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# **Analysis of the entry of Finnish early education in the Vietnamese market and opportunities for international co-operation**

Case Language Clubhouse Oy Seinäjoki, Finland

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## Thesis abstract

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Early education in Finland is developing year by year into an increasingly culturally and linguistically diverse learning environment.

Language Clubhouse Oy, based in Seinäjoki, Finland, is working to introduce English to Finnish children in kindergartens and preschools nationwide. In 2020, Language Clubhouse developed the Friendship School program to offer a Finnish early education group the opportunity to co-operate with a foreign counterpart. Together, children learn about each other's cultures through an online learning environment, learning a common language at the same time. The program was successfully exported to Laos, and now it is time to enter the Vietnamese market.

This thesis aims to show what cultural challenges there might be when entering the Vietnamese market. The cultural theories of Hofstede and Gesteland provide the theoretical basis for the analysis. The thesis also shows the benefits of early language learning and the opportunities offered by constantly developing online education. The thesis also included a questionnaire survey conducted among Finnish early education professionals to study the awareness of the services of Language Clubhouse in Finland.

The results of the thesis are useful for Language Clubhouse Oy, parents of children in early education, and its professionals. The survey provides valuable cultural knowledge about the sociological, economic, and legal differences faced by Finnish small businesses aiming to enter the Vietnamese market, and how to capitalise on those differences.

<sup>1</sup> Keywords: early education, market entry, Vietnam, Finland, cross-cultural communication, co-operation

SEINÄJOEN AMMATTIKORKEAKOULU

## Opinnäytetyön tiivistelmä

Tutkinto-ohjelma: International Business

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Suomalainen varhaiskasvatus kehittyy vuosi vuodelta sekä kulttuurillisesti että kielellisesti monipuolisempaan suuntaan.

Seinäjokelainen Language Clubhouse Oy tarjoaa valtakunnallisesti suomalaisten päiväkotien lapsille mahdollisuuden oppia englannin kieltä jo varhaisessa iässä. Vuonna 2020 Language Clubhouse kehitti Friendship School (Ystävyyskoulu) -ohjelman, jossa suomalainen varhaiskasvatusryhmä sai ystävyyskoulun ulkomailta. Yhdessä lapset oppivat toistensa kulttuureista, oppien samaan aikaan yhteistä englannin kieltä etänä, virtuaalisen oppimisjärjestelmän avulla. Ohjelma vietiin onnistuneesti Laosiin, ja nyt on tullut aika valloittaa Vietnamin markkinat.

Tämän opinnäytetyön tarkoituksena on osoittaa, millaisia kulttuurillisia haasteita saattaa tulla vastaan, kun suomalainen yritys saapuu Vietnamin markkinoille. Hofsteden ja Gestelandin kulttuurilliset dimensiot ovat toimineet pohjana analyysille. Opinnäyte tuo myös esiin, miksi uusi kieli kannattaa opetella jo varhaisessa iässä sekä minkälaisia mahdollisuuksia virtuaalinen oppimisympäristö voi tarjota. Tutkimuksessa toteutettiin myös varhaiskasvatuksen ammattilaisille kysely, jonka pohjalta selvitettiin, kuinka tunnettuja Language Clubhousen palvelut ovat, sekä kartoitettiin kiinnostusta Ystävyyskouluohjelmaan.

Opinnäytetyön tulokset ovat hyödyllisiä Language Clubhouselle Oy:lle ja kaikille vanhemmille, joiden lapset ovat varhaiskasvatuksen piirissä, sekä myös alan ammattilaisille. Tutkimus tarjoaa arvokasta kulttuurillista tietoa eri sosiologisista, taloudellisista kuin lainsäädännöllisistäkin eroista niille suomalaisille pienyrityksille, jotka ovat kiinnostuneita laajentamaan toimintaansa Vietnamin markkinoille sekä kertoo, kuinka nämä erot käännetään voitoksi.

<sup>1</sup> Asiasanat: varhaiskasvatus, markkinoiden laajentaminen, Vietnam, Suomi, kulttuurien välinen kommunikaatio, yhteistyö

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## Terms and Abbreviations

<b>LCH</b>	Language Clubhouse Oy
<b>PESTLE</b>	The political, economic, social, technological, legal, and environmental factors of an industry or a country
<b>GDP</b>	Gross Domestic Product
<b>WTO</b>	World Trade Organization
<b>FCT</b>	Foreign Contractor Tax
<b>CIT</b>	Corporate Income Tax
<b>VAT</b>	Value Added Tax
<b>WJP</b>	The World Justice Project

# 1 INTRODUCTION

## 1.1 Topic overview

This thesis is aimed to determine the benefits of foreign co-operation for the Finnish early education and explains the perspective of market entry to Vietnam as the author explains through the examples of a previous Laotian co-operation and terminology the action of entering a foreign market from the point of view of a Finnish early education facility. The thesis will talk about Vietnam and Finland as the target countries for co-operation. There will be cultural studies and theories to support the purpose of the research regarding Vietnam and Finland to understand what kind of differences in the manner of business should be taken into consideration. At the end of the paper a questionnaire will be included, in which Finnish kindergartens have responded to questions asked by the requesting company, Language Clubhouse Oy, regarding their services with the main focus on the Friendship school program, with the purpose of finding new customers.

The idea for the thesis originated from Language Clubhouse Oy, a company based in Seinäjoki, Finland, which specializes in educating the children of early education age with English online and on-site lessons. The author was completing her internship with another company in the building and got approached by one of the founders to conduct market entry research for their upcoming project. LCH provides a Friendship school and partnership program, in which a Finnish school or nursery, also referred later in the paper as kindergarten, co-operates with a corresponding facility abroad and thus aid the kids learn a common language, in this case English, together, virtually. Due to the previous, successful online co-operation with a preschool in Laos, LCH requested the author to conduct a research study for the country of Vietnam with an intention of a co-operation with the same aims and goals.

## 1.2 Research problem

The purpose of this research conducted is to explain the benefits of language learning through internationalization in early education and to determine the market entry plan for LCH to use in their future co-operations with Vietnam. This will happen by finding out the key differences and points which must be considered in a culturally different point of view. It is

important to understand the culture and history behind the country you are about to co-operate with, and the research methods mentioned in the later section give aid to this problem. On top of that, the company will also benefit from the questionnaire presented to Finnish kindergarten leaders regarding their services in the form of finding new potential customers and for the reader this thesis aims to show a deeper understanding of how common and beneficial language learning is upon the Finnish early education system.

Now that LCH has had a successful partnership with their previous project in Laos they wish to expand their business in Vietnam and ask for this thesis to answer the following questions; How to enter the Vietnamese market? What are the cultural challenges co-operation-wise? In the Finnish early education, how many nurseries/preschools are interested in part-taking in this co-operation?

The thesis will also on the side answer the questions of “Why early language learning is important in a child’s early age?” and “Why is virtual learning in a key element with this project?”.

### **1.3 Limitations with the research problem**

One challenge and limitation with this research is to accurately utilize all the previous research related to the subject of the thesis. As later noted by the author, some of the research was not as easy to find. Also, the later revealed questionnaire can only give a fraction of the actual interest shown among early education professionals, as the way the questionnaire was distributed limits to only the contact information provided by LCH and a public group of kindergarten professionals in social media channels. Possibly the biggest challenge to the author is to provide the necessary information yet still keeping it relevant to the initial research problem.

### **1.4 Language Clubhouse Oy**

The thesis was requested to be written by a recently founded Seinäjoki-originated company that focuses its services on early education language learning both on-site locationally as well as via an online platform that makes it possible to teach children regardless of their

current location. Their key strategy is to make learning fun by utilizing playing and games as their main teaching method.

#### **1.4.1 Origin**

Originally co-founded by Rebekah “Becky” Luoma in 2019 (Finder, n.d.) alongside her husband Marko Luoma, Language Clubhouse Oy was originated from the observations of a lack of sufficient English education among Finnish adults (Luoma, 2020). The co-founder wanted to improve the ever-so-negative Finnish way of teaching a new language - which was based on shaming for making mistakes - a commonly seen phenomenon over 16 years ago when she immigrated into the country (2020). What originally began as a private English teacher educating children going from home to home quickly turned into a bigger scale of English clubs and ultimately, an online program and curriculum carefully designed to assist Finnish language educators, also known as Language Clubhouse Oy (2020).

#### **1.4.2 Goals and objectives**

The purpose of Language Clubhouse Oy is to educate children in a fun way to break those negative, fear-inducing, and judgmental thought patterns that have been seen as a problem among the adult generations of Finns. Their slogan “1 2 3, play and learn English with me!” (Language Clubhouse front page, n.d.) goes hand in hand with this purpose, as their program is based on games, cards, songs, and other activities that are kid-friendly ways of learning a language. Their services go beyond schools, as they also offer services for household teaching.

#### **1.4.3 Future**

In the future, Language Clubhouse intends to go beyond borders and work with early education and kindergartens abroad. This is done via a Friendship School program, which has already been piloted in Laos with great success.

#### **1.4.4 Friendship School program and partnership**

The global Friendship School program is an education exchange service provided by Language Clubhouse Oy. Its primary intention is to bring preschools and primary schools (1st and 2nd grade) from two different countries together and learn a common language, English, together (Joyful Global Friendship School English Club, p. 3, n.d.).

The aim is to create a positive image of children from different languages and cultures in early childhood education, spark excitement and motivation to learn English and other languages and cultures [and] increase children's linguistic and cultural understanding, support cultural education, and reduce prejudices. (p. 3, n.d.)

The program is accommodated online via the video call service Zoom (p. 4, n.d.). Once a month for the length of one lecture of 30-45 minutes (p. 4, n.d.) the children get to meet each other online and learn through games and 10-minute presentations about a monthly topic discussed with the children before the class (p. 6, n.d.). Language Clubhouse provides the digital tools needed for this service, which include the Miro board for educating and Zoom platform for the call (p. 4, n.d.). On top of all the cultural and linguistic benefits the program has for the children, the program is also a tool for education professionals to network and create a community together (p. 7, n.d.).

## **2 METHODS USED FOR RESEARCH**

### **2.1 Data acquisition process**

The research methods used in this thesis include quantitative research in the form of a questionnaire, studies, and literature regarding the topic of early education and language learning and common marketing literature, as well as data provided by LCH surrounding the previous co-operation with the Laotian early education facility. Cultural studies and theories help understand how to work with the target country, Vietnam as well as the entering country, Finland.

As this research aims to find potential partners for LCH, it also wants to clarify the initial benefits of the early education lingual service LCH provides. On top of this, the thesis also works to explain the process of market entry as well as the challenges LCH may face with their potential partner country, Vietnam. In order for this to work, the author will use literature to further explain about the benefits of early education language learning, as well as quantitative research in the form of a questionnaire which was distributed among Finnish early education professionals. Also, literature about market entry basics and strategies will be utilized in this thesis. Cultural studies are also in a major role when explaining the opportunities and challenges between the two countries. Both countries will undergo a PESTLE analysis and review based on the popularly known cultural dimensions theory by Hofstede alongside another commonly known cultural theory of Gesteland's.

### **2.2 Questionnaire**

The questionnaire is made from both open-ended questions as well as selective options. The purpose of the selective questions is to find out, how aware the responders are of LCH's services, their familiarity with the equipment required to participate in the Friendship School program and the overall level of interest in participating the program. The open-ended questions allow the respondents to explain, what kind of languages are currently used in the daily life of the children as well as if the facility has been previously part-taking a similar project abroad. These questions share valuable information for the people at LCH, as they work to make their services better available for children across Finland.

### **2.3 Questionnaire respondent selection**

The respondents for the questionnaire are Finnish kindergarten/preschool leaders. The decision to select these people specifically is based on the power they have over their company. They have the most authority out of the other staff in their facility to tell, whether they can part-take the Friendship School program or not.

### **2.4 Data analysis**

The thesis works to find out the benefits of why learning a new language at an early age is beneficial for the child's development, why this kind of learning is worthwhile to do online and what kind of opportunities it offers. The literature review is set up to analyze these questions further along. Later, the thesis will also explain the process of entering a market as well as the cultural differences that may have an effect between the countries requested to work with by LCH, Vietnam and Finland.

### 3 LITERATURE REVIEW

#### 3.1 Overview of early language learning

Early language learning is not a one-definition term, but instead has various perceptions surrounding it. When learning a language is considered early education and when it is considered predated language learning varies depending on what kind of measures towards language learning have been made previously (Skinnari & Halvari, 2018). Predated language learning in Finland is considered when a child begins learning a language before they begin their A1 language education, which in Finland is usually at third grade (2018). According to Skinnari and Halvari (2018, according to Inha, 2018) starting language learning earlier has grown in the recent years. The figure (Inha, 2018, according to Vipunen, 2018) shows a peak in progression of teaching A1 level language to first and second grade pupils during the year 2015 and onwards. When before the percentage of first and second graders barely reached 15 percent, in 2017 the number was already beyond 35 (2018).

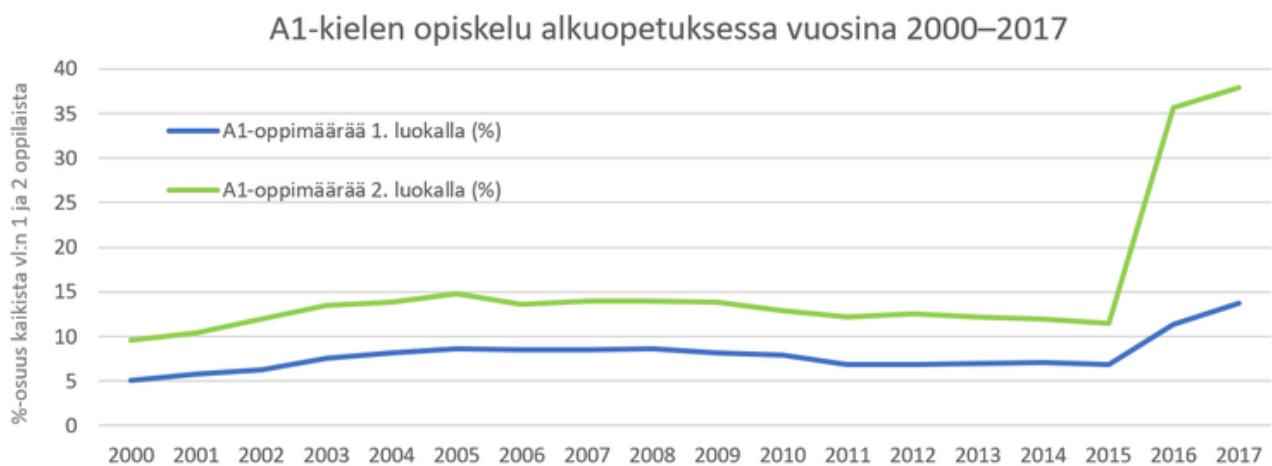


Figure 1 Teaching A1 language in the first and second grade between the years 2000-2017 (Inha, 2018, according to Vipunen 2018).

To better understand the science behind the Friendship School program the definition and benefits of predated, or later also referred to as early, language education should be assessed. One of the key elements in inspiring the parents and kindergarten leaders of young children to join the Friendship School program is to teach the kids a uniting language which helps them explore each other's cultures with age-appropriate games and tools.



According to Skinnari and Halvari (2018), there is no direct link between predated language learning and the national curriculum of language learning in Finland. What this means, is that language learning is possible to begin either at early education or a little later at preschool level, and afterwards depending on the circumstances, is possible to be continued on the national curriculum level in basic education (2018). If continuation in basic education does not happen, the definition is lingual enrichment instead of predated language learning where the children are exposed to a foreign language in their daily kindergarten or preschool activities (2018).

Alternatively, bilingual activities are also a possible outcome when discussing predated language learning. Bilingual activities are different to lingual enrichment because they continue to basic education in the form of bilingual education in various forms such as language learning as well as other education (Skinnari & Halvari, 2018). In bilingual learning there are specific goals and the language is taught by educators that use the secondary language in their classroom on a daily basis in all kinds of periods of learning (2018).

In order to make these forms of education work, kindergartens, preschools and basic education facilities require to have seamless co-operation between each other (Skinnari & Halvari, 2018). Different municipalities around Finland also participate in the process by developing and describing language programs for different education levels - all appropriate to the children's age and mental development - to be put in the national language curriculum and that way into the education system (2018).

### **3.2 Benefits of early language learning**

Learning a second language at an early age begs the question of how much the benefits outweigh the additional workload placed upon the relatively young children. One could argue it is already enough to learn to speak and write with their mother tongue. However, as earlier described in the thesis, the methods of how the kids are educated make sure that the learning is done in a fun, child-friendly way by disguising the secondary language into the daily lives and activities of the children once they go to kindergarten or preschool. Earlier in the thesis it was mentioned how LCH uses these methods in their language learning services for young children. Now it will be demonstrated how beneficial it actually is to learn a second language young.

Firstly, it is important to acknowledge the biological head start a young child has compared to a full-grown adult when it comes to learning. Children of age 0-3 are in a flexible state with their brain during which time the brain is in an optimal state for learning a secondary language without bigger problems (Trautner, 2019). According to Trautner (2019), a six-month-old child can detect a switch in a language and learning a second language is as easy for them as learning their primary one. Also, there are no negative impacts on the learning process of their native language while also being exposed to a secondary one (2019). Another head start besides their brain for children under eight years old are their flexible ear and speech muscles that are able to detect differences between the sounds of the two languages (2019).

One of the notable benefits of early language learning is the developing ability to focus on many things at once (Trautner, 2019). This also improves the child's self-control and mental flexibility when the kid is able to change their response to a question at a quick pace (2019). What happens once they do is a competition between the two languages inside the child's brain in which both of the languages are competing to be selected and activated. The child must then choose the other for the response as the other one must be suppressed, which is an ability only easy at an early age (2019). This competitive nature and resolute of internal conflict work the mind of the child as well as their cognitive, which refers to the conscious intellectual activity of a person such as thoughts, memories, and reasoning (Merriam Webster, 2023), muscles and skills (Trautner, 2019). Trautner also explains that bilingual children are more able to plan, perform and solve problems than their monolingual peers (2019). Also, tasks such as remembering directions when doing a morning routine or holding information in mind have been skills noticed more frequently among bilingual children (2019). Another thing a child who knows two or more languages handles better earlier is the phenomenon of "object permanence" which defines to the ability of acknowledging an object does not change form although it has two different names (2019). And finally, considering the child's future, bilingual kids are proven to become flexible, critical thinking, creative adults, Trautner claims (2019).

### **3.3 Advantages and opportunities of virtual learning**

Virtual learning, according to Kotobee, is an education method that utilizes technology tools to deliver educative material (2022). It includes video recordings, chat and instant message

tools, a digital whiteboard, video conferencing and assessment tools to track down the overall feedback about the learning among students alongside other digital aids (2022). All in all, virtual learning is education that is possible to be done either remotely, or alternatively, on-site, or even as a hybrid method where some of the students are in the school location and others are present back home by participating via a video call behind their computer.

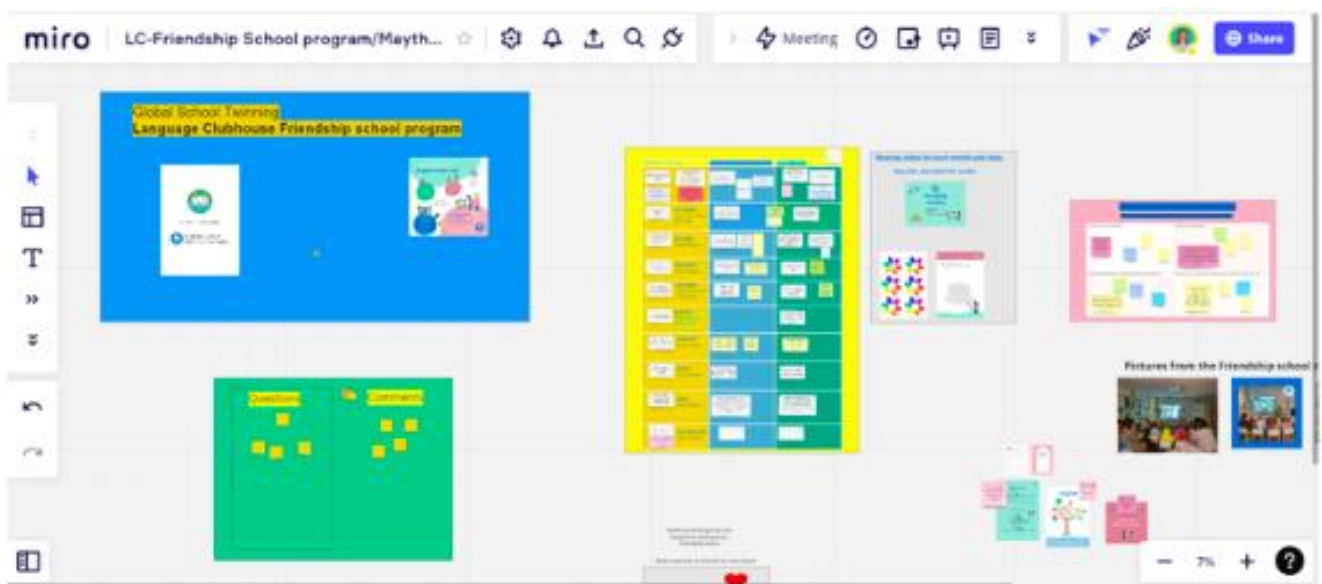
The advantages of virtual learning are various. Virtual learning is highly customizable to the learner's progress and skills as well as cost-effective via making the software licenses and technology most of the learning equipment required and getting rid of traditional textbooks (Kotobee, 2022). Also, it is educational in the sense of making technology more comfortable to work with and giving feedback is quicker and thus giving more time for both the student and the teacher to learn and reflect on their work (2022). Flexibility is also a big factor with virtual learning, as traditional classrooms tend to limit the availability of lessons to only those who can participate on-site. With online classrooms, students are able to participate from anywhere with an internet connection and an adequate device.

From a business perspective, virtual learning has a lot of opportunities. The creative freedom that comes from a remote service that can be accessible with minimal equipment makes virtual learning services an interesting, affordable, and low threshold opportunity for customers to think about. As for educators, when it comes to teaching, the teachers are able to construct their classes with video or other multimedia material as well as e-books sourced online. Also, with the flexibility and ease of a video conference software, visiting lecturers can participate from anywhere in the world. With kindergartens, such as the ones later discussed in the paper, it makes an opportunity to make friends with children from the other side of the globe and thus teach about culture, differences, and a new language.

## 4 PREVIOUS CO-OPERATION: MAYTHANY KINDERGARTEN AND PRESCHOOL, LAOS AND A KINDERGARTEN, FINLAND

### 4.1 Background

Language Clubhouse Oy has already one co-operation completed regarding their Friendship School program which was successfully organized during the school year 2021-2022 (Luoma, n.d.). Before beginning the co-operation, the purpose of LCH with their service was to unite a Finnish school with a foreign equivalent they were on a mission to discover. By participating EDUCA 2020, one of the biggest education fairs in Finland, LCH was able to connect with the Maythany kindergarten and primary school representatives from Vientiane, Laos (B. Luoma, personal communication, March 20, 2023). The Lao preschool found the online service of early language learning LCH provides to be useful in their lingual education and the parties decided to begin a co-operation (B. Luoma, personal communication, March 20, 2023).



Picture 1. Miro board (Luoma, n.d.-b).

### 4.2 Co-operation and program details

The anonymous remaining Finnish kindergarten (later on referred to as “the Finnish kindergarten”) and the Maythany kindergarten/primary school (later on referred to as “the

Maythany kindergarten” or “Maythany”) began their online meetings accompanied by the Language Clubhouse teacher in the pilot of the Friendship School program in September 2021 and it was ongoing until May 2022 (Luoma, n.d.-a). The age groups were similar with both of the kindergartens. The range was between the ages of 5 to 7 years old, and the children met each other via Zoom on a once-a-month basis, 30-50 minutes each class (n.d.-a). Since the program happened during a peak of the COVID-19 pandemic, the Maythany children had to attend the first six meetings separately as individuals from home, meanwhile the Finnish children could participate together as a group from their kindergarten facility (n.d.-a). Luoma describes in her report that the average participation number of children ranged between 10 to 26 from each kindergarten (n.d.-a). The main communication tools used by the teachers and the LCH representative were email and the digital whiteboard website, Miro (n.d.-a). As seen in the picture above, the Miro board made it possible for the parties to browse and see schedules, upcoming class plans as well as add text and post-it notes, for example (n.d.-b) The access to the board was via a shared website link (n.d.-a).

### **4.3 Feedback**

#### **4.3.1 The Finnish preschool**

After the co-operation came to its end in May 2022, the participating children and their respective kindergarten teachers had the opportunity to share feedback about the program and how they perceived its benefits to their learning and teaching. The feedback was mainly positive. For example, the Finnish kindergarten was highlighting, how much the opportunity meant for the children:

For the children, the most meaningful thing was preparing for the meetings: practicing songs and games and other preparations, as well as presenting one's own productions to the children of Laos. The children were eager to learn songs and games in English. (Luoma, n.d.-a)

The program was seen as a success in the matter of content as well as the concept of learning itself. However, the technical challenges mentioned before regarding the COVID-19 restrictions affecting the kids at the Maythany took a toll on the kids of the Finnish kindergarten, as the children were sometimes sitting in the meetings for longer periods of

time (n.d.-a). As for another challenge, the Finnish kindergarten found that it was sometimes challenging to make a few of the topics interesting and meaningful for their children (n.d.-a).

### **4.3.2 The Maythany kindergarten**

The Maythany kindergarten found the program a success as well. The teacher Rustie made a positive remark on the fact that it was an opportunity for the children to socialize and make new friends:

This program introduces our students to new people and build relationships, developing our student's social interaction. (Rustie, n.d., according to Luoma, n.d.-a)

The program also got applause for its capability to break down the language barrier between the kids when they try to connect with children from another country, and how it made it as well an opportunity to break away from fears (Luoma, n.d.-a). Just like the kids in Finland, the Lao children also found the singing, dancing and other learning activities fun and were hopeful to try the program again. The Maythany teacher saw the program as an opportunity for educators to collaborate, help structure communications among other students and teach about people's differences (n.d.-a).

### **4.3.3 Language Clubhouse Oy**

Luoma spoke on behalf of Language Clubhouse Oy as the managing party of the co-operation and agreed with both of the kindergartens' feedback. She wrote in the official report that the pilot program was a success and that one of its accomplishments was the ability to bridge the gap between two foreign countries and different cultures (Luoma, n.d.-a).

This program enriches language and culture education programs. This cooperation forced kids and children to step outside of their comfort zone from inside their comfort zone, their classroom. In other words, this was a safe, familiar environment to explore and learn languages and cultures. (Luoma, n.d.-a)

She also mentioned that the program is in key part of the Global Goals of sustainable development by making a point of the fourth element of the list of goals, quality education (Luoma, n.d.-a). This means that the benefits of the Friendship School program go beyond

individualistic positive remarks among the participating parties and their immediate social circles and personal development, but on top of that can also be seen as a key tool in the bigger picture when discussing global questions such as sustainability and developing the modern-day education system.

## **5 MARKET ENTRY**

### **5.1 Purpose of market entry**

Market entry is the process in which a company decides to expand their business to a new foreign market. Different reasons for entering a new market vary: a company may be willing to increase their sales and profits, increase their brand recognition, minimize the risk that comes from operating solely in one country or expand the life cycle of their product (Workspace, n.d.). Assessing the foreign market is in key position when making the final decision in which country to select for market entry. One way to do this is by using a PESTLE analysis. Later on in the chapters, both Finland and Vietnam will be assessed by utilizing this analyzing method.

### **5.2 Market entry modes**

There are several different market entry modes to choose from and the decision requires careful thought as the impact on the results may be detrimental for the business (Workspace, n.d.). Modes differ from the needs and size of the company as well as how much resources the entering company has (Kompass International, n.d.). After selecting the mode, a thorough analysis of the capabilities comes to play. This thesis will assist Language Clubhouse with that and give some of the baselines of what kind of information to pay attention to. Next, the most commonly known market entry modes will be introduced and later the writer will give her own personal opinion on which mode would be ideal for LCH with their exploration of the Vietnamese market.

#### **5.2.1 Export**

Exporting is one of the low-risk market entry modes (Kompass International, n.d.). It can be split into direct and indirect exporting, which both have their advantages when entering an international market for the first time (n.d.). With direct exporting the company will handle all the documentation, negotiations, pricing policies and stays in direct contact with the customer (n.d.). Indirect exporting is the similar activity, but it is handled with a third party, for example an agent, and is oftentimes selected as a mode for a company with minimal experience with foreign markets and their expansion objectives are not very scaled (n.d.). The risk with



indirect export is the lack of contact and limited feedback from the customer personally and leaving a lot of the choices to the export agent, which requires the company to carefully choose the party they want to work for them (n.d.). However, the agent has a lot of potential for aftersales services, especially if they are a local from the country being exported to (n.d.).

### **5.2.2 Licensing and franchising**

Licensing is an intangible, low-risk cross border agreement which gives permissions for the target country to use the licensors property in the form of trademarks, patents and production techniques (Kompass International, n.d.). This method has a high return of investment, but has risks with intellectual property theft, the possibility of reducing potential profit of a full partnership as well as the lack of control over the licensee in question (n.d.).

With franchising a business is started in the target country under the head company's name and the semi-independent entrepreneur in the target country pays fees to use the company trademark for selling the services and products (Kompass International, n.d.). With franchising the advantage comes from the fact that the local entrepreneur has knowledge about their country and thus leaves the franchiser safe from being directly exposed to the risks associated with the target country (n.d.).

### **5.2.3 Joint venture**

A joint venture is a strategic alliance between the local business and a foreign entrant, where equity is shared when they run a partnership together (Kompass International, n.d.). The equity can be shared in various ways, for example in the form of majority and minority stakes, equal stake, or a controlling stake (n.d.). One advantage of a joint venture is that the foreign entrant won't need to start from scratch in a new country and the local company benefits from the usage of their manufacturing, distribution and retailing facilities when serving the foreign counterpart's needs (n.d.). However, joint ventures are complex to begin, and they are usually a very long and tedious process (n.d.). A lot of the problems are surrounding the foreign country's regulations as well as negotiating the terms about the sizes of the stakes between the two companies (n.d.).

#### **5.2.4 Acquisition**

Acquisition is the process of purchasing an already existing company in the target country and at the same time adopting its pre-existing substantial market share (Kompass International, n.d.). Reasons for acquisition could be that the existing company is either a direct competitor or there might be so many issues with the government regulations that force the market entry strategy to be chosen (n.d.). Acquisition is an expensive process and usually only used by large companies with the adequate resources (n.d.).

#### **5.2.5 Greenfield investment**

A greenfield investment by definition is a market entry mode where a parent company starts a wholly owned local subsidiary to a foreign country leaving the parent with a complete control over the sales of the said subsidiary (Kompass International, n.d.). It is one of the riskiest market entry modes because the establishing process requires a lot of time, resources and has high costs. The parent company may also need to involve third parties with knowledge about the foreign country, such as consultants or business partners (n.d.). A lot of the time goes also to building distribution networks, establishing new operations and figuring out marketing strategies that are capable of competing in the foreign country's market (n.d.). The benefits are the highest potential returns that come with the risk, as well as the parent company having complete control over the brand (n.d.).

### **5.3 Factors in the choice of the entry mode**

Entry mode choice assessment factors can be divided into two categories: internal and external factors (Kompass International, n.d.). Both are equally valuable to consider when choosing the right entry mode for the company's goals and needs.

Internal factors are things such as the size of the company, either in revenue or number of employees, international experience and the product or service the firm is offering (Kompass International, n.d.). With the product or service with low costs and margins it is usually more popular to use a licensing agreement, the act of acquisition, investing into a joint venture or establishing a subsidiary to get to the target market. But if the service or product is unique and innovative, the company may value keeping full control leaving joint venture and licensing out of the picture (n.d.).

External factors are variables that affect the decision of market entry mode from outside of the company. One big factor is the market size in the target country, as the higher growth rate the more likely a company is to commit with resources to its development (Kompass International, n.d.). In this case it would mean the selection of acquisition or establishing a wholly owned subsidiary into the target country (n.d.). Depending on how open the target country is to buy local goods and their preference in supporting local businesses, if this variable scores high, a joint venture might be the best choice (n.d.). It is also important to note, that this kind of markets are harder to access requiring more resources as it also limits the choice of entry mode (n.d.). If the target market is very far from the home market due to sociocultural differences, establishing a joint venture is the best choice (n.d.). With a case of a similar market, choosing export is better as it requires less adaptation and commitment from the company (n.d.). Finally, it is also important to evaluate risks such as political, economic, market as well as exchange rate risks (n.d.). If the risk calculations result high, it is common for companies to limit the resources committed as well as restricting themselves from a high investment, and for an instance like this, export as a highly flexible entry mode might be the most favorable option (n.d.).

#### **5.4 Choice of entry mode for Language Clubhouse Oy**

Since Language Clubhouse Oy is a small-sized company with limited resources, the author would not recommend entering the Vietnamese market by using joint venture, acquisition, or greenfield investment as they are expensive and high-risk options. Franchising and licensing are lower in risk, but they are not preferable for this type of business at this early point of their growth journey.

What the author would recommend, when considering the low market risk Vietnam has presented via technological awareness and economic growth according to the PESTLE analysis in the next chapter, would be a direct export. LCH has already done business abroad, meaning they have experience with international co-operations and the control over handling the documentations, negotiations, staying in contact with the customer as well as planning pricing seems like a more affordable and personal style of doing business which suits the LCH's service the best. The author also believes that the direct feedback from the customer that comes from the mode of direct export is a valuable tool for developing the services LCH offers.

## **6 VIETNAM**

### **6.1 Brief overview**

Socialist Republic of Vietnam is one of the fastest growing economies in the Southeast Asia with a population of 103.8 million inhabitants as of 2022 (BBC, n.d.). By using a PESTLE analysis, a deeper look within the political, economic, social, technological, legal and environmental factors that affect the impression of the country can be understood. This analysis will benefit LCH by learning more about their potential partner country, understand their background as well as the legal side of doing e-learning inside the country and on top of that, what kind of individuals the people of Vietnam are to work with.

### **6.2 PESTLE analysis**

This section concentrates on building an understanding of the cultural dimensions when it comes to the country of Vietnam. These will be demonstrated by using a PESTLE, or also referred to as PESTEL, analysis. For the sake of clarity, in this paper the term PESTLE will be used.

#### **6.2.1 Definition**

The PESTLE analysis consists of six factors: political, economic, social, technology, legal and environmental. According to The University of Sydney, these factors are primarily used to gain a “macro picture of an industry environment” (The University of Sydney, n.d.), with macro meaning associations that are from outside of the industry itself (Green, 2017). By doing this analysis, it becomes possible to dictate the possible cultural clashes between the two countries analyzed and thus further plan a strategy to avoid making plausible mistakes regarding these differences as well as providing information about the more practical side, such as laws regulating the e-learning market.

#### **6.2.2 Political factors**

The political factors that influence the culture and due to this the capabilities of Vietnam’s market potential are for instance the governmental system, the state of human rights and

diplomatic alliances (Shaw, n.d.). Vietnam is a country that aims to maintain good relations with all countries regardless of their political stances or other dividing factors (Rahman, 2020). Even although having a troubled past, Vietnam and the United States have maintained a good relationship for the past 20 years (2020). As for diplomatic alliances, Vietnam has accumulated partnerships with multiple, including United Nations, World Trade Organization and Association of Southeast Nations (2020).

Governmentally speaking, Vietnam has one communist party which controls every aspect of the country (Shaw, n.d.), including media (BBC, n.d.), which is led by the prime minister whereas the president works as the head of military and state (Shaw, n.d.). As of current moment, there is no president leading the country following the resignation of previous president Nguyen Xuan Phuc (Reuters, 2023). The socialist ideology is used when it comes to “political matters”, and capitalistic ideology with their economical questions (Shaw, n.d.). The socialist ideology clashes with human rights issues, as the communist party restricts the freedom of speech and press among other violations. According to Human Rights Watch, the widely restricted country won't allow anyone's oppose towards its values and thus the authorities use punishments such as imprisonment, intimidation, and harassment as a way of controlling the people (Human Rights Watch, 2021).

### **6.2.3 Economic factors**

Vietnam's economy has experienced an impressive amount of growth between 2002 and 2021, as the GDP has reached almost 3700 USD, 3.6 times more than the previous amount (The World Bank, 2022). Nowadays, Vietnam has transformed itself into a lower middle-class country from its previous nature of being one of the poorest countries in the world (2022). As for how the pandemic impacted Vietnam's GDP, it slowed down to 2.6 percent from 7.2 and is expected to rebound and hit 6.7 percent as of 2023 (2022).

One of the biggest supports for the Vietnamese GDP come from agriculture, which grew from 2.5 to 3.5 percent “over the past three decades” and “contributed 14 percent of GDP and 38 percent of employment, - - earning more than 48 billion USD in export revenues in 2021.” (2022). Another notable export are telecommunication equipment, textile and leather footwear as well as broadcasting equipment (Rahman, 2020). As for imports, computers, instruments, computers and textile fabrics are few of many popular ones which mostly come

from China, Singapore, Japan and South Korea to name a few (2020). The growth in the GDP has also had a positive impact on the health of the people in Vietnam as mortality rates have dropped 16.7 per 1000 live births in 2020 from the previous 32.6 in 1993 (The World Bank, 2022).

School lasts for 10.2 years in Vietnam, giving the highest human capital index of 0.69 between the other low middle-income economies (2022). It is also notable to know about education, that from foreign languages English is taught to the younger generation and later the pupils also learn French, Russian and Chinese (Dart, 2021).

Vietnam has a target goal of becoming a high-income country by 2045 (The World Bank, 2022). Alongside this, there are also environmental goals of “reducing methane emissions by 30 percent”, tackling deforestation by the latest of 2030 and finally, reaching zero net carbon emissions by 2050 (2022).

Few notable megatrends that are affecting the Vietnam economy are climate change, rapidly aging population, and declining global trade (2022). To battle these issues, there are a lot of improvements that Vietnam has to do with for example digital transformation and poverty protection, among other things (2022).

#### **6.2.4 Social factors**

Vietnam has a population of 103.8 million people (BBC, n.d.), who are described as generally friendly (Rahman, 2020). The dominating religion in the country is Buddhism and the majorly used language Vietnamese (2020). One of the biggest struggles socially for Vietnam currently is the wide wealth gap between the inhabitants of Vietnam (2020). The problem seems to only be growing in the future (2020). As mentioned above, the rapidly aging population is also one of the social problems important to take into consideration (2020).

As a people, according to Bao Dung, the Vietnamese are friendly yet untrusting of each other due to the continuously exposed numbers reported of crimes, robbery et cetera. (Bao Dung, 2015). The Vietnamese are highly populated when it comes to labor force, yet they often lack the skills of advanced management, law and finance on top of troubles with other languages and behavioral skills, which makes it harder for the Vietnamese to be employed especially in leader positions (Vietnam Briefing 2014, according to Bao Dung, 2015).

### 6.2.5 Technological factors

Lately, especially due to the global pandemic's acceleration of transformation to more digital tools, Vietnam is on its way of becoming the new digital powerhouse of Southeast Asia and has emerged as "a center of dynamic growth" (Huong, 2022). It has the third ranked internet penetration rate of 70.3 percent (2022). This is exceptional because Vietnam's urban population is only at 38 percent (2022). Most of this success is thanks to the younger generation and their embrace of technology (2022). For example, globally the average of 16 percent of the people are excited of including technology when they're working, whereas in Vietnam this percentage is 42 (2022). Even governmentally speaking Vietnam is especially ambitious of their digital economy contributing "to some 30 percent of GDP and productivity to expand 7.5 percent annually on average", according to Huong (2022).

Although the direction of which Vietnam is heading to when it comes to technology is impressive, the problem lays in the already existing inequality it potentially increases. Even before the pandemic and the growth in technology it has fueled, Vietnam was one of the countries which had a high risk of displacing all jobs (nearly 56 percent) by technology and automation (Huong, 2022). The reduction in medium-skill jobs and manufacturing is evident as well as the increase in jobs that require higher skill as well as services (2022). On top of that, Vietnam is behind in educating women in digital training, STEM etc. (2022).

Online education has increased due to the pandemic also in Vietnam (Huong, 2022). However, the poorer, rural areas, which makes 61.95 percent of the population (Vietnam – rural population, 2021), the access to this kind of education method is limited due to lack of connection or resources to purchase adequate equipment (including phones or computers), if not non-existent (Huong, 2022). Also, due to this fast increase in digital tools and technology, the cybersecurity of the people in Vietnam is at risk (2022). However, Vietnam has made some rapid changes to fix this issue and jumped 50 ranks up from its previous year in 2018 in the Global Cybersecurity Index (2022).

### 6.2.6 Legal factors

Vietnam has a legal system modelled from the systems of France and Soviet Union until the late 1980's, which resulted to the Doi Moi policy which transitioned the economy from centrally planned to market-oriented (Nguyen & Trinh, n.d.). From a Finnish business

perspective, Vietnam does not restrict doing business with any country in specific (n.d.). Their only limitations of market entry apply to non-WTO members, which Finland is not to be considered as. Even in these cases, trade is not impossible and is to be “granted on a case-by-case basis” (n.d.).

When doing business with a Vietnamese company, as for how taxes are formatted, foreign contractor tax is applied (Nguyen & Trinh, n.d.). FCT consists of corporate income tax (CIT) and value-added tax (VAT) (n.d.). Depending on the eligibility for tax deductions, a different method of payment and percentage for either CIT or VAT will be used. The eligibility can be dictated by defining, whether the company uses the Vietnamese accounting system or not (Vietnam: Corporate, 2022), which with LCH is not the case. For their specific case and service, the deemed rates for CIT and VAT would be 5 each according to the table (Table 1) provided by Pwc (2022). In this table, the service LCH provides falls under the “services” category, since there is no specification for e-learning practice.



Table 1. VAT and CIT rates for foreign companies doing trade in Vietnam. (Vietnam: Corporate, 2022).

Types of payment	Deemed VAT rate (%) (2)	Deemed CIT rate (%)
Supply of goods in Vietnam or associated with services rendered in Vietnam (including in-country import-export and imports, distribution of goods in Vietnam or delivery of goods under Incoterms where the seller bears risk relating to goods in Vietnam)	Exempt (1)	1
Services	5	5
Restaurant, hotel, and casino management services	5	10
Construction, installation without supply of materials, machinery, or equipment	5	2
Construction, installation with supply of materials, machinery, or equipment	3	2
Transportation	3 (3)	2
Interest	Exempt	5
Royalties	Exempt/5 (4)	10
Transfer of securities	Exempt	0.1
Financial derivatives	Exempt	2
Other activities	2	2

As for e-learning specifically, Vietnam has yet to develop a proper legal framework regardless of the recent increase in the online learning market due to the global pandemic (Nguyen & Nguyen, 2022). There are two modes of delivery, interactive and non-interactive (2022). The differences between these two modes are whether the classes are completely independent from the student's perspective with no teacher present (non-interactive) or if there are also online classes held on top of the material provided (interactive) (2022). Language Clubhouse's service in this case is considered an interactive mode of delivery.

Interactive mode in legal terms falls under “the provision of educational services” (Nguyen & Nguyen, 2022). The regulations of this title are not completely compatible to e-learning business as they regulate schools that are based on in-class education, requiring specific areas inside a classroom per student (Decree 86/2018) etc. (2022). Online learning would fall under the Circular 17/2012, which states that “no extra teaching will be given to students who study two shifts at their schools”, “no extra teaching will be given to students at elementary level” and “students in an extra class must have similar competency” (2022). The second point of prohibition of extra teaching at elementary level may or may not cause issues for LCH with their service being for children at preschools and nurseries. However, since the laws are not up to date with the modern-day e-learning activities, it may be uncertain. It is also possible to consider the provision of online classes as after-class activities (Circular 4/2014), in which of a case according to Nguyen & Nguyen, various requirements must be satisfied including “a permit issued by the provincial Department of Education and Training” (2022).

### **6.2.7 Environmental factors**

Vietnam is a country located in the eastern edge of mainland Southeast Asia with both a tropical as well as a temperate climate zone (Vietnam, n.d.), meaning that the country is “highly vulnerable the impacts of climate change” (Gallagher & Lin, 2021). These impacts include heavy rain, flooding, landslides, and this way destroying company facilities (2021), including schools. The economic losses caused by these business interruptions are major, for example in 2017 the losses were 1 billion USD (2021). Online learning could suffer from these impacts via power shortages as well as damage to facilities (as some of the LCH Friendship School classes are held in-class, yet online). Businesses can tackle these environmental challenges by carefully monitoring the Vietnam weather by using a scenario analysis, which is

“The process of estimating the expected value of a portfolio after a given period of time, assuming specific changes in the values of the portfolio's securities or key factors take place --.” (Hayes, 2022).

For the case of Vietnam, three different possible scenarios have been invented. These are inequitable expansion, braving the heat and acute fragmentation. In the inequitable expansion scenario, the global community has transformed into low-carbon economies, yet this has caused major urban inequity in a social sense (Gallagher & Lin, 2021). With braving the heat, globally speaking the other countries have made a lot of progress with climate change issues, but Vietnam has not as much (2021). Acute fragmentation is the scenario in which the country relations have worsened a lot causing Vietnam to issue “extractive resource and protectionist policies” to preserve their energy security (2021). These scenarios are not future predictions, but tools to prepare for the plausible disastrous future. Especially after witnessing the impact of COVID-19, these scenarios have shown even greater importance for businesses.

Regardless of their reputation with natural disasters, Vietnam remains optimistic (Gallagher & Lin, 2021). This also speaks volumes about the character of the people of Vietnam. They see potential and opportunities rather than catastrophes with their climate-caused issues (2021).

## 7 FINLAND

### 7.1 PESTLE analysis

Finland is a small country part of the European Union located in the Northern-Europe with 5.5 million inhabitants (InfoFinland, 2022). Despite its small size, Finland has continuously made record against other countries and ranked as the happiest country in the world (CNBC, 2023). This section will dive deeper into what kind of people the Finns are to work with, explain their political climate as well as environmental climate and talk a little bit about the technological, legal and social factors as well.

#### 7.1.1 Political factors

As a parliamentary republic country, Finland has “a semi-presidential parliamentary system” (UKEssays, 2017). A semi-presidential parliamentary system means that the president wields political power with the prime minister (Rom, Hidaka & Walker, 2022). At the moment, these roles are fulfilled by Sauli Niinistö as the president and Sanna Marin as the prime minister of Finland. There are 342 municipalities which all have their own local governments (UKEssays, 2017).

Finland is respected among other countries as a co-operative model state, partially due to the Nobel prize won by previous president Martti Ahtisaari in 2008 (UKEssays, 2017). This has motivated investors to invest in Finland (2017). Also, when measuring the political risk with Finland, it is calculated as low (2017). The factors that affect this score are the stability of the government as well as how effective the government policies are among other efficiencies alongside the reliability and integrity of the legal system (2017).

Mostly, Finland has remained neutral about foreign policy issues (David, 2022). The recent events with Ukraine and Russia might cause a change in this neutrality, but it is yet to be seen (2022).

### 7.1.2 Economic factors

Most of Finland's 266 billion USD (David, 2022) GDP is generated from the manufacturing field, which includes electronics, wood, and metal (2017). Export has also been one of the key elements for the Finnish economy and for a long time Finland was known for its technological products (2017), for example Nokia mobile phones. Currently it is majorly involved in "tour operation services, consultancy services, and computer programming" (David, 2022). Finland is known for its economic stability (2022).

Finnish workforce is highly educated, and the country has an excellent infrastructure for starting businesses as well as older companies (David, 2022). One factor affecting this success is the corporate tax, which is the lowest in the European Union (2022). The small size of the domestic market, however, is a negative quality which causes some issues for the Finnish economy. Another current problem that has affected the country's economy is the current energy crisis, which has been a devastating result from the Russian invasion in Ukraine (BOF Bulletin, 2022) and its effects have caused inflation which will further diminish the purchasing power of the people in Finland as well as increased the level of unemployment due to the decreased economic growth (2022).

### 7.1.3 Social factors

Finland has a population of 5.5 million inhabitants and is mostly known for its high GDP and alongside of that, high life expectancy (David, 2022, according to Worldometer, 2022). Although the life expectancy is at an excellent 82 years (David, 2022, according to Worldometer, 2022), the fertility rates dropping remains an issue in Finland (2022). David says that this issue is partially due to an inflow of migrants (2022), but the author, being Finn herself, believes based on her own experience and observations, that one of the key issues is also the current political climate in the world as well as the more and more expensive becoming way of living and overpopulation.

Other issues Finland has yet to overcome are labor shortage (David, 2022) due to the so-called "boomer" generation becoming the age of retirement. Also, a housing crisis has been one problem among the people in Finland as more and more cannot afford to purchase their own house (2022).

#### **7.1.4 Technological factors**

Finland is a technologically advanced country with various technological tools for digital learning (David, 2022). The schools in Finland use smartboards, internet (and with that, online learning platforms) as well as computers in their daily life. The computer literacy is at a high level throughout the country (2022).

The afore mentioned labor shortage affects the technological industry of Finland as well (David, 2022). Technology companies lack skilled workers and with Finland being one of the success stories in technological development such as “mobile technology, advanced software, software security and data analytics” (2022), this is a problem Finland needs help solving.

#### **7.1.5 Legal factors**

Finland has the freedom of speech, press and religion, and uses it as the ultimate source of the national law (David, 2022). With an independent judicial system and a transparent government (2022), Finland stands at third place out of 139 countries in the WJP Rule of Law Index, which measures legal factors such as absence of corruption, open government, civil and criminal justice, and fundamental rights (The World Justice Project, 2021).

#### **7.1.6 Environmental factors**

Finland does not have many natural disasters that would have a considerable effect with doing business in the country. Mostly, the only environmental factors that affect the locals in Finland are the cold weather and a long, dark winter season (David, 2022). The snow attracts many tourists (2022), and the northern lights are one of the many environmental reasons to visit Finland. As for the effects the months-long darkness has on the population, there are changes in the mood, appetite and sleeping behaviors for the worse among locals (YLE news, 2018). The Finns travel to southern countries and escape the darkness during these times, but this happiness is short-lived (2018). Overall, these effects are long-lasting and when doing business with Finland, could be a factor, as according to Mayo Clinic, seasonal depression causes the individual to have less interest in normally stimulating activities, feel sad and unmotivated, have problems with concentration and have low energy (Mayo Clinic Staff, 2021).

## **8 CULTURAL DIFFERENCE ANALYSIS: VIETNAM AND FINLAND**

### **8.1 PESTLE analysis conclusions**

In the previous chapters both partner countries were analyzed by using a PESTLE analysis form. The main intention for this was to find out some differences and other notable points in the key details regarding the target countries that could affect a partnership or should for other reasons be taken into consideration about the countries in general.

#### **8.1.1 Political factors**

Politically Finland and Vietnam are very different. Finland is a more liberal country in the terms of free speech and press with a low political risk and a trustworthy government. Vietnam on the other hand has a more socialist view on political issues as their government is mainly controlled by one communist party. This affects the people in Vietnam in a way of leaving them less free of expressing their opinions as they may face imprisonment or other forms of repercussions. However, both countries are very co-operative when doing business abroad. Vietnam aims to not allow the differences between other countries affect their trade and Finland has remained a neutral stance on most foreign policy issues.

#### **8.1.2 Economic and social factors**

In terms of economic and social factors, both the countries have problems with an aging population, climate change and inflation. Finland has a highly educated population but has labor shortage. As a personal perspective, the author's vision on the matter is that in Finland the educated labor force tends to move abroad for better work benefits and salary or stay home as governmental support may give them a better wage a workplace could offer. Vietnam's struggles are related to the lack of educated employees, leaving especially females outside the labor force.

#### **8.1.3 Technological factors**

Both countries are technologically up to date. Finland has a track record of innovating modern technological solutions and quickly adopting new technologies into their

infrastructure, including education and Vietnam on the other hand is on its route to becoming the new technological powerhouse of Southeast Asia, mostly thanks to its younger population and their frequent use of modern technology and the internet.

#### **8.1.4 Legal factors**

The legislation regarding e-learning as a business or in general in Vietnam are still incomplete and open for interpretation due to its fresh nature, which is a result of the currently affecting COVID-19 pandemic and its inevitable increase in online-based learning in most countries roughly around the world. Vietnam has divided the modes of delivering an e-learning business into two, interactive and non-interactive, which differ from each other based on how present the teacher is with the classes. Language Clubhouse's service has a teacher present, so it falls under the interactive mode of delivery. The legislations regarding this are very much open for interpretation, as LCH's online learning could be considered after-class activities, which has its own set of laws and permits required.

#### **8.1.5 Environmental factors**

When it comes to environmental factors, the most important ones that should be considered when doing business with Vietnam are the seasonal natural disasters such as floods and their impacts on the everyday life of the locals, including kindergartens and preschools. In a worst-case scenario, these buildings could be demolished due to the extreme weather conditions, and this could cause trouble when arranging meetings with these facilities. As for Finland, however, the focal point is more on the mental health side rather than a physically devastating power of nature, as Finns tend to suffer from seasonal depression due to the long, dark winter months. When doing business with a Finnish business partner this could mean a drop in their motivation, decrease in appetite and a lower energy level which could affect making business decisions.

### **8.2 Hofstede's cultural dimensions**

Culture is defined as the "learned and shared human patterns or models for living" (Banks et al., 1989). It's about the perception and interpretation of cultural elements and the values that distinguish one people from the other (1989). When analyzing cultures, it should be noted



that there is no right or wrong way of behaving a certain way because of one's culture. The diversity of cultures should be understood and the fact that each culture has both advantages and drawbacks should be recognized. In the world of business, cultures are analyzed often by using a popularly recognized theory: the cultural dimensions model.

### **8.2.1 Definition**

The cultural dimensions are a model created by Geert Hofstede, a Dutch social psychologist (Ebrary, n.d.). He recognized six cultural levels, also known as dimensions, from a seminal study he conducted on the IBM company employees in 64 different countries between the years of 1967 and 1973 to find out how culture affected the values of a workplace (n.d.).

### **8.2.2 Individualism versus collectivism**

The first dimension is called individualism versus collectivism. This dimension dictates how much the person affected by this culture values themselves and their own interest over a group's collective interest (Ebrary, n.d.). For example, the individuals living in a country with a high individualism would have much looser ties between each other and would rather perform for themselves instead of seeing what is for the best for the group.

### **8.2.3 Power distance**

Next is power distance. This dimension looks at how the individuals see the superiors in comparison to themselves (Ebrary, n.d.). If a country has a high power distance, the difference between leaders and employees is highly vertically hierarchical. This means that employees respect their senior managers with deference (n.d.). With a low power distance culture, the organizational structures are not as obvious as far as hierarchy goes and this could present itself as the ability to speak to your manager with a more relaxed manner, for example.

### **8.2.4 Masculine versus feminine**

Another dimension is the difference between masculine and feminine. With masculine in this case the attributes being looked at are things that are more traditionally associated

with men or with the case of feminine, women (Ebrary, n.d.). As for masculine it means traits such as competitiveness, emphasis on quantitative measures of success and assertiveness (n.d.) and for feminine traits an emphasis on qualitative measures of success, modesty and caring for others (n.d.). Despite its confusing name, these qualities are not directly associated with the gender equality of the country spoken of (n.d.).

### **8.2.5 Uncertainty avoidance**

Risk-taking and uncertainty are measured with the uncertainty avoidance dimension. The higher the score in the uncertainty avoidance, the less expected the people of that culture are to take risks and expect their institutions to protect their financial interest, for example (Ebrary, n.d.). The people are also more likely to have stable plans regarding careers etc. (n.d.). If a country scores low, the people are more likely to take risks and make quick decisions (n.d.).

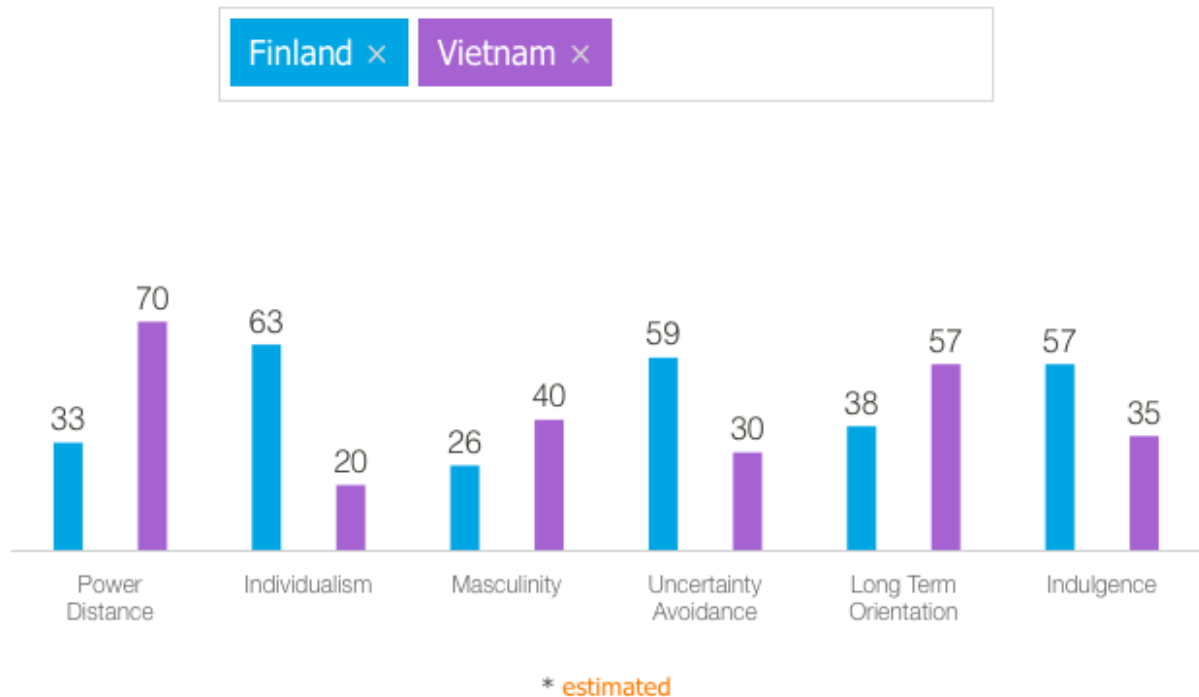
### **8.2.6 Long-term orientation**

Long-term orientation defines the difference of short-term and long-term senses of temporality and success (Ebrary, n.d.). If the culture is long-term oriented, the people and organizations feel comfortable making plans years ahead (n.d.) and appreciate success that comes from an effort of a long-term approach. Short-term oriented cultures on the other hand appreciate quicker results and make plans that take effect sooner.

### **8.2.7 Indulgence**

The final dimension focuses on desire and impulse control (Ebrary, n.d.) and is called indulgence versus restraint. It is a more recently added dimension which was not in the original set of scores as it made its addition in 2010 (n.d.). This dimension looks at how open the people are to share their opinions, emotions and give feedback. These indulgent societies aren't as affected by social norms as their counterparts, the restraint societies. The more restraint the society, the less mobile employment, the more reluctant to speak up one's mind and the less valued an individual's happiness (n.d.). In indulgent societies it might be easier for an employee to change jobs (n.d.) and feel heard inside the company.

Table 2. Hofstede's country comparison of Finland vs. Vietnam. (Hofstede Insights, n.d.-c).



## 8.3 Vietnam

### 8.3.1 Individualism versus collectivism

When looking at the first dimension, individualism versus collectivism, with Vietnam and the observation whether Vietnam leans more onto being a country with rather an “I” than “we” mentality, the Hofstede’s scores place the society in Vietnam low with a score of 20 points (Hofstede Insights, n.d.-a) meaning it is a collective society. The Vietnamese people are loyal, strongly believe in taking care of their close ones and in a work environment they are used to a managing style of managing a group rather than an employee as an individual being (n.d.-a). Also, in this kind of society it is important to understand that the people often fear the loss of face (n.d.-a), meaning they might back down from making radical decisions that could lead to bringing shame to their social group being that either family, extended family, or any other extended relationship.

### **8.3.2 Power distance**

With the next dimension that measures the inequality of power within the society and the level of how accepting the people of the said society are to the phenomenon (Hofstede Insights, n.d.-a), also known as power distance, Vietnam scores a high score of 70 points (Hofstede Insights, n.d.-c). What this means is that the people in Vietnam are highly acceptive of the hierarchical system and challenging the leaders is not very well supported (n.d.-a). The people in Vietnam are obeying of their superiors and respect the hierarchy without any further justification required (n.d.-a).

### **8.3.3 Masculine versus feminine**

Vietnam is a feminine society as it scores 40 in the masculine versus femininity dimension (Hofstede Insights, n.d.-c). This means that the work life mentality is in “working in order to live” (Hofstede Insights, n.d.-a) and the people are treated equally in their companies (n.d.-a). Negotiation and compromises are a common method of resolving issues and the workers’ statuses are not in the key focus. Instead, the well-being of workers is valued higher (n.d.-a). Managers in Vietnam are supportive and involved with their employees in decision-making (n.d.-a).

### **8.3.4 Uncertainty avoidance**

When it comes to how the society of Vietnam views uncertainty in their daily lives, their score is a low 30 (Hofstede Insights, n.d.-c). How this is visible in their society is that they are more open to changing or even abandoning dysfunctional rules, have flexible schedules and at the same time, punctuality is not a naturally occurring habit (Hofstede Insights, n.d.-a). In the organizational world of Vietnam, new innovations are not seen as a threat but rather an opportunity (n.d.-a). In other words, a low score in uncertainty avoidance means for Vietnam that the people are open to new ideas and relaxed when it comes to rules and schedules.

### **8.3.5 Long-term orientation**

With long-term orientation Vietnam scores relatively high with 57 (Hofstede Insights, n.d.-c). This means that the society is keener to make changes in their present day for a better future ahead. The people have a mindset of saving and investing to prepare for times coming (Hofstede Insights, n.d.-a). Another more philosophical way to describe the society of Vietnam via high score in long-term orientation is their view on “the truth” of things. As they score high, it means that the people in Vietnam believe that the truth depends on “situation, context and time” (n.d.-a) making them a considerate people.

### **8.3.6 Indulgence**

Vietnam scores low when it comes to indulgence (Hofstede Insights, n.d.-c). This dimension measures how limiting the people are to their own desires and impulses, which means for Vietnam’s case that they are highly limiting (Hofstede Insights, n.d.-a). How this can be seen in their society is through a tendency of cynicism and pessimism (n.d.-a). Putting the focus on the gratification of your personal wants and dreams may be seen as wrong or is felt at least restrained by the social norms (n.d.-a).

## **8.4 Finland**

### **8.4.1 Individualism versus collectivism**

The first dimension of whether a society is individualistic or collectivist, Finland ranks as individualist with a score of 63 (Hofstede Insights, n.d.-c). This means that the people in Finland are more focused on themselves and their immediate family members rather than seeing themselves as a collective group of people who all take care of each other (Hofstede insights, n.d.-b). In work life, managers manage individuals instead of groups as a whole and the relationship between the employer and the employee is mutually rewarding to both of their interests (n.d.-b). Hiring as well as promotions and other rewards given in a work environment are supposed to be based on the employee’s success and hard work (n.d.-b), not relationships or other social leverages or obligations.

### **8.4.2 Power distance**

Power distance in Finland is scored relatively low at 30 points (Hofstede Insights, n.d.-c). This means that Finns believe in equality, being independent and fair treatment from their managers including consulting if needed (Hofstede Insights, n.d.-b). Managers are also treated as equal in the sense of using a first name basis when addressing them (n.d.-b). Also, in a Finnish work environment it is commonplace to have a direct and participative communication style (n.d.-b). In other words, this means the ability of confronting your superior without addressing a lower superior first to do the communication for you. Hierarchy in general is only used when it is convenient, such as in military.

### **8.4.3 Masculine versus feminine**

Finland is a feminine society with their score of 26 (Hofstede Insights, n.d.-c). There is not a big difference in the social roles between men and women. How this can be seen in their society is from a mindset of treating both women and men as equal. In family life it is seen as an opportunity to go on family leave from your work regardless of your gender. Both parents look after the children. And as for work life, both genders generally have equal opportunities for jobs and positions. Finns are not highly competitive in their work environment and standing out from the crowd is not necessarily admirable (Hofstede Insights, n.d.-b).

### **8.4.4 Uncertainty avoidance**

When it comes to dealing with uncertainty, the score for Finland is high at 59 (Hofstede Insights, n.d.-c). The people are precise, punctual and have an emotional need for rules due to their discomfort when dealing with uncertainty (Hofstede Insights, n.d.-b). This means that even if the rules won't work, the society requires them to feel at ease and a sense of control of situations. The high score of uncertainty avoidance also means that in work life "time is money" is a commonly recognized phrase and staying busy is the norm (n.d.-b). When it comes to innovation, it is not perceived as positively as in lower score societies and regarding this people also seek for security as their key to motivation (n.d.-b).

#### **8.4.5 Long-term orientation**

Finland is defined as a normative society with their low score of 38 points in the long-term orientation dimension (Hofstede Insights, n.d.-c). In philosophy, normative means the action of making moral judgements to either preserve things deemed morally good or preventing the change for the worse (The Healthy Journal, n.d.). Finns have high respect for their traditions and are not as keen to save for their future (Hofstede Insights, n.d.-b). Scoring low on long term orientation also means that the people focus on achieving quick results rather than working hard for a result far in the distance (n.d.-b).

#### **8.4.6 Indulgence**

Finland scores high on the indulgence dimension with a score of 57 (Hofstede Insights, n.d.-c). This indicates that the people in Finland are willing to turn their impulses and desires into enjoying life and having fun (Hofstede Insights, n.d.-b). The people have an optimistic view and a positive attitude on life and value leisure time highly as they want to spend the money they earn from their work as they wish (n.d.-b).

### **8.5 Limitations**

The theory of Hofstede's cultural dimensions was a study conducted on one company, which gives a hard time in generalizing its findings (Ebrary, n.d.). The study itself may even be outdated since its original year of conduction in the 1970's, regardless of how it has been edited and adapted into the changes of the world (n.d.). Especially the rapid growth of technology and the economic changes in the world have made big differences in people's behavior that may affect the way the Hofstede's theory is assessed. Also, the method of research brings its own questions of reliability into the research, as the original study was a quantitative, mostly in the form of a questionnaire, conducted study (n.d.). The study of culture is much more nuanced and deeper than anything a questionnaire could assess.

### **8.6 Gesteland's theory of cultural dimensions**

Another theory that is commonly used to evaluate the cultural differences between selected countries is the theory of Richard Gesteland's. He is an experienced expatriate of about 30 years including a lot of understanding of the behavior of people from different cultures of

each country (Gémar, 2014, p. 32, according to Gesteland, 1999). Gesteland's theory suggests that in order to build success in international business, one must acknowledge the customs of each country (Gémar, 2014, p. 32, according to Gesteland, 1999). This is perceived from the two main rules distinguished by Gesteland (Gémar, 2014, p. 32, according to Gesteland, 1999): the adaptation in the selling process where the salesman adapts to the buyer's expectations and customs, and the second rule being that in the world of international business, honoring the other country's habits and traditions is in a key position when doing business.

There are four dimensions that Gesteland has characterized to evaluate the differences between countries: deal-focus versus relationship focus, formal versus informal cultures, rigid-time or monochronic versus fluid-time or polychronic cultures and finally, expressive versus reserved cultures (Gémar, 2014, p. 32, according to Gesteland, 1999). The table (Viinikka, 2023, according to Mulder, 2017) below visualizes and helps to understand the key differences, and thus, problems between both countries discussed and the explanations later show how to resolve these issues and avoid making mistakes in a negotiation setting.



Table 3. Differences between Finland and Vietnam (Viinikka, 2023, according to Mulder, 2017).

	<b>Finland</b>	<b>Vietnam</b>	<b>Potential problems</b>
<b>Deal-focused vs. relationship focused</b>	Deal-focused	Relationship-focused	<ul style="list-style-type: none"> <li>• Offending the other party (Finland)</li> <li>• Lack of trust (Vietnam)</li> <li>• Different view on the speed of finishing the deal</li> </ul>
<b>Formal vs. informal</b>	Formal	Formal	
<b>Rigid vs. fluid</b>	Rigid	Fluid	<ul style="list-style-type: none"> <li>• "Time is money" -thinking (Finland)</li> <li>• Offending by being late (Vietnam)</li> <li>• Danger of losing trust in the other party due to differences in viewing time</li> </ul>
<b>Expressive vs. reserved</b>	Reserved	Reserved	

### 8.6.1 Deal-focus versus relationship-focus

The first dimension is one of the most important differences that can be separated about the co-operating partner countries. This dimension differentiates, how the parties view the negotiation process when doing business. Finland is considered a deal-focused country and Vietnam on the other hand, relationship-focused (Mulder, 2017). As a deal-focused country, Finland sees the negotiation process from the eyes of the eventual transaction and has no problems with negotiating with different cultures due to this focus (2017). If there are problems with anything related to these negotiations, they are mostly resolved either on the phone or by writing an email and all kinds of disagreements are more comfortably dealt in writing more often than orally (2017). With Vietnam, being a relationship-focused country, the focus is less on the result of the negotiation and more on the interaction itself as well as the foundation of trust with the business partner (2017). A poor relationship between the negotiating parties could have devastating results for the business deal itself. To avoid this

kind of a problem, in a hypothetical negotiation between Vietnam and Finland, the Vietnamese counterpart would do their best with not offending the Finnish party and giving the impression of a lack of trust in them. The Finnish counterpart would also have to pay close attention into putting effort into getting the Vietnamese party to trust them. By acknowledging the fact that the Vietnamese are more interested in the negotiation process and by giving patience to the process itself and leaving less pressure onto the result, the Finnish counterpart can be seen as less harsh and pushy and this way more preferable of a negotiation partner in the eyes of the Vietnamese company. As for the Vietnamese, it is important that they also present this concern of needing more time to think about the offer in order to give out an impression of a considering negotiation partner.

### **8.6.2 Formal versus informal cultures**

According to Gesteland's theory, both Finland and Vietnam are considered formal cultures (Mulder, 2017). This means that they both respect academic titles, ranks and upkeep a respectful and honorable communication style (2017). In the case of informal communication style, these borders would be much lower to jump over. Much as patting your superior to the back and giving an opportunity for everyone to advance is not a problem in informal cultures (2017) and would have the potential to cause some cultural clash if happened to a formal individual in a conversation. As mentioned before, Finland and Vietnam are neither informal country, so these clashes would not be a thing they ought to consider when doing business together. As for to which countries do apply to these informal characteristics, those would be countries such as The United States, Australia, Canada, Denmark, and Norway (2017).

### **8.6.3 Rigid versus fluid cultures**

Rigid, also known as monochrome, cultures place a lot of importance onto being precise, sticking to the schedule and taking deadlines seriously (Mulder, 2017). These cultures see habits such as coming late to work or meeting and missing deadlines as an offense and a practice that should be avoided at all costs (2017). Fluid, also known as polychrome, cultures on the other hand see this very differently as they think that people and maintaining relationships are much more important on the pedestal when compared to time and deadlines (2017). Understandably so, these differences are on a high potential to causing problems between their counterparts.

Finland is a rigid and Vietnam a fluid culture (2017). The business partner from Finland thinks “time is money” and the Vietnamese counterpart see it more as “the job needs to get done” issue (2017). The key issue with these differences is trust. Somebody from a rigid culture sees being late as an indicator of not being able to be trusted as they put so much importance into schedules. A fluid culture individual, however, does not see it the same way. They think that the job needs to get done and that is the more important part. Their point of focus is on making sure the relationship between the parties is doing well and is maintained accordingly. To avoid the biggest conflicts the counterparts should inform each other about their differences, make clear schedules with wiggle room in both directions and make evaluations along the way (2017).

#### **8.6.4 Expressive versus reserved cultures**

People from an expressive culture have the tendency to keep silences in a negotiation setting to a minimum (Mulder, 2017). They talk with their bodies, use gestures and loud noise to fill the room and can be perceived as annoying due to these characteristics. People from a reserved culture have adopted a calmer manner in speaking and they tend to avoid long eye contacts or the use of hand gestures in their communication style. Finland and Vietnam are both considered reserved cultures (2017), so any conflict between them based on these characteristics should not be apparent. Their negotiation setting should be fairly similar in the way they speak, respect the silence, and make eye contact with each other. Some countries that are considered a more expressive culture are Saudi Arabia, Italy, Spain, the United States and Russia (2017).

#### **8.7 How could these differences have a factor in co-operations**

After assessing the differences between Vietnam and Finland a few key differences with their cultures can be pinpointed.

Firstly, one notable difference between the two peoples is the way they perceive themselves in their society. The people in Vietnam are more collectivist, meaning that they make decisions based on how they benefit their group as a whole instead of the individuals alone. The Finns are the opposite, as they look at the world more from the perspective of doing what is the best for “me” instead of “us”. Another one is the power distance and the

hierarchical perceptions. Decisions in a Vietnamese business perspective are made by respecting the hierarchy and this may take time when negotiating and sharing ideas. Also, in a negotiation setting, the Vietnamese put more importance in the trust and relationship of the negotiating partner rather than the end goal of the discussion. In Finland, ideas can be shared more freely and with less stress on the hierarchical order of how things should be. Negotiations are deal-focused, and results can happen rather rapidly, if needed. These aforementioned differences could cause clashing in co-operations since the Vietnamese may not be able to make decisions as quickly nor share opinions as freely as the Finns. Although eventually understanding, the Finns might at first find it surprising how differently the Vietnamese view the negotiation process and its goals. There is potential in offending the other party for both ways. There could also be some misunderstanding or hardships in the way of how both parties see the initial benefits as one party thinks what's best for the group and the other for individual.

In a negotiation setting, according to the previously explained research, there could be differences in the way how open both parties are to new ideas and innovations. The Finns may feel a bit more reserved as they are seeking comfort in the familiarity of the current moment, and the Vietnamese more open as their mindset is to act today for a better future ahead. Some more practical problems could be faced in the way both of these people perceive time and schedules; Finns, a rigid culture, tend to be more punctual with appointments and have tight schedules, as on the opposite the Vietnamese, a fluid culture, are more flexible and tend to feel more relaxed on arrival times in meetings or other events. These differences have the potential to cause some clashing between the two cultures as being late could be perceived as rude for the Finns. As for how quickly the results are expected, the Vietnamese expect there to be more time given for this and the Finns prefer the deal to be sealed rather quickly. It's yet another potential clash of cultures but can be avoided by acknowledging these differences in views and preparing the negotiations accordingly.

Finally, the goals of the business plans might be very different when discussing either party. As mentioned before, the Vietnamese are long term oriented, meaning generally speaking their focus is more on bettering their future and they are comfortable with making long-lasting plans with the results happening far in the future. On the contrary, Finns are more short term

oriented meaning they may be more interested in seeking quicker results with their business decisions and value the ability to see the goals happen nearer in the future rather than far.

## 9 QUESTIONNAIRE FOR FINNISH EARLY EDUCATION LEADERS

### 9.1 Overview

As one of the research methods for this thesis, a questionnaire was introduced to early education professionals. The group consisted of kindergarten leaders around Finland. The questions were formed in a way that they would provide as much information about the current technological abilities, awareness of LCH's services and how open they were about language learning; whether there was a second language already existing in the kindergarten or not and how this language was being taught to the children. The most essential goal was to dictate these abilities and interests of the early education facilities, as this would later become one of the key pieces of information for LCH when building their customer network for the Friendship School -service. The questionnaire was distributed among Finnish kindergarten leaders based on LCH's list of contacts in a social media channel. The timing of distribution was in September to December 2022. The questions and responses were originally written in Finnish.

### 9.2 Questions

The first question (see Appendix 1) asks, "Have you heard of Language Clubhouse and the services provided by them earlier?". It is intended to dictate for LCH, how many of the respondents are familiar with the company and their service. With this piece of information, it is easier to prepare for a brief introduction or even find out, how widespread the knowledge upon their company has reached on a national level.

The next question is about whether or not the kindergarten/preschool has a bilingual environment in their daily activities. This question can help LCH understand the base knowledge of languages and even use this information to market their service differently. Because if a kindergarten is only using Finnish, they might have a higher threshold to participate due to feeling unsure about the children's interest and ability to learn a new language. LCH in this case could highlight the positive impact on language learning and how easy it is for children to learn as earlier explained in this paper. As a follow-up question for the second one, it is asked to write down the languages the children use and know. This could be a helpful piece of information for LCH when planning out their materials,

partnerships and possibly expanding their business to other languages alongside English as well.

The third question is about technology since the Friendship School program highly relies on technological tools for the remote learning experience. The question asks the respondents to either select or add their own technological device they have been using in their daily lives and from this knowledge the LCH team can feel out different online learning services and even find new ones. It also shows how comfortable the respondents are with technology and thus gives a good general feeling for the commonness of the use of technological equipment in the modern kindergarten/preschool life.

One of the final questions is designed to find out more about how familiar foreign partnerships are to these kindergartens/preschools responding. It asks “Have you part-taken in a co-operation with a kindergarten group from abroad before? For example, via Erasmus or some other similar organization?” and helps LCH about the overall prevalence of experiences Finnish early education facilities have with their foreign correspondents. The negative response won't directly mean that they aren't interested, but still helps give a bigger picture of the overall level of partnerships normally participated among this sample group.

Finally, the last question asks the respondent to select the level of interest they have for participating the Friendship School program. This piece of information is in key position for LCH as this demonstrates a graph of how intrigued the service has made the people responding and helps them navigate how successful this program has the potential to be. A low level of interest could mean that the service has some factors that make it seem either intimidating or some other way high threshold to part-take, which further could direct LCH into developing the concept more. However, a positive majority could on the other hand indicate that the service has a potential for success and tells the LCH team they have developed an interesting idea.

## 10 QUESTIONNAIRE RESULTS

### 10.1 Results and conclusions

There was a total of 17 responses in the final questionnaire. It was sent out in September 2022 in numerous social media groups of early education professionals as a method of distribution. The group “respondents” in this case means kindergarten leaders and/or preschool teachers.



Figure 2. Question about former knowledge of LCH and their services.

According to the questionnaire, it can be concluded that Language Clubhouse is not very commonly known among the sample of respondents. 1 out of 17 respondents (5.9%) said they had heard of the company and their services before. However, this percentage can be easily explained with the fact that Language Clubhouse is a recently founded company and thus has not yet reached its peak of reach. Another speculation is that kindergarten professionals are not as active on looking at emails or other sources of advertisements due to their hectic, hands-on environment.



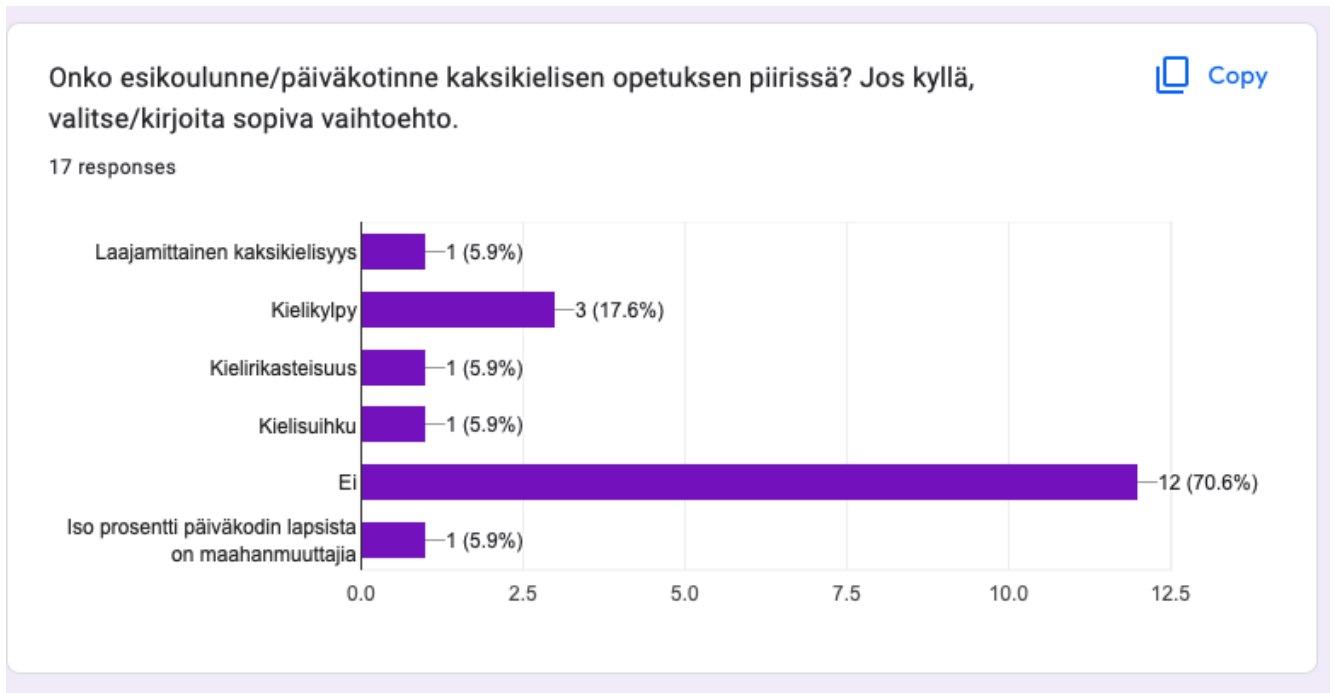


Figure 3. “What kind of bilingual teaching methods are included in the children's daily lives at the nursery?”

In this figure the amount of lingual education is dictated. The results differ, but “language immersion” makes the second most popular option (17.6%) after “having no bilingual education at all” (70.6%). These results show that the sample group is mostly not familiar with educating a second language in the daily lives of their kindergarten children.

However, if they do, it is mostly done with language immersion, which is the method of using a second language in the daily activities as well as pleasant activities that would normally be spoken in the mother language (Kirkkonummen kielikylypy, n.d.).

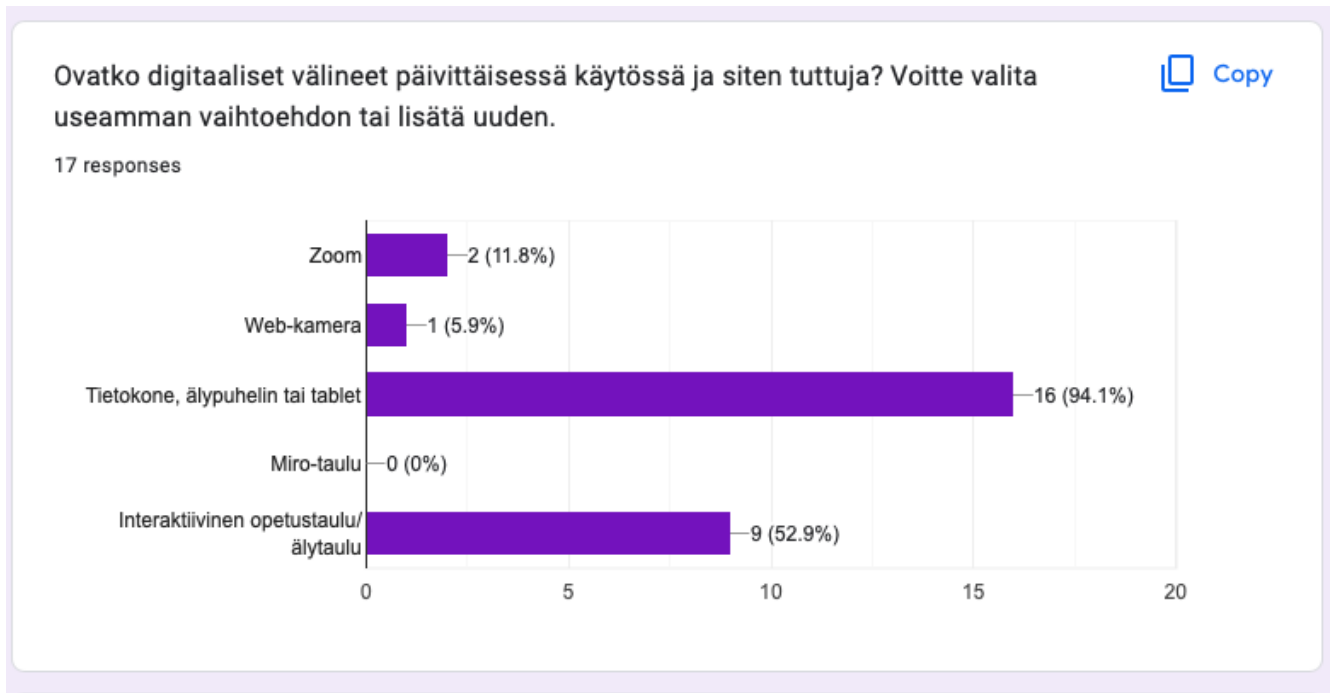


Figure 4. “How well known are digital tools in your facility?”

The COVID-19 pandemic stricken in the recent years has put an importance over learning online and this way the familiarity of digital tools can be dictated. In these results it can be seen that a computer, smart phone, or tablet are popularly used in the preschool/kindergarten facilities (94.1%). Another widely used tool is a smart board, which accumulated responses with 52.9% of the respondents. A Miro-board, which is an online white board tool (Miro, n.d.) used by LCH with their classes, was not familiar with the respondents. It can be comfortably assumed based on these percentages that most, if not all, of the respondents would have the technology skills and equipment required to participate in the Friendship School-program, which is a positive direction point for LCH when evaluating their service’s reach for customers.



Figure 5. "Are you interested in part-taking the Friendship School -program?"

The figure above demonstrates the rate of interest in part-taking the LCH provided Friendship School -program. The opinions vary, but most of the respondents found the idea either interesting in the future (41.2%) or considers it (29.4%). The thirdly most responses were interested in the current moment (17.6%). It can be dictated that the Friendship School-program piques interest among the sample group. This indicates that the service sounds compelling and has the qualities that the early education professionals recognize as useful for their business.

## 10.2 The results of the open-ended questions

The purpose of the open-ended questions was to allow the respondents to give their own alternative options or describe practices they are currently familiar with regarding language learning in their early education facility.

The first open-ended question was in combination with the second question about whether the children were in the circle of bilingual education or not. This question wanted to determine the number of respondents that are already familiar with using a second language with their children and this way could find the Friendship School program easier to approach. The open-ended question asked the respondents to specify exactly which languages are used in

their bilingual education. The responses concluded of Finnish and Swedish, German, and occasional Chinese as well as Somali, Estonian and finally English making it to most of the responses.

Suomi ja ruotsi

Satunnaisesti kielikylvyssä kiina ja saksa

Suomi ja englanti. Päiväkodissa monet lapset osaavat somaliaa, jotkut eestiä tai venäjää.

Englanti

From these results it can be noted that English is a language which is introduced early on into the lives of the children, which is a positive remark for the LCH project, as this can make the respondents and the children feel more open to join the program. As for other languages mentioned, it shows that the kids are already being introduced to the idea of learning a new language and this can also be an inviting factor from LCH's perspective.

The second open-ended question wanted to dictate whether or not doing international partnership was a familiar concept to the respondents. One respondent mentioned Erasmus+ as their experience, but the others were unfamiliar. This lack of experience can tell LCH that they might need to prepare an information pamphlet or other form of educative material about working with international partners or at least be mindful about the fact when potentially starting a co-operation with the Finnish party. As for the one with Erasmus+ experience this respondent may already feel familiar with the process and concept.

## 11 CONCLUSIONS

### 11.1 Overall results

Language Clubhouse Oy offers a service that has a lot of benefits for children who are eager to learn a new language and find new friends abroad. The thesis concluded, that part-taking these lingual services and allowing the children to learn a second language is both helping the kids become more patient, multitasking adults as well as more creative and quick thinkers. As one way of doing this is the Friendship School program, which was found interesting as the questionnaire showed. This indicates that the potential of this new program is valid and will have growth expected ahead among the Finnish kindergartens and preschools.

In order to get to Vietnam, the thesis author suggests LCH to take the means of direct export when entering the market. This is due to the small size of the business and limited resources, but also the freedom of arranging the documentations and negotiations in the personal style LCH has already used with their previous work. The author also believes that hearing the feedback from the partnering kindergarten directly without a third party is the best policy for this time. When entering the Vietnamese market, it is important to notice the cultural differences which may be faced in the negotiation setting. The Vietnamese find trust and relationship to be more important than the end goal, which is something to keep in mind when first discussing the project. Deciding may also take more time than the Finnish style of negotiating might be used to. When discussing goals, however, the Vietnamese tend to aim for longer term rather than short, which is another key difference between the two countries.

As for the conclusions relating the PESTLE analyses, which two points matter the most to know regarding this program are the technological and legal factors. Both countries are technologically up-to-date, meaning there should be no problem with introducing the online service to the Vietnamese customer. When it comes to the legalities, it should be taken into consideration that Vietnam does not have a clear law regarding e-learning as of 2023. However, according to the research conducted in this thesis, it should not raise any issues for LCH to begin doing educative business in the country.

## 11.2 Usefulness and reliability of the research

The research conducted gives Language Clubhouse Oy the basics about how differently the two countries, Finland and Vietnam, operate in a business setting and give advice on how to first start building the market entry by giving entry options and recommendations. The questionnaire tells LCH how the interest between the selected kindergartens divides and how familiar they are with the concept of digital tools and e-learning activities. These results also gave them two potential customers with a redacted final question, which allowed the respondent to leave their contact information.

Most of the data collected was from the 2010's to 2020's, which makes the research fairly recent and reliable in that matter. However, not many of them were from peer-reviewed papers and some of the chapters only followed one source, taking away some of the reliable elements often related to evaluating research. Some of the topics were left vague to keep the thesis at a desirable length.

## 11.3 Future research

The author found it a struggle to find research regarding the topics of Hofstede's cultural dimensions as well as Gesteland's. Both of the countries have a minimal amount of information regarding them, and the research was often limited to only a couple of website articles. Especially with the theory of Hofstede's, where the only information found was from their original website. Also, when trying to find peer-reviewed articles or theses related to these theories, the task was found extremely challenging.

When conducting research about the PESTLE analyses, the author noticed that oftentimes the studies were hard to find or completely unrelated to the thesis written. There were also some problems to find multiple articles that would say something different about the countries. This problem was also noted with the market entry modes, as multiple sources would give out the same information with different wording.

Finally, the literature surrounding Language Clubhouse Oy was limited to information given by Becky Luoma and the material they had created regarding their project and services, which gives reasoning behind the lack of various sources when reading about their chapter.

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## **APPENDICES**

Appendix 1. Questionnaire

## Appendix 1. Questionnaire

1. Oletko kuullut aikaisemmin Language Clubhousesta ja sen tarjoamista palveluista?

- Kyllä
- Ei

2. Onko esikoulunne/päiväkotinne kaksikielisen opetuksen piirissä? Jos kyllä, valitse/kirjoita sopiva vaihtoehto.

- Laajamittainen kaksikielisyys
- Kielikylpy
- Kielirikasteisuus
- Kielisuihku
- Ei
- Muu: \_\_\_\_\_

3. Jos kyllä, mitä kieliä lasten arkeen kuuluu?

4. Ovatko digitaaliset välineet päivittäisessä käytössä ja siten tuttuja? Voitte valita useamman vaihtoehdon tai lisätä uuden.

- Zoom.
- Web-kamera.
- Tietokone, älypuhelin tai tablet.

- Miro-taulu.
- Interaktiivinen opetustaulu/älytaulu.
- Muu: \_\_\_\_\_

5. Oletteko tehneet aikaisemmin yhteistyötä ulkomaisen päiväkotiryhmän kanssa? Esimerkiksi Erasmus tai muun vastaavan järjestön kanssa? Jos kyllä, voitte halutessanne kertoa lyhyesti.

6. Kuinka kiinnostuneita nyt tai tulevaisuudessa olisitte osallistumaan Friendship School -konseptiin, jossa teidän päiväkotiryhmä saa ystävyyskoulun ulkomailta?

- Kiinnostunut nyt.
- Kiinnostunut tulevaisuudessa.
- Harkitsevainen.
- Ei kiinnostunut.