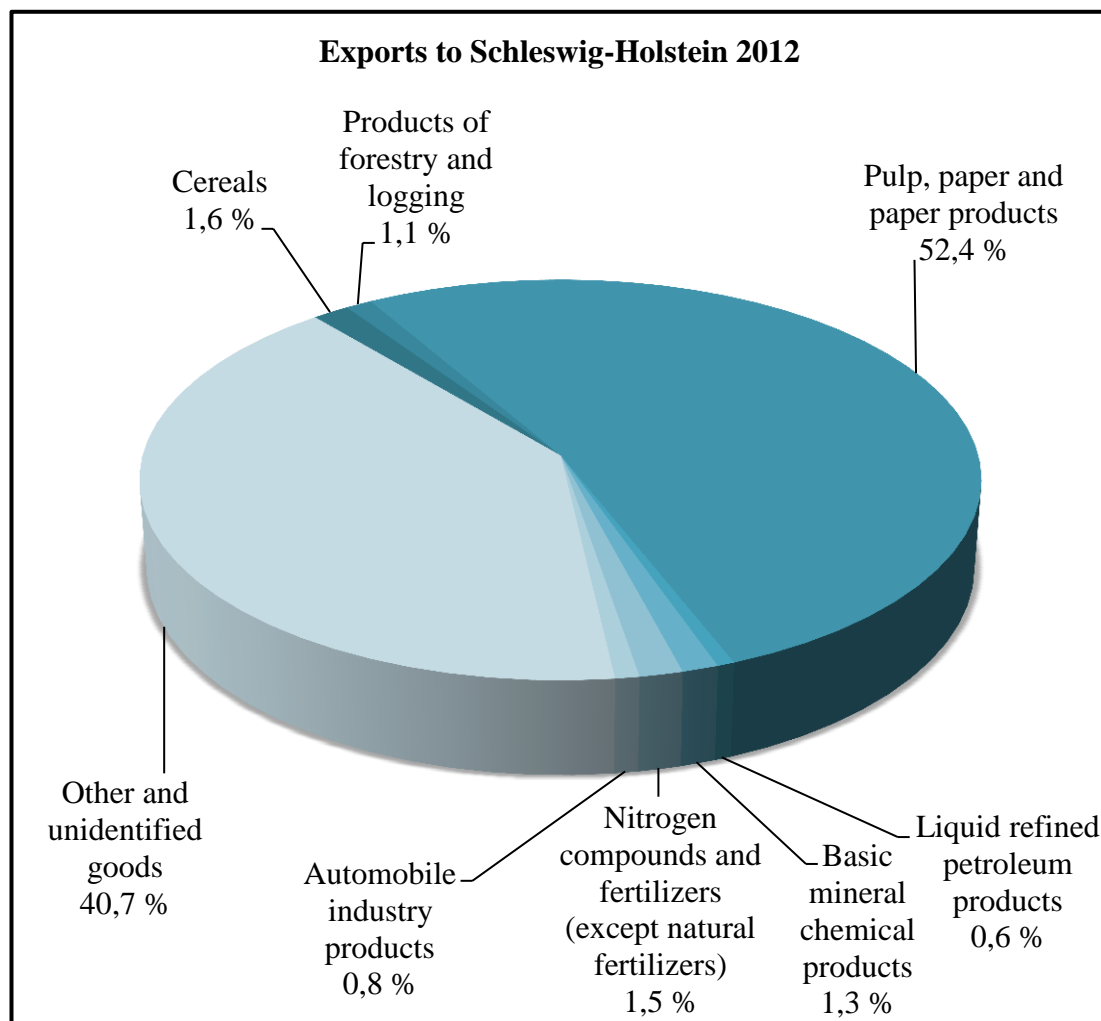


Figure 7. Exports to Schleswig-Holstein 2012. (Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013)

The products which are imported from Schleswig-Holstein can be seen in table 7. Automobile industry products and other waste and secondary raw materials have the biggest shares. In 2012 over 100,000 tons were shipped to Finland. The next biggest product group was basic mineral chemical products with almost 90,000 tons. Other goods which were imported were nitrogen compounds and fertilizers (except natural fertilizers) (17,248 tons), cement, lime and plaster (76,465 tons) and basic iron and steel and ferro-alloys and products of the first processing of iron and steel (except tubes) (59,136 tons). In the exports there is a big group of unidentified goods. In fact,

most goods – over 1.86 million tons – were classified as unidentified goods as they do not match any of the other classifications. Thus, it is not known what kind of products they were and how much of them were shipped to Finland. (Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013.)

Table 7. Imports from Schleswig-Holstein 2012. (Güter- und Containerverkehr über See des Schleswig-Holsteins für die Monate Januar bis Dezember 2011/2012 nach ausgewählten Ländern 2013)

Goods	Volume in tons
Basic mineral chemical products	89,377
Nitrogen compounds and fertilizers (except natural fertilizers)	17,248
Cement, lime and plaster	76,465
Basic iron and steel and ferro-alloys and products of the first processing of iron and steel (except tubes)	59,136
Automobile industry products	130,491
Other waste and secondary raw materials	173,812
Other and unidentified goods	1,909,250
	Total: 2,455,779

6.1.3 Food market and food retail in Finland

The food retail market in Finland is oligopolistic. Oligopoly is a market form where a few companies dominate and influence the market (Case, Fair & Oster 2009, 315).

The Finnish food retail market is dominated by two big retailing groups – Kesko (K-Group) and SOK (S-Group). Kesko had a market share of almost 35% in 2012 while SOK had a share of even over 45%; together over 80%. Private grocery trade stores have a market share of less than 1.5% (2011). (FGTA 2012; Päivittäistavara kauppa ry 2013.)

In 2012 the groceries sold in Finland were worth 16.04 billion euros. Compared to 2011 the sales went up 5.1 %, while the volume decreased slightly by 0.1 %.

(Päivittäistavarakauppa ry 2013.) The Finnish food industry has the fourth largest turnover and the fourth largest gross value of production (€11 bn) after the forest, technology and chemical industry. The value added in the food sector is €2.5 bn. About 32,000 employees are working in the food industry. (Tammivuori, personal communication 06.08.2013.)

Table 8. Market shares and sales of grocery trade groups in 2011. (FGTA 2012, 16)

Grocery trade groups	Market share (in 2011)	Sales (in 2011)
S-group (SOK)	45.2 %	€ 6,897 m
K-group (Kesko)	35.3 %	€ 5,387 m
Suomen Lähikauppa Oy	7.8 %	€ 1,183 m
Lidl	6.2 %	€ 951 m
Stockmann (grocery sales)	1.4 %	€ 214 m
M-chain (M-Ketju)	0.7 %	€ 104 m
Minimani	0.6 %	€ 87 m
Others	2.8 %	€ 434 m
		Total: € 15,257 million

The market share of the S-Group has been increasing from 26.3% in 1998 to 45.6% in 2012 while Kesko was the market leader with 38.2% in 1998 and lost 3.5% of its share during the same period of time. Nevertheless, those two groups were able to increase their combined market share from about 65% to over 80%. Suomen Lähikauppa with its three chains (Euromarket, Valintatalo, Siwa) is continuously losing market share. In 1998 - still under the name Tradeka Oy – it had a share of over 12% which has decreased to under 7.3% in 2012. In 2002 the German discounter Lidl started selling its products in Finland. Now the chain has a market share of 6% and about 140 stores. (FGTA 2012, 17; Marjanen 2000, 195; Päivittäistavarakauppa ry 2013; Tammivuori, personal communication 06.08.2013; Website of Lidl 2013.)

The food industry is dominated by a number of companies; however the competition looks a lot different from the oligopolistic food retail market. There are three main producers of beverages in Finland. Sinebrychoff belongs to the Carlsberg Group and produces the beverages for Cola Cola. The other producers are Hartwall which is part

of the Heineken Group and Olvi. The two main bakeries in Finland are Vaasan & Vaasan Oy and Fazer Leipomot Oy. Next to bread and other bakery products Fazer also produces chocolate and sweets. The three main producers of meat products are Atria, HK and Saarioinen. The latter one also produces jams and marmalade. The dairy industry is dominated by Valio, especially in the milk production. However, also Arla Ingman is a big player in the Finnish dairy production. (Luoto, personal communication 31.07.2013) Raisio is a further big Finnish producer focusing on snacks and cereal based products.

During the phase of contacting organizations and companies, and then later during the interviews it became clear that Finns do not really know much about the different regions or states of Germany, especially when thinking about food. For them it is all the same, if the products originate from Schleswig-Holstein or Thuringia, Finns only see that the food comes from Germany. Most important is however that Finns have a positive or at least a neutral perception of German food products, and no fears to try them (Luoto, personal communication 31.07.2013, Wrang, personal communication 09.08.2013). This definitely is an advantage compared to products from other countries.

6.2 Consumer behaviour

The majority of the Finns buy their groceries in super- and hypermarkets where they can get everything at once. The offered product ranges are large and the products are cheaper than in small stores. Super- and hypermarkets are often outside of the city centres and easy to reach by car which the majority uses when going shopping. These two types of stores account for approximately 70% of the grocery sales. (Luoto, personal communication 31.07.2013; Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.) More detailed information on sales and distribution can be found below in Chapter 6.5.

As this thesis focuses partly on products such as jam and cereals which are commonly eaten in Germany for breakfast, in the interviews the experts were asked to describe what Finns eat in the morning when they start into their days.

The Finnish breakfast differs slightly from the German breakfast and is eaten early in the morning. It is rather heavy and mostly more salty than sweet. Some Finns eat sandwiches which consist of mainly dark bread, cheese and/or ham and vegetables such as cucumber and tomato and others eat porridge which is served hot with either butter and salt or berries. Especially the older generations eat this type of breakfast. The younger generations often eat muesli instead which is becoming more and more popular. Sweet breakfast cereals such as cornflakes are mainly eaten by children and teenagers. Sometimes also a combination of sandwiches and cereals is eaten. The beverages drunk at breakfast are generally coffee and tea. (Luoto, personal communication 31.07.2013; Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.)

The most popular cereal for porridge is oat as well as 4-grain porridge which consists of rye, oat, wheat and barley. The product range for muesli in Finland is large. Nevertheless, the most popular types are the crunchy ones and the original which consists of cereals and fruits as well as in some cases nuts. (Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.)

As Finns do not eat sweet breakfast, jam or marmalade are not seen as breakfast products as in Germany. The most eaten flavours are strawberry, raspberry, apple and berry mixes. (Tammivuori, personal communication 06.08.2013.)

The most popular confectionaries are chocolate as well as bags of mixed sweets with a weight between 200g and 300g (Tammivuori, personal communication 06.08.2013).

The Finns value highly their local food products and they are important to them. Nevertheless, the importance of origin differs largely between the products. While Finnish origin is very important for dairy and meat products, the origin of confectionaries, cereals and beer does not matter that much. Despite valuing highly Finnish products, Finns are also eager to try new food products from other countries. The perception of the interviewed experts was that the importance of local products is decreasing and that the amount of foreign products is increasing. For instance beer is more and more imported. There is also a difference between younger and older gen-

erations as the latter ones value the Finnish products higher than the younger generations. (Luoto, personal communication 31.07.2013; Tammivuori, personal communication 06.08.2013; Wrang, personal communication 09.08.2013.)

According to Kari Luoto from PTY Lidl has a good concept of selling food products centring on foreign themes such as Spain, German, UK or USA.

About 12% of the consumption expenditure of households in Finland is spent on food and non-alcoholic beverages (Structure of household expenditure, 1980-2011 2012, 454). In 2006 the average consumption expenditure per household in Finland was € 30,247 of which € 3,817 (12.6%) were spent on food and non-alcoholic beverages (Average final consumption expenditure per household by socio-economic group, 2006 2012, 457).

In the Household Budget Survey 2006 the Finnish statistics office could determine that 92% of the expenditure on food and non-alcoholic beverages was spent on food. That is € 3,518 per household on average. 17% (€ 654) of the expenditure of food and non-alcoholic beverages was spent on bread and cereal products such as porridge grains and muesli, and 8% (€ 296) on sugar, honey, jam, chocolate and sweets. (Official Statistics of Finland (OSF): Household consumption expenditure per household by type of household 1985-2006 2008.)

Looking closer at the expenditure, it can be seen that only €30 are spent on cereals, muesli and porridge which is less than 1% of the expenditure on food and non-alcoholic beverages. Approximately one half of the money Finns spent on bread and cereals was used to buy bread and biscuits. Around €230 was spent on pasta products, pizza, hamburgers, pies, cakes and pastries. (Statistics Finland 2008.) However, it should be kept in mind that a 1kg bag of porridge or muesli cereals contains approximately 25 servings while a package of bread contains less.

As mentioned above 8% of the expenditure on food and non-alcoholic beverage was spent on sugar, jam, honey, chocolates and sweets. The major part of that accounts for chocolate and confectionary products such as sweets (approx. 2/3). Jams, marmalades and purees account only for a very small part. Merely € 8 was spent on them. (Statistics Finland 2008.)

Table 9. Household consumption expenditure per household in 2006. (Statistics Finland 2013)

Food product	Expenditure	Share
Food	€ 3,518	92.17%
Bread and cereals	€ 654	17.13%
- Corn flakes and other ready-to-eat breakfast cereals	€ 14	0.37%
- Muesli and other grain-fruit mixtures	€ 8	0.21%
- Ready-made gruels and porridges, Easter pudding	€ 8	0.21%
Sugar, jam, honey, chocolates and sweets	€ 296	7.75%
- Jams and purees	€ 6	0.16%
- Marmalades	€ 2	0.05%
- Chocolate (chocolate bars and confectionary)	€ 81	2.12%
- Confectionary products	€ 115	3.01%
o Sweets, lozenges, etc. confectionery	€ 101	2.65%

The Finnish statistical office has conducted a new survey in 2012. The results will be published later this year (2013) (Hatakka 2013).

6.3 Import of food products

Finland and Schleswig-Holstein as a state of Germany belong to the European Union and therefore, import duties cease to apply which facilitates the trade between Finland and Schleswig-Holstein to a great extent. However, the Finnish value added tax (VAT) has to be considered. The VAT is 24% in Finland and the reduced tax rate is 14%. Food products and alcohol free beverages have a VAT rate of 14% for consumers.

Next to the harmonized excise duties in the European Union such as the excise duties on alcohol and alcoholic beverages, on tobacco or liquid fuels, Finland also has some national excise duties. One excise duty also applies to food products, namely sweets and ice cream as well as soft drinks, which has to be paid since 2011.

The following products are included in this tax:

- Sweets
- Chocolate products
- Cocoa powder containing sugar or other sweeteners
- Ice cream
- Sorbet
- Water beverages
- Juices
- Concentrates
- Powder for preparation of beverages
- Soft drinks

(Finnish Customs 2013, 3; Laki makeisten, jäätelön ja virvoitusjuomien valmisteverosta 1127/2010, annex 2.)

Table 10. Excise duty rates. (European Union 1995-2013)

Product	Excise duty rate
Solid products <ul style="list-style-type: none"> • Sugar confectionary / Sweets • Chocolate products • Ice cream / Sorbet 	95 cents / kg
Liquids <ul style="list-style-type: none"> • Juices • Soft drinks • Water beverages 	11 cents / litre
Solid ingredients of soft drinks	95 cents / kg

The excise duty applies to products that are released for consumption in Finland whether the products are of Finnish, EU or other origin. However, there are also some exceptions to the duty.

1. Travellers entering Finland can bring the products which are subject to tax for their own use without needing to pay the excise duty.
2. There is no tax to be paid for sweets, ice cream and soft-drinks which are used as raw material or in another way for further production.
3. Financially and legally independent manufacturers that only produce a small amount for consumption are excluded from the excise duty. Those manufac-

urers are allowed to produce a maximum of 10,000 kg of sweets, 10,000 kg of ice cream or 50,000 litres of soft-drinks per calendar year.

(European Union 2013; Laki makeisten, jäätelön ja virvoitusjuomien valmisteverosta 1127/2010.)

Although the excise duty has to be paid generally by the receiver (European Union 2013), when considering exporting to Finland this excise duty should be kept in mind for negotiations with the trade partner as it can affect the pricing.

6.4 Legal framework

Finland is a part of the European Union and thus, laws, rules and regulations of the EU which apply to all members are applied in Finland, too. This means that when importing products from Schleswig-Holstein no import or export tariffs need to be paid. Nevertheless, the Finnish VAT and excise duties need to be considered (see Chapter 6.3 Import of food products).

In section 34 of the Language Act (423/2003) is regulated that consumer goods which have to be labelled by law must have the text on the product or the package at least in Finnish (in unilingual, Finnish speaking municipalities) or Swedish (in unilingual, Swedish speaking municipalities). In bilingual municipalities the text has to be at least in Finnish and Swedish.

There is no regulation how the information has to be written or be attached on the products. Therefore, it is possible to simply attach an adhesive label with the information in Finnish and/or Swedish over the information in the original language. This is often the case on imported products.

Information about the product on its package has to be in line with the EU legislation which applies to all member states. For food products this mainly concerns the name of the product, ingredients and nutrients, instructions for the preparation of the food, date of expiry, the weight or volume, the country of origin and the producer. Howev-

er, as it is not known which products exactly might be exported from Schleswig-Holstein to Finland there are no further details given.

From 01 January 2014 onwards the Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 will partly enter into force. It amends a number of current regulations and directives. Therefore, it is advisable to be informed in good time to be prepared for the amendments.

The Regulation (EU) No 1169/2011 can be found under the link: <http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R1169&from=EN>

For more detailed information concerning directives and regulations of the European Union it is recommended to have a closer look at the EUR-Lex website of the EU: <http://eur-lex.europa.eu/en/index.htm>

Also the Finlex data base provides information concerning legislative and other judicial information of Finland: <http://finlex.fi/en/> The acts and decrees are mainly available in Finnish and Swedish. Nonetheless, some of the acts and decrees are also available in English.

6.5 Sales / distribution

6.5.1 Retail

The experts mentioned in the interviews that super- and hypermarkets were the places where the Finns mainly buy their groceries.

Large grocery stores with an area of over 1,000 m² have a market share of almost 65%. They offer a big range of products and are often cheaper because they can purchase larger amounts of the products they sell. In urban areas these types of stores are responsible for the supply of food to the population. On the other hand, there are small stores which supply the population in less inhabited areas which are the local food providers and very important to these areas although it often cannot be seen in the sales. (FGTA 2012, 28.)

Hypermarkets belong to the favourite type of stores for Finns to buy their groceries and are located outside of the town centres, in shopping centres or at other easy accessible locations. The sales area exceeds 2,500m² but less than 50% of that is reserved for food products although the stores' focus is on groceries. (FGTA 2012, 31.) Minimani and Suomen Lähikauppa together operate less than ten hypermarkets. The majority of the 146 hypermarkets (01.01.2012) are operated by Kesko and S-Group. (FGTA 2012, 19-21, 29.)

Table 11. Hypermarkets. (FGTA 2012, 31)

Chain	Group
Euromarket	Suomen Lähikauppa Oy
K-citymarket	Kesko
Prisma	S-Group
Minimani	Minimani

The other popular type of stores for Finns to buy their groceries is a supermarket. The focus is on food products which also can be seen in the division of the sales area; food products account for more than 50% of the sales area. The sales area exceeds 400m². Supermarkets are divided into two groups: small (400 – 1,000m²) and large (over 1000m²). (FGTA 2012, 31.)

Table 12. Supermarkets and markets. (FGTA 2012, 31)

Chain	Group
S-market	S-Group
K-supermarket	Kesko
K-market	Kesko
Valintatalo	Suomen Lähikauppa Oy
M-markets	M Ketju

Discounters often have the size of supermarkets and are mainly located outside of the town centres but can also be found on good traffic connections in population centres. The products sold are mainly groceries and cosmetics but sometimes also other goods. The only discounter operating in Finland is the German discounter Lidl. (FGTA 2012, 32.)

In Finland are about 1924 neighbourhood stores and small stores (01.01.2012). Those stores have a sales area of up to 400m² and are close to the customers or easily accessible on foot. Nevertheless, they account only for a small amount of the total sales but especially in rural areas they are an important service provider. Most of the stores are operated by Kesko and S-Group. (FGTA 2012, 28-30.)

Department stores sell a large variety of products of different categories on at least 2,500m² while no category can account for more than 50% of the sales area (FGTA 2012, 31). Stockmann has only about five department stores in Finland which also sell groceries. Nevertheless, the products are only premium products at a high price level and due to the limited number of stores the sales volume is rather low. (Wrang, personal communication 09.08.2013.)

The number of markets (all types) for groceries has declined over the last decade but then again the sales have increased. The value of the sales increased between 1.7% and 8.1% compared to the previous year; except from 2010 when the change was 0%. The volume of sales increased also during the last decade; however in 2008 the growth slowed down and even decreased in 2009. In 2010 the sales volume was consistent with the previous year. (FGTA 2012, 29.)

Average prices

The prices for food products are slightly more expensive in Finland than in Schleswig-Holstein. This is due to a slightly higher standard of living and also the VAT is above the German one. Esa Wrang also mentioned a high standard for food products which puts the Finnish food market a few years ahead of the Spanish or Italian ones (personal communication 09.08.2013). Meeting those standards increases the costs during the production process. Another reason is the geographical area of Finland which requires imports or the production has to be adapted to the natural conditions.

Table 13. Average prices for food products in 2012. (Official Statistics of Finland (OSF): Average prices of commodities 2013)

Food product	Average price in 2012
Mixed grain bread, 1 kg	€4.50
Cereal muesli, 500 g	€2.85
Strawberry jam, 1 kg	€5.34
Block of chocolate, 200 g	€2.12
Chocolate bar, 44 g	€0.61
Sweets in bulk, 1 kg	€8.75
Bag of sweets, 220 g	€2.32
Liquorice, 500 g	€3.91

Product presentation

Apart from the legal regulations by the European Union concerning the information about the product on the package and by the Finnish law concerning the language there are no further regulations and it is up to the companies to design the package of their products. Esa Wrang from Finpro (personal communication 09.08.2013) mentioned during the interview that in general the package design in Finland was more Scandinavian and the colours tended to be brighter. Thus, the design differs a lot from products sold in central and southern Europe. For companies from Schleswig-Holstein it is therefore recommended to study the market and the design well to be successful in the long run. This is especially a point to consider as only one of five products that enter the shelves of the supermarkets makes it through the first year (Luoto, personal communication 31.07.2013).

6.5.2 Purchasing and supplying

There are two possible ways to get the products into the shelves of the Finnish grocery stores. The first option is to market the products under one's own brand, the other option is to produce the products which are then sold under the name of the private labels. According to Heli Tammivuori (personal communication 06.08.2013) and Esa Wrang (personal communication 09.08.2013) the process to introduce a new product to the market takes a long time, regardless if it is sold under the own brand

or under the name of a private label. Suppliers should expect about half a year until they see their products in the shelves of the Finnish supermarkets but it could take even longer. To enter the stores in the beginning of 2014, the products would have had to be introduced to the retail groups or importers in summer, latest in the beginning of August.

Own brand

The big groups mainly purchase the food products themselves. Therefore, the best way is to contact the grocery trade groups or their procurement partners directly. Nevertheless, if they look for specific products to add to their assortment of goods, they also contact the manufacturers or producers themselves. If the companies from Schleswig-Holstein were contacted or if they want to sell their products to Finland, they have to fill in an application form for the database of the grocery retail groups. The main purchasing decisions are made in the headquarters of the groups or smaller chains and therefore, the products have to be introduced directly to the decision makers and not to the single stores. However, some of them have a small authority to add products. This is mainly done with fresh local food products that are directly bought from the producers. (Wrang, personal communication 09.08.2013.)

Usually there are small time periods when the big grocery trade groups accept introduction of new suppliers and their products, and if those windows are closed, companies have to wait until the next window opens. Therefore, it is recommended to contact the grocery trade groups and request for the details and times to introduce them to a new product. The introduction also includes sending samples as the groups make their own tests in a laboratory and cook or prepare the meals in their kitchens to get to know the food product. Only then, if the product makes it through the previous phases, there are meetings between the grocery trade chains and the potential supplier from Schleswig-Holstein. This whole process takes about six months, if the product gets accepted and makes it onto the shelves of the supermarkets. (Wrang, personal communication 09.08.2013.) Small chains can be less strict about their purchasing procedure. Thus, it is advisable to contact every grocery retail group and the different chains to ask for the details to introduce a new product to them.

The procurement partner of the S-Group, Inex, has good instructions on its website how to become a supplier. The contact data of Inex Partners Oy can be found in chapter 6.6.2.

Private labels

The importance of private labels has been growing and it is expected to increase further during the next years. In 2011 approximately 20% of the purchases were private labels and they accounted for 11% (€1.7 billion) of the total sales. Often consumers use the switch from known brands to private labels to save money during recessions and stick with the private label afterwards too. (FGTA 2012, 25.) The private labels have a high share amongst cereals, jam and canned fruits and vegetables (Tammivuori, personal communication 06.08.2013).

The two main private labels in Finland are Rainbow (S-Group) and Pirkka (Kesko) which can be found in the hyper- and supermarkets of the respective grocery trade group as well as in their smaller stores or convenience stores as part of a petrol station.

Furthermore, the S-Group also sells the label X-tra and Kesko sells Euro Shopper products which are available in other European countries such as the United Kingdom too. X-tra can be found also in the stores which are supplied with products from Coop Trading in the three Scandinavian countries Denmark, Sweden and Norway (Website of Coop Trading 2013). Lidl has a number of private labels which are also available in their stores across Europe. The private labels Eldorado and First price are sold in the stores of the M Chain as well as in Valintatalo, Siwa and Euomarket which belong to Suomen Lähikauppa. Stockmann has its own private label named after the store (FGTA 2012, 25).

The cereals, jams and sweets of the private labels Rainbow and Pirkka are mainly produced in countries of the European Union such as Germany. The manufacturers of the products are not always revealed. Nevertheless, on the website of Rainbow three German producers were mentioned of which one has its registered office in Schleswig-Holstein. Pirkka reveals only the names of the Finnish producers. (Website of Pirkka 2013; Website of Rainbow 2013.)

H. & J. Brüggem KG, located in Lübeck, produces multi-grain loops (Rainbow Moniviljarinkula 375 g) for Rainbow as well as fruit muesli (X-tra Hedelmämysli 1 kg) for X-tra. (Website of Rainbow 2013.) Both private labels belong to Coop Trading which is partly owned by S-Group.

Piasten GmbH & Co. KG which has its registered office in Forchheim produces chocolate (Rainbow Hasselpähkinätytesuklaa 100 g) and Johannes Lühders KG from Stelle produces wine gum (Rainbow Hedelmäviinikumi 150 g) for Rainbow (Website of Rainbow 2013).

The grocery trade groups organize auctions where the potential suppliers offer their products and bid to produce their goods which will be sold under the private labels. Before participating the companies have to send the information about the product or fill them into a database. The price is the most important factor during these auctions and also the volume can influence the decision making of the grocery trade groups. The profit in this segment is rather low due to the high pricing pressure. (Wrang, personal communication 09.08.2013.)

6.5.3 Distribution and distribution channels

As the retail also the procurement is concentrated on a handful of companies; dominated by S-Group and Kesko. The procurement companies are the same as the wholesalers or they work closely with them.

There are five big procurement companies which are distributing the goods to the grocery retail groups. Inex Partners Oy belongs to S-Group and sources products for the group and takes care of the logistics. Kesko and Lidl are sourcing themselves and handle the logistics in Finland. The fourth procurement company is Tuko logistics which is owned by Stockmann, Suomen Lähikauppa, Wihuri and Heino and it provides those groups with the products. The last procurement company is Tokmanni. (Luoto, personal communication 31.07.2013.) Tokmanni Group has eight chains with almost 150 stores which sell amongst a variety of other goods nonperishable food. (Website of Tokmanni Group 2013.)

Fresh products such as vegetables can be also sold directly to the different stores; especially in Kesko fresh food from local producers can be added to the selection of the stores. Otherwise, the grocery retail groups make the decisions and purchase the goods through the sourcing companies. (Luoto, personal communication 31.07.2013.)

The two main retail groups S-Group and Kesko, which have a market share of about 80%, import the products themselves or receive their products through their purchasing partner. Thus, there is only a limited space for individual or independent importers. (Wrang, personal communication 09.08.2013.)

The main distribution channel for food products is the retail in Finland, however there is also the HoReCa sector which purchases and distributes food products. The four HoReCa wholesalers which are members of the FGTA had a turnover of 1.8 billion euros in 2011 which was an increase of 7.8% from the previous year. The biggest customer for HoReCa wholesalers are public institutions such as schools which provide free meals for the pupils. The private customers on the other hand account only for a small share. The main wholesalers in the HoReCa sector are Kespro Oy which belongs to Kesko, Meira Nova Oy which belongs to the S-Group, Metro which belongs to Wihuri and Heinon Tukko Oy. (FGTA 2012, 23; Tammivuori, personal communication 06.08.2013.)

The retail logistics is highly efficient as Finland is a wide country with only a few inhabitants and only a few grocery retail groups (Tammivuori, personal communication 06.08.2013). Finland has approximately the same size as Germany but it is sparsely inhabited in the north. Two thirds of the inhabitants live in the Tampere – Turku – Helsinki triangle with the main harbour in Helsinki in the south of the country. Nevertheless, also up in the north at the Norwegian border food is needed and when the products arrive at the harbour of the capital they still have to travel over 1000km to make it to the shelves of the stores in Utsjoki.

6.6 Database

This database contains various information. In the first subchapter institutions, authorities and other organizations that are involved in the food business are introduced. In the second chapter the Finnish grocery trade groups, wholesalers and chains can be found. The third chapter gives an overview of the current brands for breakfast products and sweets in the stores, and the last chapter introduces trade fairs which might be of an interest to companies from Schleswig-Holstein.

During the creation of the database it became clear that many websites are only available in Finnish. Some websites offer information in Swedish too. If information is available in English, the content is very limited. However, it is always possible to contact the respective organization in English. Many Finns can speak English well as it is also a business language in Finland.

The data has been updated last 07 September 2013.

6.6.1 Institutions, authorities, etc.

Saksalais-Suomenlainen Kauppakamari (AHK Finland)

Address	Visiting address: Mikonkatu 25 00100 Helsinki Finland	Postal address: Post office box 83 00101 Helsinki Finland
Phone	+358 (0)9 612 2120	
Fax	+358 (0)9 642 859	
Email	info@dfhk.fi	
Website	http://www.dfhk.fi	
Information	The German-Finnish Chamber of Commerce is offering several services concerning the Finnish-German trade for over 30 years.	

Päivittäistavarakauppary (PTY) (Finnish Grocery Trade Association (FGTA))

Address	Visiting address:	Postal address:
	Eteläranta 10	PL 340
	00130 Helsinki	00131 Helsinki
	Finland	Finland

Phone	+358 (0)9 172 860
Fax	+358 (0)9 1728 6120
Email	firstname.lastname@pty.fi
Website	http://www.pty.fi

Contact	Kari Luoto (Managing Director)
	Phone: +358 (0)9 1728 6111
	Mobile: +358 (0)400 688 708
	Email: kari.luoto@pty.fi

Information	The Finnish Grocery Trade Association has organizations and companies that are active in the grocery trade as its members. A share of 95% of the Finnish grocery retail market is member of the FGTA.
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RuokatietoYhdistysry (Finfood - Finnish Food Information)

Address	Työpajankatu 2a C 1
	00580 Helsinki
	Finland

Phone	+358 (0)40 710 4170
Email	ruokatieto@ruokatieto.fi
Website	http://www.ruokatieto.fi

Information Finfood focuses on the promotion of Finnish food and the Finnish food production chain.

Kuluttajaliitto - Konsumentförbundet ry (The Consumers' Association of Finland)

Address Malminrinne 1 B
00180 Helsinki
Finland

Phone +358 (0)9 454 2210

Fax +358 (0)9454 22120

Email info@kuluttajaliitto.fi

Website <http://www.kuluttajaliitto.fi>

Information The Consumers' Association of Finland is an independent organization which promotes the interests and rights of the Finnish consumers.

Elintarviketeollisuusliitto ry (Finnish Food and Drink Industries' Federation)

Address	Visiting address:	Postal address:
	Pasilankatu 2	PL 115
	00241 Helsinki	00241 Helsinki
	Finland	Finland

Phone +358 (0)9 148 871

Fax +358 (0)9 1488 7201

Email firstname.surname@etl.fi
info@etl.fi

Website <http://www.etl.fi>

Contact Heli Tammivuori (Director, Commercial Policy)
 Phone: +358 (0)9 1488 7240
 Mobile: +358 (0)40 557 5667
 Email: heli.tammivuori@etl.fi

Information The Finnish Food and Drink Industries' Federation represents the interests of the Finnish food and drink industry. The federation has 270 member companies as well as two member associations.

Kilpailu- ja kuluttajavirasto (Finnish Competition and Consumer Authority)

Address	Visiting address:	Postal address:
	Haapaniemenkatu 4A	PL 5
	00241 Helsinki	00531 Helsinki
	Finland	Finland

Phone +358 (0)29 505 3000

Email firstname.surname@kkv.fi
kirjaamo@kkv.fi

Website <http://www.kkv.fi>

Information The Finnish Competition and Consumer Authority is responsible for the implementation of competition and consumer policies, the ensuring of good market performances, the implementation of competition legislations and the EU competition rules, as well as securing the financial and legal position of the consumers.

6.6.2 Wholesalers, grocery retail groups, chains etc.

Suomen Osuuskauppojen Keskuskunta (SOK) (S-ryhmä / S-Group)

Address	Visiting address: Fleminginkatu 34 00510 Helsinki Finland	Postal address: PL 1 00088 S-Ryhmä Finland
Phone	+358 (0)10 76 8011	
Email	firstname.lastname@sok.fi	
Website	http://www.s-kanava.fi	
Information	The S-Group is currently the biggest grocery trade group with a market share close to 50%. The group has several chains which sell food products (Prisma, Sale, Alepa, S-Market) but also a lot of other chains.	

Lidl Suomi Ky

Address	Vanha Kaarelantie 33 PL 115 01611 Vantaa Finland	
Phone	+358 (0)9 234561	
Fax	+358 (0)9 23456777	
Website	http://www.lidl.fi	
Information	Lidl is operating Europe-wide and opened its stores in Finland in 2002. They offer mainly the same products and brands as in Germany but add also local products and brands.	

Kesko Oyj / Ruokakesko Oy

Address Satamakatu 3
00016 Kesko
Finland

Phone +358 (0)10 5311

Fax +358 (0)9 174 398

Email firstname.lastname@kesko.fi

Website <http://www.kesko.fi>

Information The Kesko is the second biggest grocery trade group with a market share of almost 35%. The group has several chains which sell food products (K-citymarket, K-supermarket, K-market, K-extra) but also a lot of other chains. The chains that sell food have some authority to add local food products.

Suomen Lähikauppa Oy

Address	Visiting address:	Postal address:
	Sörnäistenkatu 2	PL 1
	00580 Helsinki	00581 Helsinki
	Finland	Finland

Phone +358 (0)20 700 300

Email etunimi.sukunimi@lahikauppa.fi

Website <http://www.lahikauppa.fi>

Information Suomen Lähikauppa is the third biggest grocery trade group with a market share of 7.2%. The group operates three hypermarkets (Euromarket) as well as supermarkets (Valintatalo) and

small stores (Siwa).

M Itsenäiset Kauppiat Oy

Address Uudenmaankatu 106
05840 Hyvinkää
Finland

Phone +358 (0)19 4603300

Email etunimi.sukunimi@m-ketju.fi

Website <http://www.m-ketju.fi>

Information The over 60 neighbourhood stores and supermarkets of the M Group are independently owned. The group takes care of marketing and supports purchasing products.

Inex Partners Oy

Address	Visiting address:	Postal address:
	Fleminginkatu 34	PL 30
	00510 Helsinki	00088 S-Ryhmä
	Finland	Finland

Phone +358 (0)10 7687000

Fax +358 (0)10 7687190

Email etunimi.sukunimi@sok.fi

Website <http://www.inex.fi>

Information Inex Partners Oy is the sourcing and logistics partner of the S-Group.

Tuko Logistics Cooperative

Address	Visiting address:	Postal address:
	Postlarinkatu 4	PL 115
	04200 Kerava	04201 Kerava
	Finland	Finland

Phone	+358 (0)20 77111
Fax	+358 (0)20 7712060
Email	etunimi.sukunimi@tuko.fi
Website	http://www.tuko.fi

Information Tuko Logistics Cooperative is a sourcing and logistics company which also supports the customers with their sales and business activities. The owners of Tuko Logistics are Wihuri Oy, Suomen Lähikauppa Oy, Stockmann Plc and Heinon Tukku Oy.

Tokmanni Group

Address	Isolammintie 1 04600 Mäntsälä Finland
Phone	+358 (0)20 778 2000
Website	http://www.tokmanni-konserni.fi

Information The Tokmanni Group operates about 150 discount stores in Finland. The products are sold in the stores Tokmanni, Tarjoustalo, Vapaa Valinta, Robinhood, Säästöporssi, Maxi-Makasiini and Maxi-Kodintukku as well as online (TokNet.fi).

Wihuri Oy Aarnio

Address Atomitie 5 A
00370 Helsinki
Finland

Phone +358 (0)20 510 10
Fax +358 (0)20 510 4031
Email asiakaspalvelu.metro@wihuri.fi
Website www.metrotukku.com

Information Wihuri Oy Aarnio is a wholesaler and belongs to the Wihuri Group. Wihuri Oy Aarnio operates as Metro and has also about 30 cash-and-carry outlets in Finland.

Heinon Tukku Oy

Address Orionintie 18-22
02200 Espoo
Finland

Phone +358 (0)20 717000
Email info@heinontukku.fi
Website www.heinontukku.fi

Information Heinon Tukku Oy is an importer and wholesaler which operates through its three subsidiaries Heinon Tukku Oy (groceries) Heinon Juomat Oy (alcoholic beverages) and Heinon Toimistopalvelu Oy (office supplies). Heino owns a small number of cash-and-carry outlets.

Stockmann plc

Address Aleksanterinkatu 52
00100 Helsinki
Finland

Phone +358 (0)20 510 10

Fax +358 (0)20 510 4031

Email info@stockmann.com

Website <http://www.stockmanngroup.fi>

Information The Stockmann Group operates a small number of Stockmann department stores. The grocery department is called Stockmann Delicatessen and sells mainly high quality food products. The procurement is done by Stockmann itself or through Tuko Logistics.

Kokkolan Halpa-Halli Oy

Address	Visiting address: Kaarlelankatu 7 67101 Kokkola Finland	Postal address: PL 94 67101 Kokkola Finland
Phone	+358 (0)20 718 2000	
Fax	+358 (0)20 718 2100	
Email	etunimi.sukunimi@halpa-halli.com	
Website	http://www.hhnet.fi	

Information Halpa-Halli operates over 35 department stores in Finland and focuses on less expensive prices. The southernmost stores are located in the northern part of the populous Helsinki – Tampere

– Turku triangle.

Veljekset Keskinen Oy

Address OnnenTie 7
63610 Tuuri
Finland

Phone +358 (0)10 770 7000.

Email kylakauppa@tuuri.fi

Website <http://www.tuuri.fi>

Information Veljekset Keskinen is a large department store in western Finland. The food store with over 7,000m² is the biggest grocery store in Finland.

Minimani Yhtiöt Oy

Address Yrittäjätie 12
60100 Seinäjoki
Finland

Phone +358 (0)29 080 1580

Fax +358 (0)6 214 0281

Email etunimi.sukunimi@minimani.fi

Website <http://www.minimani.fi>

Information Minimani is a small chain with five hypermarkets in Seinäjoki, Kokkola, Vaasa, Jyväskylä and Lempäälä.

Palotron Oy

Address Leipäläntie 71
 20300 Turku
 Finland

Phone +358 (0)20 275 5454

Fax +358 (0)20 275 5464

Email info@palotron.fi

Website <http://www.palotron.fi>

Information Palotron Oy is an importer and wholesaler from Turku. The focus is on chocolate products, bakery products and desserts, dried fruits and presents.

Arvid Nordquist Finland

Address	Visiting address:	Postal address:
	Valimotie 1B 6. Kerros 00380 Helsinki Finland	PL 153 00381 Helsinki Finland
Phone	+358 (0)10 8325 600	
Fax	+358 (0)9 6820 366	
Email	kuluttajakontakti@arvidnordquist.fi	
Website	http://www.arvidnordquist.fi	

Information Arvid Nordquist is an importing company which operates in northern Europe. They already import for instance products from Piasten or Storck to Finland.

6.6.3 Trade fairs in Finland

There are two trade fairs in Finland which can be interesting for companies from Schleswig-Holstein. They are held in Helsinki and are listed chronologically.

Wine, food & good living 2013

Date Thu, 24.10. – Sun, 27.10.2013
Location Helsinki Exhibition & Convention Centre
Website <http://www.finnexpo.fi/Sites1/Viiniruokahyvelama/en/Pages/default.aspx>

Information The trade fair is open to consumers. At the same time the Helsinki Book Fair, Helsinki Music Fair and ArtForum are held.

Local & Organic food fair 2014

Date Fri, 11.04. – Sun, 13.04.2014
Location Helsinki Exhibition & Convention Centre
Website <http://www.finnexpo.fi/Sites2/Lahiruokaluomu/en/Pages/default.aspx>

Information The trade fair is open to consumers. At the same time Child fair, ModelExpo, OutletExpo, Arts & Crafts fair and PetExpo are held.

Wine, food & good living 2014

Date Thu, 23.10. – Sun, 26.10.2014
Location Helsinki Exhibition & Convention Centre
Website <http://www.finnexpo.fi/Sites1/Viiniruokahyvelama/en/Pages/default.aspx>

Information The trade fair is open to consumers. At the same time the Helsinki Book Fair, Helsinki Music Fair and ArtForum are held.

7 PROJECTS RESULTS AND CONCLUSION

7.1 Evaluation of results

Strengths and weakness of the Finnish food market

The probably biggest weakness of the Finnish food market is the retail market which is dominated by the S-Group and Kesko. If a company does not make it into the shelves for instance of S-Group, already a market share of 45% is lost. On the other hand this can be a big advantage because when supplying one of the big grocery trade groups, it is possible to reach a big number of consumers.

As the big grocery trade groups purchase most of their goods themselves the best way is to contact one of these groups and fill out the registration forms. If they look for certain products they also might contact the suppliers but due to an oligopolistic structure of the grocery retail market there are a lot of suppliers compared to the grocery retail groups which reduces the chances.

Finland is inhabitant-wise a small country with only 5 million people of which two thirds live in the southern part of the country. Thus, also the market is much smaller than for instance Germany where 82 million inhabitants live. Then again, compared to only Schleswig-Holstein the market is twice as big.

The holiday season is much more distinctive in Finland as it is in Germany as the business life slows very much down. Many employees are on holiday for several weeks and unimportant tasks can be put aside until the office is back in full strength. The summer holiday season usually starts with the midsummer weekend around the 21 June and lasts until the end of July or the beginning of August. Some small shops also reduce their opening hours during this time.

Opportunities and threats for products from Schleswig-Holstein

The three experts mentioned that it is possible for companies to enter the Finnish market and that the grocery trade groups are willing to try to sell new products. Heli

Tammivuori had a more reserved view and pointed out that due to the small amount of retail groups in Finland and the big number of suppliers it is difficult to get listed. This strong competition requires from the companies from Schleswig-Holstein good products which have distinctive features, a strong brand behind them or have a good story. This makes the tough competition somewhat easier and it is possible to beat competitors for a spot in the shelves. According to Kari Luoto and Esa Wrang also uniqueness is very important when introducing the product to the grocery trade groups. Furthermore, the product has to add value to them.

The pick and mix concept for sweets is very popular and can be found in many super- and hypermarkets. The main brand Candy King offering this concept. However, the sweets and confectionaries are produced by companies which distribute their products also in bags, for instance Panda or HARIBO, but some of the confectionaries are produced exclusively for Candy King (Website of Candy King 2013). Thus, this concept could be used to test the market with only one type of sweets or confectionaries.

The economic situation of Finland and the food retail market needs to be considered when entering the market. The economy has an effect on the customers and the money they have available to spend. Food will always be purchased and thus recessions and crises do not have such big effects as on luxury goods or alcoholic beverages, nevertheless it influences the customer to buy a cheaper private label than a more expensive international brand. Currently the situation of the food market is not very positive and the growth is based on the price increase, however predictions are positive, even though only moderate. Nevertheless, predictions are unsure and can change which can happen rather fast nowadays. Finland is also a member of the European Union and the Finnish economy does not only depend on the further development of the country but also on the further developments in the EU.

Although Finland does not belong to Scandinavia, it belongs to the Nordic countries and has many similarities with Scandinavia. This can be an advantage too, if the expansion shall not end after entering the Finnish market. Also, the design of the packages is similar to the other Nordic countries and therefore, only one design needs to be developed. Therefore, Finland could be used to test the market and learn from it.

Furthermore, Kesko, S-Group and Stockmann are already present in the Russian market and/or in the Baltic States. This gives the opportunity to enter those markets via Finland and via those above mentioned grocery trade groups. The Baltic States are members of the European Union and Estonia belongs to the euro area. All four countries have also access to the Baltic Sea which makes it easy to ship the product to the target countries. However, it should be kept in mind that Russia is not a member of the EU and therefore other rules and regulations apply.

Chances for products from Schleswig-Holstein

The experts mentioned in the interviews that there are chances for companies from Schleswig-Holstein to enter the Finnish market. However, it is rather difficult and the products must have distinctive features – no matter if that is a good brand, a good story or some other special feature – to increase the chance and to be even considered. According to Esa Wrang (personal communication 09.08.2013) many organic products which are sold in Finland are originating from Germany. This can be a chance for companies from Schleswig-Holstein that are producing organic food products to focus on this aspect. He also mentioned that gluten free products were currently an interesting topic. Thus, also these kinds of products could have good chances to make it on the shelves of the supermarkets. Also, if a product is currently or in near future needed, the chances are higher to get listed.

7.2 Conclusion

As mentioned above, it is not easy to enter the Finnish market but definitely manageable. With a good strategy and a special product it is possible to convince the grocery trade groups to get the products listed. Companies from Schleswig-Holstein need to expect a time span of over half a year until their products could be found from the shelves and prepare themselves well for a different market to survive the first year. A study of product design is needed to make the products more appealing to the Finnish consumers and the company needs to consider the different type of breakfast Finns eat when marketing for instance marmalade.

If an expansion abroad suits a company from Schleswig-Holstein and the company's strategy, it is definitely worth to inform themselves about the Finnish market, their own potential and contact the grocery trade groups. The Finns are eager to try new products, if they are available on the shelves and the younger generations are also buying a lot of products with a foreign origin. Furthermore, the Finnish food and food retail market can be also used to go either west, for instance through the private brand Rainbow from the S-Group which belongs also to Coop Trading, or to go east from Finland via Stockmann, Kesko and S-Group which are present in the Russian and partly also in the Baltic market.

8 FINAL WORDS

This thesis was the final work of my studies in which I could apply my knowledge which I gained during my studies and my internship in Ireland, but also learn more about a market analysis. Thinking of writing a thesis with quite a number of pages was rather scary during the studies but since I wrote a market analysis of about 100 pages during my internship I realized that it is not that scary and learned that such a long document requires a good planning as well as consistency. Coming to the library of Kanali Campus before and after the summer break definitely helped me to work on my thesis as well as seeing the thesis as a summer job. So, I had five days a week a few hours when I worked on my bachelor's thesis. Nevertheless, the process had positive phases when I wrote a lot, while on other days it was hard to write even a few words.

My goal was to graduate in September 2013 but due to the holiday season in July I was not able to conduct the interviews which I had planned as a source of vital information earlier. Since I knew it already before the summer break at SAMK, I was able to adjust my plan and work towards a graduation in October. During the summer I unfortunately did not work as much on my thesis as I wanted but I was still able to stay within my adjusted goal to finish my studies in October.

The so called "thesis library" in the library once a month was a big support during the writing process of my thesis. It was a nice motivating atmosphere on those Saturdays when there were other students in the same situation as I and they were also writing on their theses. A big help during the writing process were also my opponent to whom I could always turn for questions and a close family member who checked the grammar of my thesis.

I really liked the topic and it was interesting to deepen the knowledge about the Finnish culture I already had. Also writing the market analysis for the IHK zu Lübeck and companies from Schleswig-Holstein motivated me since it is a good feeling to be able to help them to improve and expand their businesses. The thesis also confirmed my resolution to look for a job after graduation in which I can support companies to succeed with their international activities. Altogether I am satisfied with my thesis

and happy to finish my studies with a thesis I most of the time really liked to work on.

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LIST OF ABBREVIATIONS

AHK	Außenhandelskammer (German Chambers of Commerce Abroad)
DGP	Gross Domestic Product
DIHK	Deutscher Industrie- und Handelskammertag (Association of German Chambers of Industry and Commerce)
ETL	Elintarviketeollisuusliitto (Finnish Food and Drink Industries' Federation)
EU	European Union
FGTA	Finnish Grocery Trade Association
GDP	Gross Domestic Product
GTAI	Germany Trade and Invest
HoReCa	Hotel / Restaurant / Catering
IHK	Industrie- und Handelskammer (Chamber of Commerce and Industry)
PTY	Päivittäistavara-kauppa ry (Finnish Grocery Trade Association)
SAMK	Satakunnan ammattikorkeakoulu (Satakunta University of Applied Sciences)
SOK	Suomen Osuuskauppojen Keskuskunta (S-ryhmä / G-Group)
VAT	Value added tax
WTO	World Trade Organization

DEPTH INTERVIEW QUESTIONS

These are all the questions asked in the interviews. Nevertheless, the questions were adjusted according to the company or organization the interview was conducted with. In most cases it was simply the leaving out of questions as they did not match the company or organization.

1. Finnish food market in general

- 1.1. How is the economic situation of the food market in Finland?
- 1.2. How big is the market for food products in Finland?
- 1.3. Are there special requirements for the import of food products? / What has to be considered when importing food products into Finland?
- 1.4. Do packages for food products need to look special apart from the legal issues to have better chances? e.g. modern and simple design
- 1.5. What are the distribution channels for food products in Finland?
- 1.6. What is the average price for jam / cereals / confectionaries in Finland?
- 1.7. How is the process for a new product to enter the shelves of the supermarkets? / Could you describe the process for a new product to enter the shelves of the supermarkets?

2. Competition in the Finnish food market

- 2.1. How is the Finnish food market structured? (participants, supply chain, etc.)
- 2.2. Who are the main producers in the Finnish food market?
- 2.3. Who are the main wholesalers / retailers in the Finnish food market?
- 2.4. How easy / difficult is it to get on the shelves of the retail stores?

3. Consumer and consumer behaviour

- 3.1. Please describe what Finns eat for breakfast.
- 3.2. What are the most popular flavours for marmalade / jam? / What is the most sold marmalade / jam?
- 3.3. What are the most popular cereals (for porridge / muesli)?
- 3.4. What are the most popular confectionaries?

- 3.5. In what kind of stores do Finns buy their groceries?
- 3.6. How much do Finns spend on groceries? How much of that on breakfast products / confectionaries?
- 3.7. How important are Finnish food products for Finns?
- 3.8. Has there happened any change during the last five years?

4. *Food from Schleswig-Holstein / Germany*

- 4.1. What is the perception of food products from Schleswig-Holstein (Germany) in Finland?
- 4.2. Which brands from Schleswig-Holstein are already in Finland? / Which brands do you sell in your stores?
- 4.3. Which food products are already imported from Schleswig-Holstein (Germany)?
- 4.4. What chances do products from Schleswig-Holstein have in the Finnish food market?