OPENING A VIETNAMESE COFFEE HOUSE IN FINLAND



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Abstract

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Subject Open a Vietnamese coffee house in Finland Supervisors Victor De Bruin, Annaleena Kolehmainen

This thesis gives the basic concept of opening a Vietnamese coffee house in Finland. In the thesis, the author provides the basic thinking and planning a business for an entrepreneur. To understand the market and enter the market as a newcomer, the author using marketing mix (4P) and buyer behavior analysis. To open an authentic Vietnamese café, the café must import the coffee from Vietnam and the author must find and select the suitable supplier for the café.

In order to strengthen the business plan, the author use market research method and marketing mix to approach the market. There are a wide range of target customers in the business so that there are many steps to develop the café.

Finally, to bring out the most practical outcome, the author uses a taste testing survey to analyze the customer behavior when trying a new product so that they can improve the product and the business effectively. Then the author uses SWOT analysis to evaluate the survey.

Keywords Marketing mix, market research, Vietnamese café, SWOT

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1 Introduction

The author has been studying in Finland at HAMK for 4 years. The thesis writer has learnt how to run a business effectively. There are so many ways to understand about business and learn about it at HAMK, in practical way and theorical way. The motivation for the author to write this thesis is an event-The Coffee and Shots event (Facebook Coffee and Shots page, 2018) The event is about coffee and Finnish nature photo exhibition. There were some coffee related companies who came to the event to introduce their product. During the event, the author recognizes that all the coffee beans come from many different countries but Vietnam. The author tried all the coffee at the event and realized that most of the coffee is light and it is not strong enough for a coffeeholic. The author popped up an idea that Vietnamese coffee culture is new with European so that this is a good opportunity for opening a Vietnamese café. If the Coffee and Shots event showed a good combination of Finnish nature and coffee, Vietnamese café will bring to the customer a new aspect to enjoy a cup of coffee.

1.1 The idea

Cafés are the author's family business. There was 3 generation into this business. The first café was opened in Bien Hoa city in 1997 and in 2001, the author's grandparents opened the first Garden café called Da Tuong Phung in same city which area is about 1200-meter square right next to the Dong Nai riverbank. In 2002, the author's parent opened Mat Nau café with

a different style.

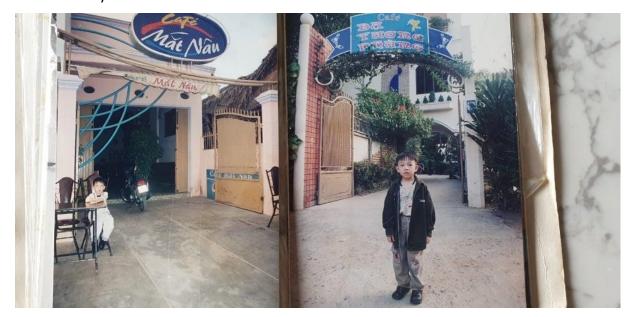


Image 1: Da Tuong Phung café(right) and Mat Nau(left) (2001)-taken by Hanh Do And they opened another café in 2005 which was a combination of café and breakfast. So that the author has some experiences and motivation in opening a café. During the time staying in Finland, the author realized that there isn't any Vietnamese café or a café with the similar style with author's family café. This is the reason why the author wants to open a café in Finland. Finland is the country which have the largest coffee consumption in the world. Mean-while, Vietnam is the second biggest coffee exporter all over the globe. The author had the idea to open a Vietnamese café in Finland thanks to the Coffee and Shots event at HAMK. According to BBC, Finland is in the top of coffee consumption in the world

(international Coffee Organization, 2016).

Per capita coffee consumption in 2016



Figure 1: Coffee consumption in EU (2016)

	1970/1971	1980/1981	1990/1991	2000/2001	2010/2011	2017/2018	2018/2019	2019/2020	2020/2021
				(thous	and 60kg ba	ags)			
roduction									
Brazil	11,000	21,500	31,000	34,100	54,500	52,100	66,500	60,500	67,900
Vietnam	56	77	1,200	15,333	19,415	29,300	30,400	31,300	29,000
Colombia	8,000	13,500	14,500	10,500	8,525	13,825	13,870	14,100	14,100
Indonesia	2,330	5,365	7,480	6,495	9,325	10,400	10,600	10,700	10,700
Ethiopia	2,589	3,264	3,500	2,768	6,125	7,055	7,350	7,450	7,500
Honduras	545	1,265	1,685	2,821	3,975	7,600	7,515	5,400	6,125
India	1,914	1,977	2,970	5,020	5,035	5,266	5,325	4,967	5,250
Uganda	2,667	2,133	2,700	3,097	3,212	4,350	4,800	4,250	4,800
Peru	1,114	1,170	1,170	2,824	4,100	4,375	4,480	4,550	4,450
Mexico	3,200	3,862	4,550	4,800	4,000	4,000	3,550	3,700	3,900
Guatemala	1,965	2,702	3,282	4,564	3,960	3,780	3,770	3,450	3,650
Nicaragua	641	971	460	1,610	1,740	2,730	2,850	2,680	2,580
China	n/a	n/a	n/a	n/a	827	1,925	2,000	1,900	2,000
Malaysia	66	88	75	700	1,100	2,100	2,100	1,900	2,000
Cote d'Ivoire	3,996	6,090	3,300	5,100	1,600	1,250	2,000	1,725	1,800
Costa Rica	1,295	2,140	2,565	2,502	1,575	1,525	1,250	1,472	1,500
Tanzania	909	1,060	763	809	1,050	1,150	1,300	1,250	1,350
Papua New Guinea	401	880	964	1,041	865	810	965	855	900
Kenya	999	1,568	1,455	864	710	715	775	725	650
Others	15,515	16,562	16,562	12,269	9,770	5,589	5,364	5,624	5,325
World	59,202	86,174	100,181	117,217	141,409	159,845	176,764	168,498	175,480

Figure 2: Leading coffee exporter worldwide 2021 (Opportimes, 2021)

This is a great opportunity for doing market entry for Vietnamese coffee into Finnish market. Drinking coffee is also a culture in Vietnam so that the author wants to open a café to introduce this style to Finnish.

Otherwise, Vietnam and EU just had a new free trade agreement (EVFTA) so that it is easier for the café to import coffee into Finland.

1.2 Background of Vietnamese coffee and the coffee culture

The coffee was introduced to Vietnam in 1857 by a French Catholic priest who brought an Arabica tree. After that there was a booming of coffee industry by the 1890s. Vietnamese coffee production develop bigger and bigger through the time. Vietnamese coffee makes up to 40% of Robusta production of the World. Most of the coffee is planned at Tay Nguyen (Central Highland), the soil quality and the weather in here make a good condition for growing the coffee. About roasting, Vietnamese coffee is roasted traditionally roasted dark which make the coffee stronger. Historically, Vietnamese coffee beans in a caramel-like oil (with sugar, vanilla, or cocoa) to give them a sweet coating and unique flavour. These days, most roasters use butter, which is why coffee in Vietnam can sometimes produce an oily texture. Phin-Vietnamese coffee filter is the most common coffee maker in Vietnam.



Image2: Phin-Taken by Manh Do (2021)

This tool will brew the coffee slowly. Otherwise, the coffee from Phin can use for many ingredients such as Bac Siu, Egg coffee, Black coffee, Coconut coffee. etc.

In Vietnam, people often drink coffee in the morning, and they drink the coffee slowly. The tourist can easily see a person drink a cup of coffee while reading newspaper or talking with their friend or after having breakfast. The Vietnamese will not rush drinking their coffee. they

will patiently wait for every drop of coffee from the Phin then taste it with the suitable ingredient. (Joy Sallegue, 2021).

1.3 Outline

At this chapter, the author will clarify the question and the outline that an entrepreneur should think about when open a café. Based on these questions, the author can develop the idea into reality and plan for the business. These questions can clarify the business plan in many aspects that can help the author has clear vision about the café.

How to set up a Vietnamese café in Finland?

There are some paperwork's for opening a café in Finland. The business must follow the regulations of Finnish food authority. The author will use Business canvas model to have the clear vision about setting up the business after understanding about the regulation and protocol to open a restaurant/café in Finland. There are many requirements for opening a café and it is all mention in the guideline in Finnish Food Authority. The author will breakdown the regulation and the process of opening a café in Finland in the theory chapter.

What is the business plan?

At the first, the business should have a clear plan so that the owner can have a loan from the bank. To persuade the bank for a loan, the café must have a clear plan. The author will use the business canvas (Alexander Osterwalder, 2010) to clarify the plan. Business canvas is a useful tool for any entrepreneur which plan to open their business. Thanks to business canvas, the author will have coverage perspective about the business then the business can be developed based on the business canvas model.

The café has its owner advantages and the uniqueness. This is the new café model in Finland and the café will be the first Vietnamese café in Finland. At the café, there are not only Vietnamese coffee but also other beverage and Finnish coffee. Otherwise, beverage is not the only thing that can attract customer to the café, the special of the café is the atmosphere. Most of the employee will wear Ao Dai- traditional costume of Vietnam and the decoration will make the customer feels like they drink coffee in Vietnam.

Which Vietnamese coffee company is suitable for coffee standard in EU?

This is the most challenging task. Because of the high standard and quality in EU may a barrier to entry for Vietnamese coffee. However, there are a lot of brands and quality coffee factory can meet the expectation and fit the regulation of EU. The author must use the networking and many hours of researching to find the potential partner and the best coffee.

How do Finnish think about Vietnamese coffee?

Because Vietnamese drinks coffee in very different way from Finnish. The author must conduct a survey of Finnish people try Vietnamese coffee style. To understand more about the coffee tasting, the author must make coffee in many ways and do interview of at least 15 Finnish. How-ever, this pandemic is a barrier for the author to make this interview. However, there is a Vegan Vietnamese restaurant in Tampere-VG Wok supports the author to make Vietnamese coffee and give it the customer which support the author to conduct the survey. Thanks to this survey, the author will understand how Finnish think about the product.

How can the café approach with customer?

To approach the customer, there will be some marketing strategy, the author will use marketing mix 4P. There are many channels to introduce the café to the customer. At the beginning, the author will introduce the product to increase the brand recognition of the customer. The coffee will have 50% discount for 5 opening day and 30% for the whole month. Otherwise, the café will be partner with delivery service in Finland like Wolt and Foodora. These two channels will really be effective for a newcomer in the market.

2 Theoretical Framework

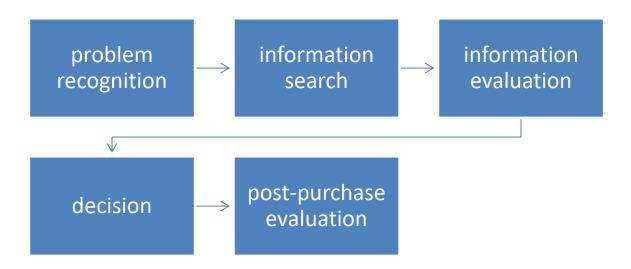
2.1 Sales

In this section, the author will apply the sale process and customer behaviour analysis to express the way to approach customer and what should be do in the café to attract and satisfy

the customer. Because the product is not only the coffee but also the Vietnamese café atmosphere.

2.1.1 Customer behavior

Vietnamese café is a new concept in Finland so that the café needs to understand the customer behavior and the decision-making process will help author to understand what the factors effect on the buying decision of the customer are.



Problem recognition: this is the beginning of buying decision. The customer will define the "problem" then they will decide to buy something. In this case, coffee is a drinking product that helps them awake or just a drink habit. And the café atmosphere is also a product. At this phase, the customer's "problem" is finding a place with good coffee and suitable atmosphere. (Bruner and Pomazal, 1988)

Information search: when the buyer needs and want to buy something, they will do some search about the product. However, coffee is a daily product so that the customer will not spend too much time to research about that. The question to be answered is what kind of product can solve the "problem" of the buyer. Even coffee is a daily drink, the customer still wants to find a suitable product for their taste. There are many factors affect on the search.

There are internal and external factors in searching product and any of that can be the main factor that can finalize the decision. (Keller and Staelin, 1987)

Information evaluation: after the searching phase, there are many options that the customer can choose. The marketer will play an important role in this phase to influence the customer to the café. This can be done in many forms for example advertisement, running promotion, using social media. Thanks to this, the consumer will narrow down from a wide list of potential options then they can possibly choose the product of the company. (Howard and Sheth, 1969)

Decision: at this phase, the customer is done with the choice, and this is a natural outcome after the evaluation. They will choose the café to come, and this will lead to the next and the end of the buying process. (Brassington, F and Pettitt, S, 2014, p.74)

Post-purchase evaluation: this is that stage that the customer chooses to check the product in practical way. they will come to the café to identify the information. (Brassington, F and Pettitt, S, 2014, p.75)

This is the decision-making process of customer before buying anything. However, the end of the process can happen at any stages. The process can be long or short is depended on the needs and the acceptable solution of the customer. So that there are many internal and external factor which is not mention in the decision-making process can affect on the customer. The marketer needs to know and control the controllable factors which can influent the buying behavior of the customer. (Brassington, F and Pettitt, S, 2014, p.69)

The customer segmentation of the café is aimed to the customer who wants to try Vietnamese coffee and try the new experience of Vietnamese café atmosphere. The café will serve the special Vietnamese coffee and develop the business model depend on the needs and market trend. The product in this model is Vietnamese coffee drink and regular Finnish coffee drink. Customer can come and enjoy Vietnamese coffee and understand more about coffee culture in Vietnam. The author will truly make a real Vietnamese café atmosphere with the sound and the decoration. And there are roasted coffee products for the customer who want to make their coffee at home. And if they do not like Vietnamese coffee drinks, they still can enjoy the other drinks from the café. the main things the café serve is the different atmosphere and coffee culture in Vietnam. (Brassington, F and Pettitt, S, 2014, p.69)

2.1.2 Sales process

Unlike the other café in Finland, Vietnamese coffee ingredients are different in taste and way to make it, so that the customer must be introduced in short about the product. the waiter/waitress will be trained. Unlike other café, the café will have unique content so that the employee must know the way to lead and serve the customer. The sales process is:

Prospecting: the waiter/waitress will come and arrange the seat base on the needs of customer.

Database and knowledge management: introduce about the special of Vietnamese (in short). Self- management: the waiter/waitress should not be so over excited when introduce about the product and culture. They must understand the purpose of the customer who come to the café. Then they use the suitable presentation for the customer.

Handling complaint: as a newcomer, the café will receive the feedback from customer. the café staff must receive the feedback respectfully. This factor will help the café to improve the service quality and the product quality.

Providing service: the staff must provide a good service. Because Vietnamese coffee model is something new here in Finland, the staff must introduce and instruct customer carefully.

Relationship management: the staff must make the customer feel comfortable and make them want to get back to the café. There should be some promotion and benefit for customer who get back to the café. such as coupon, membership card. This strategy and the high quality of product and service will attract customer come back.

2.2 Requirements

According to Finnish Food Authority, any restaurant or café need to follow the guideline of the government which are hygiene regulations and process of opening a café. The owner must study the regulations and understand 6 sections of opening a café. (Finnish Food Safety Authority Evira, 2017)

2.2.1 Section 1: Setting up

The entrepreneur must estimate the cost of housing, design of the café, coffee machine and kitchen tool which obey the regulation. At the building, the owner must prescribe the building then have a consult that the building is suitable for opening a café. if not, they must have a renovation and the building will not be able to change anything until the permit is final. There are some requirements and notes in the kitchen and food section. The kitchen is only for the kitchen staff, and it is strictly forbidden any external entry to the kitchen. Food is always leave in the storage and food process area which forbid to put near the passage. Smelling stuff or possible smelling goods forbid to put in the food storage which will affect to the food. To make the cleaning process easier, all the unnecessary stuff must be removed from the kitchen and especially dust collectable stuff. These are the basic rules the owner must follow then they can do a notification to the food authority. This notification must send to the authority at least 4 weeks before opening the café. the authority will respond in writing that they will contact to notice the inspection visit to make sure that the facility is ready for opening the café. otherwise, there are the requirements for the kitchen staff. Hygiene passport is compulsory. Hygiene passport is the certificate that make sure the staff can demonstrate the food with the high level of hygiene. In some case, the staff must have the salmonella test. These requirements ensure that the food will be cooked with hygiene and safety for the consumer. The food storage is divided into two kinds of food. Perishable food should put in suitable condition storage which can avoid food poisoning because of bacteria growth. The other nonperishable food can store at room temperature and dry place. Before starting the operation, the café must have their own-check plan which describe the operation and how the café manage the food hygiene risk. The Finnish Hospitality Association, or MaRa ry, has drawn up best practice and own-check guidelines for café, titled "Omavalvonta ravintoloissa elintarvikkeet" (only available in Finnish). The Finnish Food Safety Authority Evira has reviewed and approved the guideline. Although the café may not serve food, however, if the café wants to serve food, it will have to apply to the Finnish Food authority and obey the safety regulations. (Finnish Food Safety Authority Evira, 2017, p.6)

2.2.2 Section 2: Premises

When planning the café, take the sensible placement of the following premises and functions into account: food processing, production and storage facilities such as cooking and cooling equipment and utensils, cold storage facilities, water fixtures and plumbing, non-toxic, easy-to-clean and smooth surface materials. Customer area, toilet facilities for customers and personnel, staff dressing rooms, smoking areas, Waste storage facilities, facilities for the storage and maintenance of cleaning equipment, space for the cleaning and storage of dishes, floor drains in facilities whose cleaning requires washing, other necessary storage spaces, such as for delivery boxes and roller cages, if these are stored on the restaurant's premises. These facilities have their own process of cleaning, maintenance process, and condition standard which obey the regulation. For example, cold storage and facility foodstuff must store food in the right temperature. (Finnish Food Safety Authority Evira, 2017, p.10)

2.2.3 Section 3: Operation

In this section, the café must follow the operation process to keep the safety and hygiene for the food. At the first, cleaning and the cleanliness area of surfaces and equipment is mentioned in this section. In each surface, the cleaning process is different so that the most concern is avoiding the spread and grow of virus and bacteria on the surface. To make the cleaning process correctly, the café should label the cleaning equipment. Otherwise, the ceiling and other high surface also need to be cleaned periodically. Because the bacteria can contaminate any surface without protection. Another notice that the café must prevent any pests in the kitchen (cockroaches, rats, mice, flies, silverfish) which bring bacteria and virus with them. Animal and customer's pet are also needs to put outside the restaurant area. The guideline also mention what material is suitable for use with food. If the item has this sign on the label



Image 3: (Finnish Food Safety Authority Evira 2017, p.17)

it will be suitable for using for food. The café may not serve food, however, the container, coffee machine and the tin coffee filter must be cleaned correctly with suitable temperature in dishwasher (60 degree Celsius). The water source is also a crucial factor in operation. If the café uses the publicity water source, the café will not need to take a water test sample. In Vietnamese coffee ingredient, it has some material that must clarify to the customer. it is milk and condense milk. Because of lactose intolerant and other allergies, the café must mention that on the menu-this is compulsory in Finland. (Finnish Food Safety Authority Evira, 2017, p.15)

2.2.4 Section 4: Staff

Hygiene passport is compulsory. All staff work in the café internal area must have hygiene passport which make sure that all of them understand the safety and hygiene in the café. otherwise, the health state of the staff is also important. The staff must be tested salmonella, because this disease can contaminate the food and cause stomach disorders. The virus can be transmitted through food if the staff have this. Otherwise, the staff must have protective cloth which can prevent the virus or bacteria spread out. There are also some jewels that the staff should not wear in the café for example, piercing, ring, watch. Because these accessories can pose a food hygiene rick. These accessories may contain moisture and dirt which can accumulate under a ring or A piece of jewelry or part thereof can break off and end up in the food. And finally, washing hand is important. Hands have nature bacteria some is not harmful, but some can cause food poisoning so that the staff must wash hand when starting work, during work, if necessary, between work stages, after processing ingredients and soil-covered,

dirty or spoiled food, after visiting the bathroom, after handling money, after smoking, and after coughing, sneezing or blowing your nose. In case of hand wounded, that employee must cover the wound and wear a glove when working with food or drinks. (Finnish Food Safety Authority Evira, 2017, p.23)

2.2.5 Section 5: Own-check Plan

This is a crucial section before running the café. The owner must have their own check plan. With the suitable own-check plan, it will also provide direct benefits to the café: It reduces the likelihood of food poisoning, it helps keep customers happy, it reduces the need for costly official supervision, and it will reduce waste and errors. As café, there will be simpler than operation and own-check plan of a restaurant. But there still needs a suitable own-check plan to increase the efficiency of the café. the own-check plan is designed for the whole staff to follow. This is the sponsible of the café, because it will affect directly on the operation of the café. The own-check plan is included all the content from 4 previous sections. The owner will be able to create the own-check plan correctly. (Finnish Food Safety Authority Evira, 2017, p.26)

2.2.6 Terminology

This section is the explanation of some technical words in the guideline. Thanks to this section, the reader can understand the guideline deeply. In the guideline, there are some words which is underlined. In this section, these words will be explained carefully. (Finnish Food Safety Authority Evira, 2017, p.34)

2.3 SWOT

SWOT analysis is a framework to analyze the Strengths, Weaknesses, Opportunities and Threats of a business. Thanks to SWOT, the business will have a clear vision and raise the awareness of the factors in making the decision of the business. The SWOT is credited to Albert Humphrey, who tested the approach in the 1960s and 1970s at the Stanford Research Institute. Developed for business and based on data from Fortune 500 companies, the SWOT analysis has been adopted by organizations of all types as an aid to making decisions. The

SWOT analysis should be done at starting the idea about the business. In this case, the author will understand what the advantages and disadvantages of the café are and can have a clear aspect in this business. The SWOT analysis will be analyzed in the SWOT chapter.

2.4 Business canvas model

Business canvas model is a model used for planning the business. This model will describe how a business creates, delivers and captures value. Using this business canvas model, the author will understand more and has a clear vision about the business externally and internally. There will be more detail about this model which is applied on the café on chapter 3.

3 Methodology

 Vietname se Coffee Suppliers Facilities partners Restaura nt inspector and advisor Maintena nce service company 	Key activities	Value proposition • Special coffee products • Vietnam ese coffee atmosph ere	Customer relationships Introdu cing and serving the coffee	Customer segments The Young Vietnam ese Coffee lovers
	Key Resources • 5 element s of resourc es: Physic, intellect ual, human, financial		Channels • The café	
Cost structure Fix cost Valuable co	ost		Revenue stream Coffee Coffee pa	ckage

3.1 Key Activities

As a newcomer in Finnish market, Vietnamese coffee must have suitable and effective marketing strategy to identify our product and boost sales. The author will use the 4P's theory for the marketing strategy. The 4P (Product, Price, Place, Promotion) is the definition for the

marketing mix strategy. It means what will the business sell, where they sell it, how much they sell it and how can customer know about them. In this chapter, the author will use this to express the idea and the strategy for the café. The 4P marketing mix model is created in 1953 by Neil Borden who introduced the term "marketing mix" in his speech at the American Marketing Association, and since Jerome McCarthy (1964) defined the 4 Ps marketing mix as a combination of all the factors which managers may leverage to satisfy market needs. Using this marketing mix strategy, author will set up a suitable marketing strategy for the café.

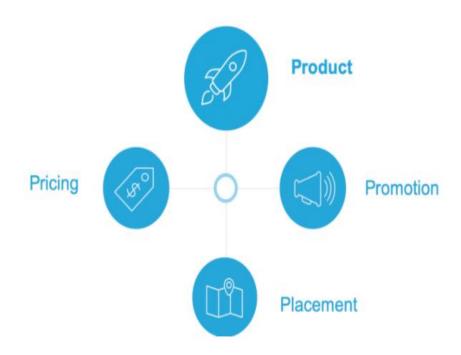


Figure 3: Marketing mix (4P) (producfolio.com)

3.1.1 Product

In marketing, the definition of a product is divided it into 3 kinds of product: tangible, intangible and ideas (Brassington, F and Pettitt, S, 2014, p.179). At the Vietnamese café, there are 2 types of products: coffee(tangible) and ideas (the Vietnamese café atmosphere). These products make the café stand out its uniqueness. The classification of the product is speciality product. As a uniqueness product here in Finland, the café is special, and it brings the curiosity to the customer.

Vietnamese coffee is not a popular product here in Finland. However, the coffee is high quality and reasonable price compared to other product in the market. Vietnamese coffee has stronger taste and high caffein which is suitable with people need to awake and higher dose

of caffein in a day. Vietnamese coffee also has different ways of making coffee. That makes it special. The Vietnamese café is some very different compared to another café here in Finland. At the Vietnamese café, customer is going to feel a very different way to enjoy the coffee. The coffee culture in Vietnam is something chilling and elegant. We make coffee by an aluminum coffee filter. In Vietnam, if you want to enjoy the coffee, you must earn it, patiently looking at every single drop off coffee through the coffee filter or you can do whatever you want during that time, it is the customer choice. The café will have Vietnamese instrumental music for you mind and productivity. The café is a place for you to enjoy with friend or working or just simply enjoy the coffee or all of that. However, for the customer who just want to enjoy the atmosphere but not Vietnamese coffee, the café also sells Finnish coffee. The coffee ingredients are also very different from Finland. Vietnamese can be drunk in both way: hot and cold. There are three different coffees at the café: black coffee, milk coffee and BacSiu. Black coffee: this coffee is strong, and this product is not for the person who cannot drink too much caffein. However, the coffeeholic will like this. Thanks to the tin coffee filter, the black coffee will bring the condense taste of Vietnamese Coffee to the user.

Milk Coffee: this sound familiar with the coffee drinker. However, the Vietnamese Milk Coffee will have different way to make. Vietnamese use condense milk instead of normal milk. This will make the coffee the sweet but also strong.

Bac Siu: this coffee ingredient is like Milk Coffee. However, the taste is sweeter. In the thesis, I use this ingredient as a sample for the taste testing survey. (Brassington, F and Pettitt, S, 2014, p.178)

3.1.2 Place

Place in marketing mix mean distribution channel for the product. In this case, the supply channel calls short channel. The coffee will come from a producer in Vietnam then it will be imported to Finland and sell at the café to customer. The model is producer-retailer-customer. The café is the main selling channel. In here, the café will sell the atmosphere and the coffee. The place should be at the not so crowded area but close enough to recognize by passenger and people. To make more people to know about the café, advertisement and promotion is the best tool to introduce this model to customer. The decoration should make the customer feel like they are drinking coffee in Vietnam. There will be some stuff and sound which is bring the new experience for the customer. however, if there are customer only come for the

coffee, it will be another area for them which avoid disturbing from the Vietnamese café area. ((Brassington, F and Pettitt, S, 2014, p.256)

3.1.3 Price

Price the factor that makes customer will consider the benefit they will receive from the price they pay for the product. I think this is the most competent factor of Vietnamese coffee. Because of the strong of the coffee, I kg of Vietnamese coffee will give more cup of coffee. Otherwise, tariff is no more a concern thanks to EVFTA. However, during this pandemic, the logistic cost is higher two times than normal so that this is not the right moment for running the business. the original price of Vietnamese coffee is cheaper than medium coffee here in Finland 1 to 2 euro per kilo, but the coffee can make more cup of coffee than the coffee in here. For example, a Trung Nguyen coffee-Culi Robusta bag of 340g on Trung Nguyen (upperend product) website in UK is 5.45 pounds and the middle-end coffee in Finland is around 13euro per kilo and at least 42euro per kilo for an upper-end coffee product. However, this information is only for reference. If the company can be a partner of a Coffee company in Vietnam, the price will be cheaper than buying from EU warehouse.

The price at the café will be cheaper or the same price with regular café in Finland. As a regular drinks in both Vietnam and Finland, Coffee should not have high price. However, coffee drink is not only product at the café. there are also material and grounded coffee bean from Vietnam which have wide range of price, from normal quality to luxury product. However, the price of the coffee is not the main factor that effect on the decision of the customer. the customer is also willing to buy and come to the café because they want to experience the atmosphere in here. The atmosphere is the intangible product. (Brassington, F and Pettitt, S, 2014, p.221)

3.1.4 Promotion

Promotion is the part that the café should increase the customer awareness about it. Without a good promotion, the customer still doesn't know about the café. The café may have a good and unique, but the customer must know about the café first.

The café will have discount for months for example 50% discount for Vietnamese related product or give 20% discount when check-in at the café. Digital marketing and e-commerce are trendy nowadays. So that the café also develops on these channels. This is the most effective way to introduce the café to the customer. Social media and selling website are the best tools for approach the potential customer. Social media and media are also a very effective tool for promotion. Thanks to social media, the business can share the product and it is easier to approach customer (Brassington, F and Pettitt, S, 2014, p.297).

3.2 Potential business partner

There are many coffee brands in Vietnam, However, there are not so many of them which able to meet the standard of the EU. The author did some research about these potential partners and supplier.

3.2.1 Trung Nguyen



The Energy Coffee Changes Life

image 5: Trung Nguyen coffee (Trung Nguyen website)

This is the biggest coffee brand in Vietnam. Founded in 1996, Trung Nguyen has developed become one of the famous Vietnamese coffees brand in the whole country but also international. Many products and franchiser of Trung Nguyen has expanded all over the globe, there are about 60 countries. They have wide range of product from low-end to hi-end coffee and instant coffee product. The coffee product of Trung Nguyen is targeted to wide range of customer, from businessman to regular coffee drinker. If the author can make a partnership

with Trung Nguyen, the author can learn a lot from them. (Trung Nguyen coffee - Vietnamese coffee)

3.2.2 Thien Hat Specialty Coffee

This is a very potential partner to the author. Because the author has the network with them through the author business partner in Netherland. This Coffee Brand is new in export coffee to EU, and they really need support from the author. Thien Hat is a coffee seller, roaster and coffee producer in Vietnam. they have run the business for a couple years and they have the ambition to export their coffee to Europe. They are ready to roast the coffee to fit the European taste, but they keep some special flavor for of the Vietnamese coffee. Thien Hat is an easier partner to reach compared to Trung Nguyen because of their scale is way smaller than Trung Nguyen so that the flexibility of the business is more than a conglomerate like Trung Nguyen.

3.2.3 Facilities partner:

These partners are landholder, bank, restaurant inspector and advisor

Landholder: to find a suitable space for opening the café, the author needs to find the right place and rent it from the landholder. This is one of the long-term partners of the café.

Bank: the capital is loaned from the bank. The café must pay for the debt and the interest for the loan from the bank.

Restaurant inspector and advisor: even the author does the research about the guideline, the café still needs inspect and advise from the food authority.

Maintenance service: there are many facilities in the café so that the café needs maintenance service company to maintain its. ISS as an outstanding facility service company in Finland. They may a partner of the café in a long time.

3.3 Channels

The main selling channels of the café is easy to recognize. The customer will come to the café and order what they want and enjoy drinking coffee in the Vietnamese atmosphere. The

customer will know about the café through social media, and the advertisement on newspaper or they see the café on the street and come.

3.4 Value propositions

The café has its own advantages. The coffee is strong, and the coffee ingredient and the way of making coffee are new with the customer in Finland. The atmosphere in the café is also different from the other café in Finland. The staff may wear Vietnamese costume and the music theme of the café is Vietnamese music pop and ballad. Sometimes, the café will play the sound of the Vietnamese street to enhance the Vietnamese café atmosphere and bring the best experience to the customer. The customer can enjoy drinking coffee and has a completely new experience at the café. they can choose to work here, reading book, hang out with their friends or just come to drink a cup of coffee. The price is not so expensive or at least equal to the common café in Finland.

3.5 Customer segmentation

The customer segmentation of the café is the young, coffee lover and of course Vietnamese. The product of the café is quite stronger compared to the other coffee product in Finland because most of the coffee is Robusta which has higher dose of caffein.

3.6 Customer relationship

In customer segmentation parts, there are 3 target customers: the young, coffee lover and Vietnamese. The café will serve the customer depend on their needs. For example, if the customer come to experience Vietnamese coffee culture, the café will serve them coffee with a coffee filter at their table and explain the meaning of drinking Vietnamese coffee style. Drinking coffee in the coffee filter means the customer must patient to drink the coffee.

3.7 Revenue stream

The income of the coffee mainly come from selling coffee and coffee material to the customer. It is call fixed menu selling. There are specific products in the menu then the customer can

order from that. Otherwise, the café also sells the coffee packs to customer who want to make the coffee at home or buying it as a gift.

3.8 Key resources

There are four elements of key resources (Osterwalder, A., & Pigneur, Y, 2010, p.35):

Physics: this category include physical asset such as the café's facility, coffee machine, coffee filter

Intellectual: this is included brand's name, partnership with supplier, partnership with the professional cleaning company.

Human: any enterprise needs human resources. The café will have waiter, coffee maker, marketer and accountant.

Financial: to open the café, financial resource is crucial. the café must convince the bank for a loan to open and operate the café. If the author does not have a clear business plan, the café can lead to bankruptcy.

3.9 Cost structure

The café will have two kinds of cost when operating. It is fixed cost and variable cost.

Fixed cost: there are rent, salary, depreciation cost of coffee machine

For example, the author had a conversation with owner of C&B restaurant-Ly Tran and the owner said that the cost of rent is around 800 euros for 75-meter square. This rent is included the water fee. the owner also pays for insurance and the internet fee for the restaurant.

Variable cost: cost of facilities usage (electricity)

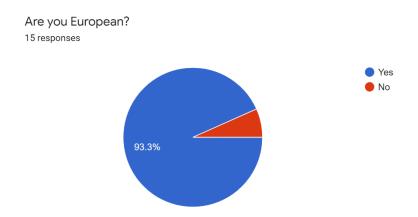
The other cost is related to the facility for opening the café like decoration, coffee machine, coffee filter and coffee from the supplier.

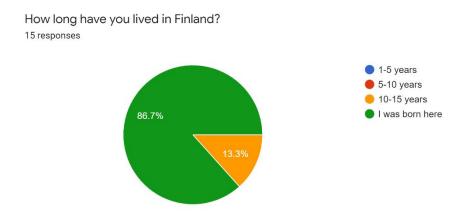
4 Practical Research and Results

Research method was conducted survey through taste testing Vietnamese coffee ingredients. This survey was based on the behavioral segmentation theory to understand the habit and how the customer think about the product. Through this, the author will partly understand how people react and review with Vietnamese coffee. The author had some interview with

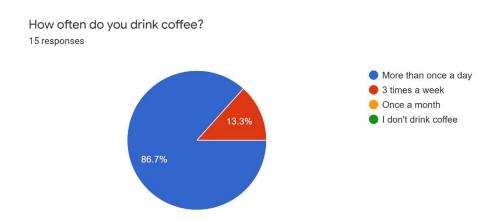
them. This was just to understand more about their favorite coffee taste, and the author wanted to introduce more about Vietnamese coffee with the interviewee. The survey was collected when the author is working at VG Wok-a Vietnamese vegan restaurant in Tampere. The author had worked in VG Wok for 1 month. At that time, the author asked the restaurant owner for the permission to conduct the survey with taste testing method. From 4th of October to 8th of October 2021, the author made coffee and asked the customer if they want to taste the coffee. The customer drank Bac Siu and did the survey. The author also had small conversation with the customer about the drinking method but also introduced more about Vietnamese coffee. The research method is mostly about the product and how customer behavior when they taste the coffee. Most of the taste tester did not know what tin coffee filter is so that the author must show it to them and explained the coffee making method.

4.1 Result

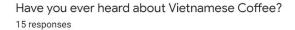


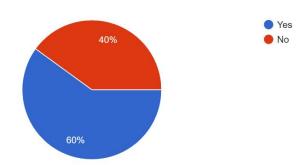


The interviewees were selected. Most of them are European, they are local in Finland or have lived in Finland for long time. The purpose of this selection is because most of the Asian know about Vietnam coffee. But not all the European know about Vietnamese coffee. Otherwise, the business will be developed in Finland so that most of the customer is European.

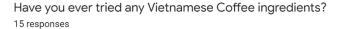


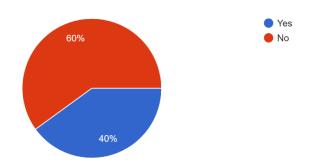
About the drinking habit of the interviewee, 86.7% of the interviewee drink coffee more than once a day. When I have the conversation with the interviewee, I introduce the Bac Siu with them as a coffee ingredient that good for people who like to drink coffee with sweetness taste. Normally, Bac Siu is for the people who cannot drink too much coffee. However, during the interview, there are more than 50% of them said this coffee is strong.



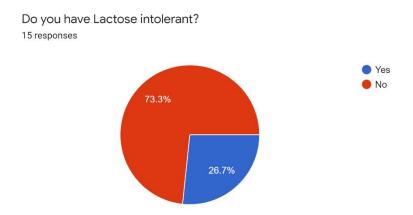


Surprisingly, there are 60% of the interviewee know about the Vietnamese coffee. However, they don't know how big the coffee industry in Vietnam is. When I introduce that Vietnam is the second biggest coffee exporter in the world, most of them really surprise about that. This is small advantage for the business. because some of the customer know about the

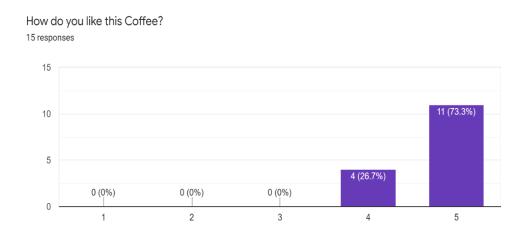




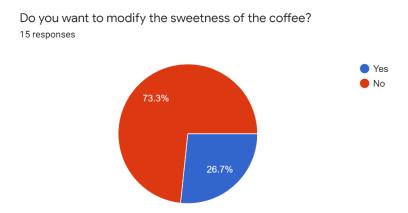
60% of the interviewee drink Bac Siu for the very first time. The other were drunk Milk Coffee and black coffee. Some of them was in Vietnam before. There are some interviewees ask me where they can find this coffee. They also realized that there are no Vietnamese café in Tampere.



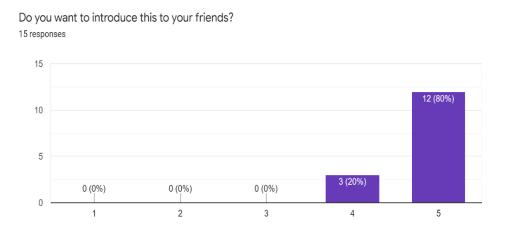
This is the most concern about the ingredients, I must introduce about the Bac Siu first then the interviewee will choose to drink it or not. Because there is lactose in the condense milk that may affect on the interviewee. There are 73.3% of the interviewee can tolerant Lactose, I also used the non-lactose milk to make Bac Siu but I cannot avoid using condense milk. However, the other 26.7% still want to try the coffee.



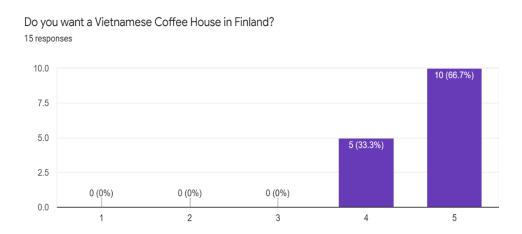
Most of the interviewee really like the coffee. Because Bac Siu is sweet, but it keeps the strongness of the coffee. Otherwise, Bac Siu can be served hot or cold depend on the consumer. There is an interviewee said that he likes the coffee because sometimes, he forgets to drink his coffee and the coffee is not hot anymore and it effect to the taste of it, However, Bac Siu is still good when it cold.



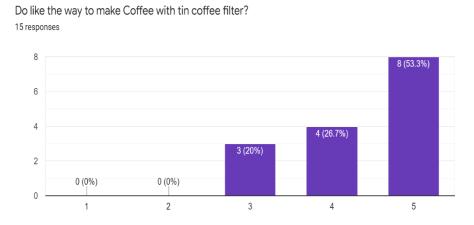
Like bubble tea, not everybody like the sweet of it so that I want to make sure that the customer like the taste of the coffee. Seems like the ingredient is good enough so that 73.3% of the interviewee feel right with the sweetness of the coffee. However, a good business is a business can satisfy all the customer so that I will put sweetness option in the menu.



According to the interview and the survey, 100% of the taster like Bac Siu and they want to introduce the coffee for friend in case there is a Vietnamese café will open in Tampere. 80% of them will be very likely to introduce Bac Siu to their friends.



And of course, 100% of the interviewee want to have a Vietnamese café in Finland. And 66.7% of the interviewee really want a café here.



Most of the interviewee doesn't know what a tin coffee filter is so that I must show them and explain how it work. 20% of the interviewee just fine with the coffee filter because it is time consuming. To make a cup of coffee, I must prepare and waiting all the coffee drop from the filter. This process takes at least 10-15 minute and some of the interviewee is busy, and they need the coffee to drink immediately. However, tin coffee filter is the iconic tool for making Vietnamese coffee so that there 53.3% of the interviewee really like this method.

All in all, this survey and interview gave me the result that people who live in Finland know about Vietnamese coffee, but they don't know how big the coffee industry in Vietnam is. However, the most important thing and the purpose of this taste testing that the author can introduce Bac Siu and collect the feedback of this ingredient. The result seems promising if the author opens a Vietnamese café here. Thanks to this taste testing interview, the author can create the future menu which is fit the demand of the customer.

4.2 SWOT

Strengths - Unique product - Strong knowledge about Vietnames coffee	Weaknesses - Lack of experience - Capital
Opportunities	Threats - Competitors - Finnish legislations - Covid-19

4.2.1 Strengths:

Unique product: Vietnamese coffee is new product here. The uniqueness of the product is not only the coffee material but also the different in making coffee and the ingredients. The coffee is made by a tin coffee filter. The customer can see the whole process of making coffee. Otherwise, using Phin will make coffee taste different which make Vietnamese coffee special.



Phin-Vietnamese coffee filter Source: freepik

Strong knowledge about Vietnamese coffee: at the café, the staff will explain about the coffee and coffee cultural in Vietnam. This will make customer feels more comfortable about the product and can enjoy their coffee in the best way. This will increase the customer satisfaction.

4.2.2 Weaknesses

Lack of experiences: as an entrepreneur and new graduated, lack of experiences is obvious. Although, running a café is my family business, but to open a Vietnamese café in Finland is a different story. The regulations and the people in Finland are different from Vietnam. So that I need to do research and learn from my network.

Capital: this is the most concern for any entrepreneur. The author will have a loan from bank. However, the café must operate good enough to earn profit that maintain the business.

4.2.3 Opportunities

New business model: new product and experience always make the customer curious and eager to try it. Although some of the customer know about Vietnamese coffee, they have never tried this business model before. There were only 2 of 15 interviewee that they know and came to Vietnam before, and they tried Vietnamese coffee and experience the atmosphere of a Vietnamese café. 100% of the interview said that this is the new business model that they have never seen in Finland. So, this is he very good opportunity for me to enter the market. the café will be the pioneer for this model in Finland.

Wide range of customer: although the café is a Vietnamese café, but to maximize the experience and the customer satisfaction, the café will have two 2 areas and 2 different style of coffees which can serve as much as customer. The main content is Vietnamese coffee but there is still normal area and Finnish coffee for the customer who come for a Finnish coffee. Otherwise, Finnish consumer coffee a lot (figure 1) which is a good opportunity for the café.

4.2.4 Threats

Competitors: this is the threat for any newcomer of any markets. There are many famous coffees brands and café here in Finland. According to the date the author collected from the Coffee and Shots event (2018). There are more than 50 coffee related companies and café in

Helsinki and Tampere area. This is a very big challenge for a new café. If the customer like the product and the café has good marketing strategy to attract the customer, the café can develop. According to the interview and the survey, most of the interviewee want to introduce the Bac Siu to their friend. However, a suitable marketing strategy can keep the café running and making profit.

Complicated paperwork: even the author has studied and worked in Finland for many years. The author doesn't know about the regulation to open a business and a what should the author prepare for paperwork to open and run a café. This is a long-term plan, and the author needs consult from the professional and the experienced people. Fortunately, the author is now working for a restaurant (VG Wok) and the owner know a lot about open a business in Finland so that this is also a good chance for the author to learn from them. According to the Finnish Food Safety Authority Evira, there are some paperwork that the owner of a café needs to complete. There are related to the hygiene and the café's facility which make the café obey the regulation strictly.

Covid-19: this pandemic has a bad impact on all service business and the café is not an exception. This pandemic will last for a long time and this will effect on the opening and the operation of the café.

5 Recommendation

The café will apply marketing mix as a marketing strategy. The consideration is made based on 4 factors of marketing mix 4P to attract the customer and develop the business. This is the very first authentic Vietnamese café in Tampere and Finland so that this business is uniqueness. However, as a newcomer, the competitive edge must be strong enough to compete with the local café. According to the survey, the customer seems willing to give the café a try. The business model and operation must be suitable with the market however the product uniqueness must remain. However, the café must first try to find a good supplier who is able to export the coffee with the high quality and meet the EU standard. Thanks to the EVFTA, the barrier to entry for the coffee product is no longer a challenge for Vietnam. In the other hand, the SWOT analysis can give the big picture of the business which is based on the interview and survey. This SWOT will be the foundation for me to establish the café.

the café has its own advantages and disadvantages. This SWOT analyze will point out the

solution for Threats and Weakness. Comparing to another coffee brand, Vietnamese coffee

ingredients has its advantages in the uniqueness, however the popularity and the brand recognition of the coffee is not as high as the common coffee here in Finland.

6 Conclusion

Doing the thesis about planning and opening a café in Finland, the author has been through some valuable outcomes. the business planning needs to prepare in many aspects. To set up a café, the author needs what are the regulations, requirements and the market. The author must understand the needs of customer then the café should have a good marketing strategy to attract the customer and stand out the competitive edge. The author must understand the advantages and disadvantages when entering a new market. The thesis should take 3 months to complete, however, because of the pandemic and lack of experience in data collection, planning, time control and professional writing. Most of author references is come from article and website so that the information could be better. If the writer could rewrite the thesis, the author would be more careful and study more from books. The author used 3 books for the theory parts. Most of the content is written by the experience of the author and has learnt from the experienced people who own restaurant, café, and bubble tea shop in Finland. All in all, If the author opens a business, knowledge will play an important role but experience from the pioneer is crucial. The experienced people have different aspect in doing business and they also have the practical knowledge for it.

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Appendix 1: Survey

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Vietnamese Coffee Ingredient Teste Testing

Vietnamese Coffee ingredient Taste Testing

	9
*	Required
1.	Are you European? *
	Mark only one oval.
	Yes
	○ No
2.	How long have you lived in Finland? *
	Mark only one oval.
	1-5 years
	5-10 years
	10-15 years
	U was born here
3.	How often do you drink coffee?*
	Mark only one oval.
	More than once a day
	3 times a week
	Once a month
	I don't drink coffee

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Vietnamese Coffee Ingredient Teste Testing

Have you ever heard about Vietnamese Coffee?*
Mark only one oval.
Yes
No
Have you ever tried any Vietnamese Coffee ingredients? *
Mark only one oval.
Yes
No
Do you have I gatage Intelement?
Do you have Lactose intolerant? *
Mark only one oval.
Yes
◯ No
How do you like this Coffee?*
25
Mark only one oval.
1 2 3 4 5
I hate this

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Vietnamese Coffee Ingredient Teste Testing

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