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EXPORT VIABILITY OF ETHIOPIAN ROASTED COFFEE

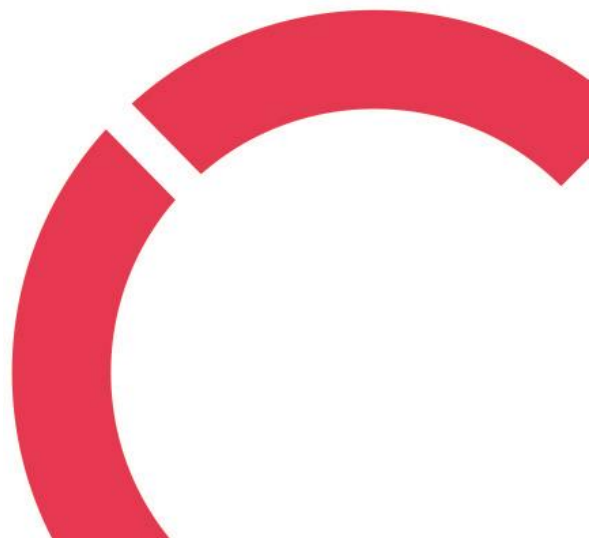
YA Coffee Roasters' entry into the Finnish market

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<p>The thesis was conducted for an Ethiopian company YA Coffee Roasters. The company is interested in exporting roasted coffee to Finland, a lucrative coffee export market country that consumes the highest per capita of coffee globally. This thesis aimed to assess the Finnish coffee industry, identify potential market opportunities, and determine the viability of exporting Ethiopian roasted coffee to Finland.</p> <p>First, the literature related to exporting and market analysis was collected from different sources, such as articles and online sources. The data for the market opportunity analysis was conducted using qualitative research by applying both primary and secondary data sources. The study draws upon secondary sources from different Finnish associations, Statistics Finland, and online data sources. The primary data was collected through interviews with potential cafes and coffee roasters in Finland. Owners of three cafes and two coffee roasters were interviewed.</p> <p>The research findings indicate that YA Coffee Roasters has significant prospects of penetrating the Finnish market, and the microenvironment is favourable for business operations. The company can establish potential business relationships with companies in Finland. Additionally, a recommendation for market entry is proposed.</p> <p>Based on the study's findings, the thesis serves as a valuable reference for companies that want to export roasted coffee to Finland. Additionally, it can be utilized by companies seeking to penetrate the Finnish coffee market. The result provides a comprehensive overview of the business landscape and potential opportunities within the country.</p>		

Keywords entry mode, Ethiopia, export, Finland, market potential, roasted coffee
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CONCEPT DEFINITIONS

C.B.I.

Centre for the promotion of imports for the developing country

ECX

Ethiopian commodity exchange

SCA Finland

Specialty Coffee Association Finland

1 INTRODUCTION

This thesis focuses on the topic of international business and explores the export prospects of Ethiopian coffee. More specifically, it centres on roasted coffee and its potential in the Finnish market. Finland is one of the world's top consumers of coffee; on average, three cups of coffee are consumed daily (Statistics Finland 2022). Due to international interdependencies, goods, services, technologies, and ideas cross national boundaries more quickly. Individuals and businesses of all sizes have more opportunities to enter foreign markets these days (Albaum, Duerr & Josiassen 2016, 29). Finland has a long history of selling roasted coffee to retailers. According to the site Kahvi (2023) Gustav Paulig began selling roasted coffee to retailers in the early twentieth century, followed by competitors such as the Nordic Kahvikompania, Kahvi Oy, and Osuuskauppojen Keskusliike SOK over the next few years. The initial sale of roasted coffee inspired local coffee shops to roast coffee for their customers.

According to C.B.I. (2019) Finnish people drink coffee daily, making them the world's highest consumers of coffee per capita with a 2% share of total European coffee imports. The people of Finland are well known for drinking coffee regularly. An average person consumes ten kilograms of coffee each year. Most societies prefer light-roasted coffee, while dark-roasted is also becoming popular. Finnish people make coffee with a filtering method using different machines. Espresso is trending among Finnish coffee consumers nowadays. European consumers increasingly value fair-trade practices and show openness to importing coffee roasted outside their country. Supporting the local economy, reasonable pricing, and sharing economy is the most significant trend in the roasted coffee market in northwestern Europe. Shops and retailers play the most crucial role in the fair trade of roasted coffee. (Korhonen, 2018.)

The study's commissioner is an Ethiopian coffee-roasting company called YA Coffee Roasters (YA Coffee) which wants to explore the opportunity to export to Finland. The purpose of this thesis is to identify the market opportunities in the Finnish market for Ethiopian roasted coffee and to determine the export strategy for the commissioner to enter the market. In addition, this research can provide some valuable tips for Ethiopian coffee roasters who wish to penetrate the Finnish coffee market. Finally, this research will highlight and devise some helpful guidelines for Ethiopian coffee-roasting companies to enter and expand in the Finnish coffee market.

Three objectives have been set for this thesis. First, the objective is to describe the concepts of exporting, entry strategies, and export modes, explaining the procedure of conducting export market analysis and drawing upon relevant literature. Secondly, to analyse the Finnish business environment and practices, the Finnish coffee business, and the roasting and brewing customer segments there. Both secondary data and qualitative interview data are used for this objective. The third objective is to identify a suitable market entry strategy and a feasible operational mode for the commissioner to enter the Finnish roasted coffee market.

The thesis is structured into several chapters, each intended to support the primary purpose of the thesis. After the introduction chapter, the commissioner company and its products are presented on the second chapter. To better comprehend internationalization inside the company, the thesis also discusses theoretical frameworks related to export. It covers the analysis export market potential of organizations in the third and fourth chapters. The third chapter focuses on the theoretical framework of exporting. This chapter covers internationalization, mode of exporting and export market research. The fourth chapter focuses on analysing the export market potential. The chapter analyses the export market potential, macroenvironment, and supply chain analysis. The fifth chapter describes the history of Ethiopian coffee and its market viability worldwide. This chapter includes subchapters describing Ethiopia's coffee history, market trends, and export and international market performance. The sixth chapter describes the methodological approach to market research. The thesis uses qualitative research approaches to gather valid information on the potential of the roasted coffee market in Finland. Chapter seven focuses on Europe's roasted coffee market performance, specifically Finland. The eighth chapter focuses on the interview result and analysis. The final chapter is the conclusion. This chapter gives a summary of the overall thesis findings.

2 YA COFFEE ROASTERS

YA Coffee is an international company that started operation in 2012 in Ethiopia. It serves its customers locally and internationally with premium organic coffee beans sourced directly from local farmers. The company engages in roasting, grinding, packing, and delivering to exporters. Its employees are experienced and highly skilled. Therefore, the company also consults, guides, and trains producers and exporters. The coffee beans are collected by hand, washed, sundried and prepared ready by the local farmers. The coffee beans are roasted and packaged at the source to enable it to maintain the unique experience of organic coffee. YA Coffee consistently prioritizes the natural environment through its commitment to environmental preservation regulations and supporting the livelihood of coffee farmers. YA Coffee presented its products during the World of Coffee exhibition in Amsterdam in 2018 with the joint sponsorship of C.B.I and the Netherlands Foreign Affairs Minister. YA Coffee (2023)

Figure 1 below displays YA Coffee product names: Misgana, Tefetero, Fikir, and Addis Alem. The names are in the local Amharic language and have different meanings based on the coffee quality and standard.

Product name	Meaning	Description
Mesgana	Giving thanks	<ul style="list-style-type: none"> ❖ This product generates diverse mixes blending several Ethiopian coffees. ❖ A unique combination of Ethiopian coffee beans
Tefetro	Nature	<ul style="list-style-type: none"> ❖ This product with single-region coffees from Ethiopia ❖ Harvested in fertile soils of Ethiopia
Addis Alem	New World	<ul style="list-style-type: none"> ❖ This product with Premium bio reserve coffee ❖ Only available in the wild forest of Ethiopia
FIKIR	Love	<ul style="list-style-type: none"> ❖ This product with Premium and traceable coffees ❖ Ethiopian farmers do each unique batched with exceptional flavors with many years of experience.

FIGURE 1. YA Coffee's coffee products (YA Coffee, 2023)

3 EXPORTING

This chapter discusses exporting as a business activity. The chapter begins by examining the trigger and barriers that follow internationalization. Second, the chapter examines the export mode and market entry techniques individually. The chapter concludes with a discussion of export market research.

Companies invest and use various methods to expand their business operation away from the domestic market. (Albaum, Duerr & Josiassen 2016, 21.) A firm's success in internationalization is highly dependent on exporting, which is the first step in the process. Exporting occurs first, followed by establishing a subsidiary and, eventually, a manufacturing company.

3.1 Internationalization

These days companies, whether small, medium, or large, and individuals from every part of the world may offer their products, services, technologies, and ideas on foreign marketplaces in addition to their local markets. The current international market is dominated by businesses that have developed the skill of internationalization and using the Internet to sell their products. The development of communication and information processing technologies has contributed significantly to the expansion of globalization for domestic businesses that compete with or collaborate with international ones because part or all of their products and services are produced in local markets. In addition to their home market, companies of any size may benefit by expanding their customer base into the overseas market, eventually supporting recovery expenses from investment in research and development. Companies are concerned about their products to maintain a balance with the culture, prices, and quality the consumer needs. Companies will have a competitive advantage over customers when they understand the business environment with various marketplace options. (Albaum and Duerr 2011, 3.)

Demand management is an essential aspect of international marketing. It is helpful for companies to minimize problems occurring temporarily, periodically, and frequently. Trading products are affected by the environment, population growth, variation of income, cost, availability of resources, regional regulations, and waste management. Export marketing can work if it follows the eight demand states based on insufficient, enough, and too much demand. The different state of demand is negative, latent demand, no demand, falling demand, irregular demand, full demand, overfull demand, and unwholesome demand are the other demand states. Companies working in the international market must manage

complex market research, work training, and advice, use international exhibitions to promote a given product, choose the right call, cope with progress, use letters of credit, be patient and choose the right partner (Albaum and Duerr 2011, 35-41.)

3.1.1 Triggers of Internationalization

Both internal and external occasions force the internationalization of businesses. These occasions are the big starter of the practice of firms' engagement in an international environment. Internal and external triggers have their way of initiating internationalization within the firm. Internal triggers include perspective management, specific internal events, and importing as inward internationalization. External triggers of internationalization include market demand, network partners, having detailed information about competing firms, a trade association, and financing (Hollensen 2020, 61.)

Internally managers are responsible for seeing the significant chances of investing in a foreign market. Business traveling supports managers to see the wide range of opportunities in a foreign market, which is helpful to be motivated and start supplying goods or services from a domestic market to the international market. Internal events with the organization by the business process participants will affect the initiation of internationalization or exporting of their products. For instance, the organization's marketing department might look for better opportunities to sell more products abroad than in the local market. The marketing department will propose the situation to the manager, and based on the manager's response, the initiation comes into existence. Internal events have significant importance in influencing the organization to trigger internationalization. Inward and outward internationalization is also part of the inside occasion idea, which suggests that initially understanding the import process will improve the knowledge of the export processes. Import and export have standard features for internationalization since buyers and sellers exist in both approaches. Companies might start selling quickly in a foreign market if they already have a relationship with their foreign businesses for importing products. Companies' growth will be aided by efforts to expand into the foreign market from the inside. Through practical financial support and technological improvements in several practices like franchising, direct investment, and alliances, growth is achieved within a company. Good inward and outward relationship is created through different modes. One, the company will export its products from which it imports goods and builds a good relationship with strategic partnerships (Hollensen 2020, 63.)

Manufacturers with a positive experience in providing quality products can rapidly expand their presence in the global market, attracting more overseas customers to purchase their products. Working with foreign partners is also an external trigger for exporting to a foreign market. Partners will help provide better trade information and allocation for the company. Understanding rivals' international engagement in the same business inspires companies to initiate Internationalization and is also considered an external trigger for market entry abroad. Hollensen explained trade associations, organizations, and individual experts' support to start internationalization within a company. For instance, export representatives, governments, commercial offices, and financial institutions encourage companies to do business abroad for mutual benefit. Financing the export process is essential while working with those partners, experts, or solely. A company has two options for funding the export process: investing from internal resources or borrowing money from banks or governmental financial institutions to initiate exports (Hollensen 2020, 65.)

3.1.2 Barriers to Internationalization

Exporting and selling a product in a foreign market is complex and challenging for companies of all sizes with scarce information. Exporters must consider how distribution in foreign markets hits their target, considering import tariffs, payment systems, and communicating with agents or distributors. Organizational leaders should prioritize gathering accurate information about the market they are entering to mitigate investment risks. International solid partnerships are built and thrive when companies collaborate and collect better evidence with overseas partners to overcome obstacles of exporting. According to the author, three challenges exist while exporting to a foreign market. These are general market, commercial, and political risks (Hollensen 2020, 66.)

According to Hollensen, general market risks cover some issues. Leaders must study foreign macroeconomics and the costs of entering a new market. Corporations face a challenge in obtaining information regarding foreign competitors, supply chains, and industry specialties due to the variability in product specifications across different countries. Commercial risks cover foreign currency fluctuation, foreign partners' refusal to pay for exported products, supply chain challenges, and scarce capital. Political Risks due occur both in the local and foreign governments. The risks include government rules of the foreign market, cutting back relationships with countries, foreign currency payment limitations, poor administration of local government on foreign businesses, challenges of documentation, high taxation, high prices on the payment process, political unrest on the target market, implementation of

export acts at a national level. Although barriers exist during internationalization, companies can use different approaches when investing in a foreign country. Investing in low-risk foreign markets will help to reduce the obstacles of entering a new market. Participating in various foreign markets is less risky than single-market investments and helps minimize the barriers. They must also structure the export procedure considering distributors, buyers, and the government in the foreign market. (Hollensen 2020, 66-67.)

Globally, organizations, industries, and sectors have changed due to the influence of environmental factors. For instance, the cable and TV infrastructure is getting old and cannot keep up with recent digital technologies. Various innovative technologies have helped businesses multiply around the world. Environmental factors similarly occur when there is a change in international law and how countries run politically and economically. The environment gives both chances and risks to organizations. Entrepreneurs and managers in all organizations, industries, and sectors must pay close attention to their settings to predict changes and, if possible, make money or achieve desired results. (Johnson, Whittington, Scholes, Angwin, Regner & 2016, 33-34)

3.2 Modes of Exporting

Entry mode and marketing plan are the core parts of the market entry strategy. In contrast, entry mode is a means of entering a targeted country and a marketing plan for a particular customer group. In each foreign market, companies must carefully choose their market entrance modes since modes of entry impact their marketing program control and commitment. While structuring channels for access in a new market, a company must be strategic on transactions and physical products flow. Organizations must be patient and committed to entering an international marketplace through different channels. The reason is that channels of entry are affected by various factors of the target market (Albaum and Duerr 2011, 392-393.)

3.2.1 Indirect Export

Indirect export is conducted if the exporting manufacturer collaborates with independent marketing organizations with export expertise in the production country or if they have an export section that does not lead international sales but collaborates with professional marketing organizations and

manages the export dealings. international marketing organizations and cooperative organizations will help to facilitate the export procedures for the manufacturer who wants to export indirectly. Companies export products or services worldwide through marketing organizations like merchants and agents. During the selling process, merchants own the product while agents sell for the company in foreign markets (Albaum and Duerr 2011, 446-447.)

3.2.2 Direct Export

An exporter selling its manufactured goods directly to the foreign market and negotiating between the foreign and domestic countries is handled directly by a subordinate management department of the manufacturer, a foreign-based marketing organization, or a customer is considered direct export. A subordinate department with export expertise in the country may handle direct export. Each division handles all aspects of the selling process to international clients or collaborates with separate global marketing companies (Albaum and Duerr 2011, 462-464.)

3.2.3 Foreign sales branch

When a company wants to sell its products in a foreign market, it can open a foreign sales branch instead of hiring external marketing companies or agents. The company keeps track of sales in the specific marketing area. The company makes sales closing, logistics, and advertising activities by facilitating the procedures to store and sell the product in a foreign market. Agents and distributors must first guide a company's first international investment and sales of its products so that the company can gain knowledge and experience. Foreign laws for investment and how much it will cost to open a sales branch in a foreign market must be researched by a company that wants to sell its products, as it is the most challenging issue for most business owners. Displaying products in the foreign market and a dedicated customer service center are advantages of creating a branch (Albaum and Duerr 2011, 466-471.)

3.2.4 the Internet and e-commerce

Internet-based technology development has emerged as the key growth driver for global marketing. The Internet is essential for finding reliable information about a particular industry and shopping. All organizational operations are impacted including supply chain management, sales, and finance. The Internet has sufficient and reliable information for customers and companies to choose between receiving or giving whenever accessible. All contacts are fast, and distance and communication duration do not influence the cost. Over the last decade, the Internet has improved the growth of digital marketing in many countries. The cost-effectiveness of utilizing the Internet and the ability to learn more about businesses involved in e-commerce are two main benefits. Using e-commerce, companies can provide customers with information and location to purchase. Businesses may contact clients and customers despite time and geographical constraints by embracing e-commerce. The Internet is also essential in many ways, and it can be done with low capital investment. Any size of company can engage because it is affordable, information in the platform is easily changed, the language translation is a cheap, trustworthy method of communication, the reasonable control of communicating on what to and not (Albaum and Duerr 2011, 480-481.)

E-commerce, which is based on the Internet and allows sellers to do business with buyers on a website a seller runs, is becoming more common worldwide. The website can be used for both Business-to-Business and Business-to-consumer communications. Thanks to the abundance of online offers on various websites, businesses can easily access valuable information about other company's products through businesses-to-business information (Albaum and Duerr 2011, 481.)

3.3 Export marketing research

Export marketing research is the most crucial system for organizations. It has a great purpose of giving information and analytics inputs to planning future foreign market marketing activity effectively. It also helps to manage international business to make decisions based on the outcome. Due to cultural variances, Europe is one of the most challenging regions to conduct consumer satisfaction surveys. For example, the northern part of Europe tends to underestimate their satisfaction. Meanwhile, the southern part of Europe overestimates their satisfaction. It is advisable to work with local businesses or individual experts with experience in local marketing research, as using the same questionnaires for different

countries is unsound. For reasons like language structure and conversational ways, data collection time and cost will vary from country to country (Albaum and Duerr 2011, 340)

Businesses of all sizes should understand the foreign market before investing their finance and resources in other country markets. A reliable decision-making process is in place when essential global marketing research is available. Businesses must be willing to participate in international marketing research to understand customers' differing choices. A company needs to access primary and secondary data for reliable information on whether to invest its resources while conducting market research. These two data collecting types have distinctive features; preliminary data are initially collected for the first time, while secondary data is collected previously and used as a source of information. Companies must start digging for details about a given market by gathering secondary data to define objectives and research questions. However, it is not enough to complete the marketing research as primary data is also needed (Hollensen 2020, 170-172.)

3.3.1 Secondary Data

Secondary data provides a variety of information about foreign marketing activities and potential. It offers low-cost information-gathering advantages and eliminates the need to go to the international market for research. Secondary data collection will support businesses in determining which nations to enter or go on with more studies. Due to the inflated data existing in different countries, secondary data may not be reliable data sources in some cases. The availability of the data is different from country to country. For instance, some countries overstate the availability of data to attract foreign companies where those data might not be reliable. (Hollensen 2020, 173-174)

A company can use internal and external data sources for secondary market research. Internal data is hardly found in many companies, though it benefits the industry's success in an international market. The export manager and the sales force must work on keeping a record of the company's transaction information, history of total sales in a given time, screening of countries by sale, the volume of sales by geographical or industry type segmentation, and other techniques. It is possible to gather internal data by assigning a sales representative or other internal stakeholder to journal the customers' demands and report to the sales team to identify the market environment and what the company must do about it (Hollensen 2020, 174-175.)

The primary sources of secondary data are university libraries and the Internet. Although the cost of acquiring secondary external data is low, there are difficulties when considering the quality of the sources for a firm's decision to begin investing in a foreign market. When it is challenging to identify a specific product for possible market study by utilizing comparable items for the market evaluation, a proxy indicator is applied as the external data source. For example, when a company want to sell a freezer in a new market, it might hard to get the market information about it. Therefore, the company will study other kitchen appliances related to a freezer, for instance a company can use available market data of oven or microwave. Although using the proxy method can be done with a low budget, it is sometimes hard to get precise data to forecast the potentiality of the market (Hollensen 2020, 177.)

3.3.2 Primary data

The quantitative and qualitative data collection methods are techniques to gather the primary data source. These techniques help answer the research question with a high percentage of validity and precision. Choosing among these two primary data collection types depends on the complexity of the research. The collection of primary quantitative data uses many respondents, which are mostly homogeneous. The process of collecting qualitative data heavily relies on the participation of individual respondents and typically involves a smaller sample size in comparison to quantitative data collection (Hollensen 2020, 177-178.)

4 ANALYSING EXPORT MARKET POTENTIAL

This chapter starts by introducing the market potential analysis of a company. The macroenvironment analysis, like political, economic, social, technological, ecological, and legal environments, will be discussed in detail. The industry and competition analysis method will be discussed using Porter's five forces of analysis and strategic group analysis. Finally, the chapter will discuss the supply chain analysis.

4.1 An introduction to market potential analysis

Market potential analysis helps companies win in the long run by looking at the market opportunities and making strategic decisions about using resources. The potential market analysis will help predict what will happen in the short or long term. It will make it easier to find new markets with a lot of development potential. The potential market analysis will help companies in several ways. For instance, it will help them to categorize countries, measure market potential, identify triggers and barriers of a market, and assist in comprehending how to employ the rising market by customizing marketing, product development, and product strategies to meet customers' demands (Kenneth & Jason 2, 1998.) The market potential analysis includes macro environment analysis, industry and competitor analysis, and market research customers. This chapter discusses the components of the potential market analysis in detail.

There are benefits to trading globally, but there is competition between businesses, whether from the same country or from different countries. Profit is often made for the industry, directly for the export or indirectly for the importer. The end users and manufacturing affect the success of international trade and benefits for a country in any part of the world. If an organization knows how to do well in a domestic market, it will also be able to do well in the international market. The domestic market includes how a product or service is made and the people who use it. Countries must work together because no country can meet its people's economic needs alone. If trade between countries goes well, it creates more jobs, and people will have more money to buy domestic and foreign goods and services. (Josiassen et.al 2016, 73.) Companies choose to establish near-rising market potentials to save money and transportation costs. Market potential assesses the future demand posed by areas, influencing where enterprises locate and how much they can afford to pay (Ouyang, Zhang & Dong 2, 2015.)

4.2 Macroenvironment analysis (PESTEL)

PESTEL analysis is a tool used to show the environmental factors economically and with non-economic aspects to define the Environment and clarify a country's general perspective. In PESTEL analysis the trends and changes in the political, economic, social, technological, ecological, and legal environment are analysed. The economic part is about the market environment focusing on the rivalry, providers, and consumers. The rest of the analysis is not commercial but impacts the economic environment. (Scholes et. el 2020, 36-37)

There is a wide range of factors in the macroenvironment that affect many organizations, industries, and sectors. Macroenvironmental elements like the internet, economic growth rate, climate changes, and aging populations affect various activities beyond one business or sector. Beginning with the wide macroenvironment, the layer of the business environment, the next level consists of the industry. The sector layer comprises companies that provide the same goods or services as their competitors. Competitors are another part of the layer of the business environment which directly affects the sector. (Johnson et al. 2017, 35.)

The environment with different aspects can be categorized using the PESTEL framework. Political, economic, social, technological, ecological, and legal factors include the market environment and the non-market environment, organized by the PESTEL framework to make a productive strategy. The market environment includes customers, traders, and entrants, while the non-market includes social, political, legal, and ecological factors. The non-market domains are highly affected by economic factors. (Johnson et al. 2017, 36-37.)

4.2.1 Political environment

The PESTEL political analysis considers the effect of government and other political factors on the environment. The political analysis should begin with a risk assessment of the current political environment and an assessment of the scale of political changes. State involvement and involvement with civic society groups are two supporting factors to highlight the political factor's significance—the direct government engagement in the military sector and how it functions in a highly political environment. It is often apparent to civil society groups, such as campaigners opposed to the foreign arms

trade. They also explained the food industry's relationship with the state and civil society; food companies must be aware of the political context since they are often subjected to demands from different elements of the civic society. Nonetheless, the food industry sees less government intervention since most food enterprises are privately held and operate in the private sector marketplace (Scholes et. el 2020, 39.)

When considering political risk, the macro-micro and internal-external dimensions are crucial factors to consider. Organizations that operate in politically heated environments will benefit from this investigation. The macro-micro aspect of political risk refers to the threats that countries confront. Businesses must discern between macropolitical risk and specific microlevel danger when entering a market. The parts of the political risk inside a country are called internal. The external political risks happen outside some countries' borders affecting the country internally. Companies must think carefully about external political risk when looking at global economics, politics, and other connections. (Scholes et. el 2020, 39.)

A country risk analysis is a company's method to evaluate overseas markets to make investments. The macro-environment presents a potential risk when investing in a foreign market. A basic business environment assessment is crucial for investment commitment. Some subcategories can be used to classify the risks associated with investing in a foreign market. The categories are economic risk, transfer risk, exchange rate risk, location risk, sovereign risk, and political risk. The primary aim of country risk analysis is to facilitate business analysis; nevertheless, conducting a risk analysis of investing in a new market and breaking into existing ones is equally essential (Craig & Babette 2007, 309-310.)

4.2.2 Economic environment

The global economy has a varying effect on the macro-environment across the world. An organization's success depends on its ability to anticipate and adapt to changes in specific markets within the larger economic context. They need to consider the potential future movement of interest rates. If the interest rate ever changes in the future, they will come out thanks to their calculated strategy. To ensure the continued success of their company's exports and imports, managers must be aware of the influence that changes in the exchange rate may have. They should be mindful of the fact that growth rates in economics have varied throughout time. Despite the effect of sudden economic shocks, many publicly available forecasts might help to plan for the future (Scholes et. el 2020, 40.)

The idea of an economic cycle is essential for analyzing broad-scale economic shifts. The rate of economic expansion tends to fluctuate over time, with fast growth followed by periods of slower development or even contraction. These periodicities are related to other significant economic indicators. The good times do not continue forever. Economic downturns followed by improvement may be seen as a tendency in the micro-environment, which can be better understood through an appreciation of cycles businesses must realize the significance of identifying cyclical turning time. For instance, if interest rates are lowered, more money will be borrowed by households and companies put into investments leading to more economic development. A company's management requires examining the economy to make sound decisions and implement them over the long term. Therefore it is crucial to assume that the current economic growth rate will change to several factors while studying the economic environment. Before making significant investments, companies should consider where they are in the current economic cycle (Scholes et. el 2020, 41.)

A country's economic activities influence the international business environment while undertaking business processes in the marketplace. A society's economy also affects their spending on products or services. In the national market, the features of the country's population influence economic activities such as buying and selling products or services. Economic development is a significant matter that involves consumers' buying and power of sale worldwide. Countries are also often categorized as developed and developing regarding their economic advancement. Another way is the world bank's grouping based on nations' gross national income per capita. The four parts, from low-income to high-income countries, are grouped into four. Finland is among the high-income countries. The economist categorizes countries by measuring the risks of doing business with those countries. It utilizes various descriptions of the countries to measure the risk of doing business, for example, politics, valuing of society, and services to do business. An international marketer can study the economic growth of a country in varied contexts to enter the market they want (Albaum et. el 144-147, 2016.)

4.2.3 Social environment

Broader social conditions influence the dynamics of demand and supply and the pace of economic expansion. They also impact the organization's global capacity for innovation, competitiveness, and efficiency. First, social environment elements affecting supply demand include population density, geographic location, cultural norms and values, and distribution patterns. The second most significant

social feature of the macroenvironment is organizational networks. They significantly impact people's ability to be imaginative, powerful, and successful; they are known as organizational fields and examine the environment of fields in the same industries. Administrative areas have a nature of both economic and social characteristics. There is much more ground to cover in the organization realm than in specific sectors or the marketplace. Managers need to understand how social networks impact employees, customers, and suppliers face an influence by social networks because of their significance of these networks. (Scholes et al. 2020, 41-43)

A society's approach impacts each nation's political and legal contexts. Companies considering investing in a foreign market must first understand the socio-cultural setting in the market. The feature of the product considerably influences selling in an international market in a distinctive mode of culture. For example, suppose a company intends to offer a food product in a foreign market; when assessing the feasibility of exporting the foodstuff product, in this case, it is critical to consider the culture of the foreign demand for product feasibility. Promoting a business in a marketplace away from the domestic market must always need thoughtful consideration regarding a particular marketer's cultural aspects. Companies should understand how other cultures operate since doing so will make collaborative approaches effective, whether large or small businesses that examine and comprehend the cultural variation in an international environment will be productive and successful. Understanding the cultural differences of a specific market will enable organizations to outperform competitors in both local and international markets. Toyota car manufacturing has good cultural strategies and deep research projects to plant a factory to be competitive in the USA. The company provides affordable cars with environmentally friendly features, making them in high demand. After that, the company started researching how people work and engaged in creating an effective relationship between U.S.A. employees and Japanese in manufacturing. According to the authors, successfully managing a multicultural business environment requires specific considerations to be made by the stakeholders of a company. These considerations include growing knowledge of the market entering, the ability to awaken how to communicate in the market, and the ability to resolve problems by understanding cultural differences. (Albaum et al. 2016, 128-133.)

Culture and communication have interrelation since a society's communication is embedded as culture, either paned or spoken. A community that uses various communication methods has its behavioral approaches. Five dimensions are nonverbal while working on international business. The dimensions are time, space, things, friendship, and agreement. The more the global marketer understands these dimensions, the more goals of the business will be in good progress. Due to cultural differences, negotiation

styles vary from country to country in international business management. For instance, some countries first prefer to agree on the price while others think about how to communicate about the product, which is a cultural matter based on the land. A decent relationship between the businesses or businesses to the customer is granted through good cross-cultural communication. Understanding a foreign country's cultural context helps identify how people connect and act in buying products or services (Albaum et al. 2016, 141-143.)

4.2.4 Technological environment

The macro-environment also includes technology, and this includes components like the Internet, nanotechnology, and novel composite materials that may have an impact on a variety of industries. Technology will affect organizations both positively and negatively. For instance, the use of social media is growing while radio broadcasts are losing prominence. Assessing the micro-environment covers some topics. The investment in research shows the firm's innovativeness. Patenting activities for advancing ownership of a product or service. Citation analysis for assessing the number of cited organizations, new product announcements for firm growth, and media coverage for promoting the product (Scholes et al. 2020, 43.)

4.2.5 Ecological environment

Environmental issues considered green in the PESTEL framework include pollution, waste, and climate shift. The growth of the mobile phone recycling industry is a prime illustration of how ecological regulation may have both beneficial and determinantal effects on the economy. Direct Pollution Obligation, Product Stewardship, and sustainable development are the three fundamental matters of ecology in the macro environment. These three real issues are vital for an organization to succeed in an international business, and it is essential to consider them when thinking about ecological matters in the microenvironment. The significance of these ecological characteristics to organizations is determined by environmental, organizational field, and internal organizational forces. The ecological and administrative sectors immediately follow the microenvironment (Scholes et. el 2020, 45-46.)

4.2.6 Legal environment

Legal issues are the last consideration in a PESTLE study of the macroenvironment. These may include rules governing ownership, competition, corporate governance, labor, and environmental and consumer protection. Companies might get profitable business opportunities whenever governments can easily regulate, For instance, cheap flights and free schooling. An organization's formal and informal rules affect how it works. These ideas of institutional environment suggest that it can be helpful to PESTEL analysis to consider not only formal laws and rules but also less formal norms, such as explicit norms about how to treat the natural environment in a good way. If a business does not follow these rules, customers or employees might be angry, no matter what the law declares (Scholes et al. 2020, 47.)

The authority of a country ultimately influences the import-export procedure in the country. There are three ways of governmental intervention, the positive one, the one delaying the processes, and the one that uses private businesses to win over exporters from foreign companies. Some countries made strategic alliances and trade agreements for mutual benefit for collaborative wealth creation and economic growth. Authorities always control the quantity and variety of products in import-export processes in each country. The success or failure of an international business depends on how the government controls the import-export business environment. Executing control of export in some countries is for the fact that to help the domestic market and small businesses operating in it (Albaum et. el 2016, 163.)

4.3 Analysis of the industry and competition

Businesses that fit the changing needs of their market have a big chance of gaining the financial benefit of their adaptability in the long run. The degree of competition and the negotiating power of consumers are the two fundamental aspects that affect the sector's profitability. Companies often expect high profits when there is low competition, little power between buyers and sellers, and little risk of competitors joining the market. As a result, profit margins may differ significantly between industries. Some industries may thrive in the past, while others, such as the aviation industry, faltered (Scholes et al. 2020, 64)

4.3.1 Five forces analysis of industry

The business's attractiveness and achievement can be quantified through customer satisfaction and financial gain measures. When competition, buyer and seller strengths, and the risk of emerging competitors are low, firms in those sectors can usually expect to make good money. The five Porter's forces that determine the competitiveness intensity of an industry are the extent of rivalry between competitors, the threat of entry, the threat of substitutes, the bargaining power of customers, and the bargaining power of suppliers. These forces can be analysed to understand the attractiveness and stability of the industry (Scholes et al. 2016, 64-65.)

The first force relates to current competitors in the market. Competitor analysis requires familiarity with the field and market. There is an overlap in products across industries, and the market tends to concentrate on those who could be interested in purchasing goods and services from those sectors. The competitive landscape transcends the action of individual firms to include the economic structure of the countries where that firm operates. Porter's five fundamental computing factors determine the potential and performance of an industry. The long-term rate of return on an industry capital expenditure is a crucial indicator of its future prosperity. So the new entrants, suppliers, substitutes, buyers, and market competitors are elements of the industry level. With potential in the industry, interested buyers and sellers on the market level exist. To conduct a competitive analysis, the firms evaluate where they stand to the five factors. The external factors will assist the organization in determining its areas of greatest strength and opportunity to improve its change strategy and approach (Hollensen 2020, 107-108.)

Competition is the central challenge for exporters to enter a new market in international environments. A firm must understand the market condition and buyers' preferences in the country it enters to succeed in selling its products or services. For instance, Starbucks failed to understand the competition and Australian coffee culture while entering the Australian market, forcing it to close most branches within a few years. Companies continuously explore a better way of giving services or selling products to be successful, and such desire leads them to the point of competition. This continuous form of companies leads to the growth of competition in the marketplace. An international marketer is a responsible person for seeking better ways of performing business through critical thinking and based on factual information. In the worst case, competition becomes partial. Countries force other countries to buy their product before accepting those countries' products (Albaum 2016, 148-149.)

Export marketing planning must consider the nature of the competition and the amount of competition present in the marketplace. The expert must look into tools and must understand to be competitive among other companies. Some products in the international market have a commonly established price to sell, and some do not. So, export experts should deeply understand which products are similar in the market and which are not while pricing them for better competition. Competition is highly affected by the similarity of the products the company provides. Companies commonly use the marketing mix to overpower competitors and thus consider factors affecting competition (Albaum 2016,150-151.)

The second force relates to the bargaining power of suppliers. Because of the direct relationship between a product's cost and its suppliers, businesses may need assistance to offer their commodities to clients at prices that are within their customers' price range. When corporations employ improved methods of transacting with suppliers about the goods they want from them, they advise existing suppliers to behave ethically, terminate existing business connections, or locate an item that several vendors may provide (Hollensen 2020, 108.)

The third force relates to how customers buy products from the market. There are two distinct clients to consider when determining buyer negotiation power, a person who buys the things for their use and those who purchase the products to resell them. The companies' effort to market the goods to the purchasers significantly impacts the power of the purchasers. For instance, a company could work strategically with its own goal of pricing and engaging a large number of clients and then set the price so high that the customers have no choice but to purchase according to the price scale established by the company. (Hollensen, 2020, 108.)

Expert analyzing customers may have difficulties classifying them according to their requirements. When the analyst discovers a technique to have a clear beginning point to utilize the output, this opens the possibility of a more significant outcome and conclusion being made. The key to successful analysis is emphasizing determining the client's requirements. When the analyst and the customer have a productive relationship, it is easier for both parties to make a sound decision and achieve a desirable outcome. (Craig & Babette 2007, 20-21.)

The fourth force relates to substitutes of products, price, and related matters in the marketplace. Price level limitations might develop when options are abundant with great products. These limitations have an immediate and direct impact on the sector's attractiveness and any form of organization. Companies remain competitive with a high-earning firm with a prominent number with many high achievers, and

rivals focus on developing superior methods for replacing items. Threats to the process of replacing include a buyer's desire to move to another product, the price and performance of replacements, and the expenses associated with moving to substitutes. Changing costs and discovering new ways to provide clients with added value may help combat competitors' services (Hollensen 2020, 109.)

The fifth force relates to new entrants in the marketplace. Much competition exists when entering a new market. Companies must offer better products with lower prices to win in the new market. Business environments based on each country make joining a new marketplace hard. Factors like the amount of capital they need, the economy of the country they are going into, the uniqueness of the product they offer, the supply chain, and the cost of switching suppliers. Businesses must work to be a competitor in the market and engage in better business approaches with the capacity to solve problems that keep new entrants from getting into the market (Hollensen 2020, 109-110.)

4.3.2 Strategic group analysis

Competitors that operate in the same industry and sell their products in the same market are said to be members of the same strategic group if their business practices, traits, and strategies are comparable. The groups may have different features depending on the strategic component in which they participated. The most critical strategic groupings are the activities and the resources that will be committed. In order to conduct a competitive force analysis of the companies within the industry, it will be first to determine the feature of strategic grouping. The strategic group will help companies gain insight into their surrounding competition, analysis of strategic opportunities, and analysis of mobility barriers (Johnson et al. 2020, 80-81.)

While considering strategic group analysis, competitive positioning analysis is an integral part of the analysis. Compared to other businesses in the same industry, a company's competitive positioning can reveal how well it can perform in the marketplace. The key to success in modern marketing is to find a way to differentiate your company and the products or services you offer from your competitors. Using competitive positioning analysis, a company can ensure that customers are aware of a particular product or service and create awareness of a specific product or service in customers' minds. In addition, the analysis contributes to the provision of information used in the company's strategic planning and management. Helping the company make a strategic decision and providing strategic support for changing the firm's positioning can be described as competitive positioning. Competitive positioning

benefits businesses because it allows for information that can be used in developing strategic plans, evaluating performance, and investigating particular industries in terms of competitiveness. (Craig & Babette 2007, 103-104.)

An organization's critical decision-making process to win over more consumers and market rivals determines whether the organization will succeed. Many companies and industries fail because of a lack of adequate information and understanding, leading to uncertain decisions. It may be difficult for higher-level administrators of enterprises to decide since the information they acquire from their subordinates is often unclear, resulting in poor decision-making. Any enterprise that prioritizes efficient analysis and information gathering is more likely to find a workable solution to problems like these kinds of pro decisions. Having information and knowledge that is efficiently structured is the first step to excellent communication and product delivery. In today's hyper-competitive business environment, information may function as a type of evaluation for businesses. The analysts are responsible for providing actionable knowledge, gathering relevant data, and compiling pertinent information to facilitate improved decision-making in any business process. Careful analysis is required throughout the corporate decision-making process of a business in order to get higher output since preliminary analysis may result in the usage of chance or luck. (Craig & Babette 2007, 9.)

4.4 Analysis of Supply chain

A successful supply chain has more outstanding sales, improved quality and cost, and successful product delivery. Businesses leverage the supply chain to gain an advantage over their rivals by providing clients with flexible and reasonable pricing, ultimately increasing profit margins. When it comes to supply chain management, analyzing what rivals overlook might help to identify possible areas of competitive advantage. Successful supply chain management analysis ensures a competitive edge through open lines of communication and the timely delivery of products to all involved parties. Businesses strategically using their supply chains are likely to attract a more prominent client base, with customers more likely to be satisfied with their purchases. It better serves by facilitating in-depth resource network explorations and information exchange (Craig & Babette 2007, 158 -159.)

5 ETHIOPIAN COFFEE

This chapter discusses the coffee industry in Ethiopia. The subchapters discuss the discovery of coffee in Ethiopia, its geographical origins, market trends, and exports. The discussion is based on secondary sources, like the Ethiopian coffee exporter web page, internet sources, books, and journals.

5.1 History of coffee

Coffee is said to have originated in Ethiopia when a shepherd called Kaldi spotted his herd awake at night after a long day eating coffee beans. He tried the beans, which allowed him to be active, and showed them to its nearby monastery since it spread worldwide (NCA 2022.) Coffee grows in several places in the world with varying altitudes. Arabica and Robusta are among the 120 types of coffee trees that are well-known globally. Buyers pick one of these coffee varieties depending on their quality and prices. Robusta is adapted to lower altitudes and high temperatures and is highly tolerant of diseases. For these reasons, its production in different countries is high, making it superior to some arabica coffee grown poorly. Even though Robusta coffee may be produced with high quality, it sometimes tastes awful. (Hoffman 2018, 12.)

Ethiopian coffee is cultivated mainly by smallholder farmers 95%. Coffee is found in various environments, including forests, semi-forests, gardens, and plantations. Multiple production systems account for up to 50% of the nationwide coffee output. (Minten, Derege, Engida & Kuma 2019, 371.)

5.2 Geographical origins of coffee in Ethiopia

Customers usually consider the quality and location of food goods when making a purchasing choice, so the kind, quality, and area of the product are so important. High-quality coffee with a geographical indicator of origin is vital for buyers in both local and international markets. Customers are constantly seeking and willing to pay more high quality with decent flavors, despite the fact that some fraud exists worldwide. The majority of the foreign currency earnings of Ethiopia come from the export of coffee to other parts of the world. Many people in the nation rely on coffee in some way, whether via owning farmland, marketing, or brewing. International purchasers are familiar with Ethiopian coffee types and locations where they grow up. Coffee bean growing areas influence local and worldwide

market prices (Worku, Upadhayay, Latruwe, Taylor, Blake, Vanhaecke, Duchateau, & Boeckx 2019, 1.)

Yiragacheffe coffee grows around 2000 meters above sea level in an area known for high arabica coffee. Its distinctness, intensity, sweet flavor, scent, and primarily berry character give this coffee bean a rich hand smooth taste with a clean finish. Gujji coffee is grown in the Gujji region, about 2000 meters above sea level. It has a well-balanced, winy flavor, ranging from sweet Lemon candy and floral coffee to intense green melon and rose. It is well known for having a tangy acidity that tastes great.

Sidama, this area is suited in the southern part of Ethiopia. Because of its perfect soil type, climatic height, rainfall, and temperature, the area produces coffee roughly 2000 meters above sea level and is the country's highest supplier of washed coffee. It is well known for its medium-sized greenish-gray bean. (Lucy Ethiopian coffee exporter, 2023)

Limu coffee is grown at an altitude of around 2000 in the Limu Oromia region of Ethiopia. There are two distinct bean varieties. One is more petite and more uniform in size, while the other is larger and more variable in color and shape. Both kinds have a robust, sweet flavor and a lively mild citric acidity. The beans cultivated in the neighboring areas are known for their spicy and winy undertones, subtle berry undertones, and flowery flavors. Harar coffee is a famous coffee in the international market with a medium to moderate acidity, a considerable body, a traditional mocha flavor, and a winy after-taste. Short berries and long berries are the preferred types among the two. Harar coffee is yellowish-green and dry-processed. Gimbi coffee grows at an altitude of 2200 above sea level. The coffee beans in this region are processed dry and wet mechanism. The coffee in the area is known for its fruity flavour and bright acidity. Djima coffee, The area has a long history of coffee drinking dating back hundreds of years. The region has the name KAFFA. The beans produce a good coffee with a wine-like flavour when roasted. Tepi and Bebeke regions grow coffee between 1200 and 2000 Above sea level. The coffee in these regions has medium up to low acidity flavor. Bebeke has a light citrus flavor compared to Tepi. (Lucy Ethiopian coffee exporter, 2023)

5.3 Market trends of Ethiopian coffee

In many aspects, coffee is an essential commodity sustaining Ethiopia's economy. Coffee is commercialized internationally and locally since it relates to the local culture. Arabica coffee is in demand, accounting for 90 percent of worldwide trade value, and is said to have originated in Ethiopia. In Ethiopia, large numbers of people make a livelihood from coffee. Following a specific nation, Ethiopia's coffee export ranks fifth globally and first in Africa. The coffee market attracts more customers worldwide because of its distinctive fragrance, taste, and properties (Muhie 2022, 1.)

According to the Ethiopian Coffee and Tea Authority, coffee export revenues hit \$1.2 billion in 2022, surpassing the previous record of \$900 million in 2021 by a significant margin. This year, the authority officials estimate more than one billion dollars in income. In less than a year, almost 210,000 tons of coffee were exported. The top purchasers of Ethiopian coffee were Germany, the United States, Japan, and Saudi Arabia. In recent years, China has started exporting Ethiopian coffee in bulk. Coffee is the principal export in Ethiopia. (Fortune, 2022)

5.4 Ethiopian coffee exports

Ethiopia is the home of commercial coffee exporters, coffee-producing farmer cooperatives, and governmental firms. Ethiopian coffee is shipped as green cherry beans, which recipient nations roast. Its outstanding quality earns it a prominent position in the global value chain. Ethiopian export of coffee creates significant revenue and foreign exchange for the country's economy and government. Even though high-cost coffee has been a substantial concern, the coffee value chain has expanded yearly. It is still crucial to Ethiopian trade and economy. The base and prospects for coffee production have been impacted by price, sustainably necessitating proper financing services (Goshu and Bassa 2019, 32-33.)

The Ethiopian coffee industry has undergone structural and performance changes supported by deliberate domestic policy reforms. These modifications affect coffee export in a variety of ways. The first change is that the private sectors of coffee exporters are now required to sell via the Ethiopian Commodity Exchange (E.C.X.). The E.C.X. contributed to creating a sound system, contracts, quality control, payment, and delivery. Second, to limit excessive and unlawful storage by exporters which artificially affiliate coffee prices. The government even intervenes in the coffee market to take measures and prohibit exporters who take surplus stored beans and sell them on their behalf. Third, the exportation taxation structure is well-facilitated to make it work for the sector. Finally, in the second month of

2005, an institution is founded to give value and brand to Ethiopian Coffee and make the country the world owner of specialty coffee. Ethiopian Fine Coffee Trademark Licencing institute commenced to support the success of Ethiopian coffee export and help producers of coffee in the country. (Minten, Tamru, Tuma & Nyarko 2014, 3-4.)

6 METHODOLOGICAL CHOICES

This chapter describes the methodological approach and methods of data collection and analysis. The research will use qualitative method to fulfil the research purpose and objectives. The chapter includes two subchapters about how the research is conducted. The first part discusses the qualitative research method. The second part discusses the data collection and how it is analyzed.

6.1 Qualitative Research Method

This thesis uses a qualitative research method. Compared to quantitative research, qualitative research focuses more on detailed information and quality from sample data, which usually uses small data compared to quantitative research. In some cases, the number of respondents determines whether the research is qualitative or quantitative. Most qualitative research respondents are less than fifty. Focus groups or interviews are conducted for qualitative research to gain understanding, which is impossible to get on more extensive surveys. Using qualitative research has various purposes. It will help to understand and examine the opinions and behavior of the interviewee or focus groups, and it also facilitates knowing the overall market conditions. Market conditions include size, structure, rivalry, and future potential (Hague, Cupman, Harris & Truman 2016, 45-49.)

The methodological approach is highly affected by available time and budget. Business researchers use surveys, focus groups, and interviews because they are cheaper than other qualitative research methods. Respondents are involved in surveys, focus groups, and interviews in qualitative research. They are approached for information and asked to reply to the best of their ability. Respondents might understand the questions wrong, answer inaccurately or not honestly, which the researcher must consider (Walle 2015, 49-50.)

6.2 Data collection and analysis

In research, both primary and secondary data can be applied. Primary data is the initial material created by a research project to acquire information using different methodologies. Primary data collection is often considered more accurate to the research problem since a researcher designs and collects it for specific research. Primary data collection requires a close connection with the sources to get data from

them. Secondary data collection differs from primary data collection in using existing data that has been acquired earlier by researchers, organizations, or governmental entities. Secondary data collection is a simple and cost-effective way of collecting data. (Sachdeva 2008, 109-110.) A researcher may utilize secondary data in a variety of ways. First, they may be used for reference by a researcher. For example, sources from general statistics from a particular notion with diverse data might be used as background material in studying the appraisal of cooperative credit organizations in a specific region. Second, secondary data may utilize as metrics to quantify research findings, such as comparing regional survey results to national averages. Finally, secondary data may be the only data used in a study. For instance, this study might help assess a company's financial stand, the market condition of a specific country or region, social studies, and many more (Satyaprasad and Kershnaswami 2010, 87.)

In this thesis, information from secondary sources was collected and analyzed in the context of the study purposes, and the results were presented to aid in the export entry process and provide valuable insights to the company. This thesis uses different websites, statistical data, and reports from various organizations. Statistics Finland, C.B.I., Foreign Affair of Finland, kahavi.fi., European Commission, info Finland.fi, Valtioneuvosto.Fi, and SCA Finland are used to gather secondary data. The secondary data was analysed and utilized to describe the Finnish business environment and coffee industry in chapter 7. The sources from the secondary data give insight for the organization to see the market opportunities and support the market entry strategy.

To collect primary data for the thesis, a qualitative interview was chosen as a method. Strategic choice of an interview must consider the interviewer's capacity, the interview purpose, and the interviewee's background. Structured, semi-structured, and unstructured are three types of interviews. Choosing among these three interview types affects the cost, time, interviewers' ability, and the act of interviewing. The interview style also affects the accuracy of the information gathered for the specific research (Walle 2015, 69-70.)

The unstructured interview gives the respondent more compliant and open-ended questions rather than asking Yes/No questions. To gather important information, both the interviewer and the interviewee have the freedom and flexibility during the interview, leading to good communication and research outcome. In this interview type, it is possible to get various responses, some of which will be surprising; this is one of the benefits of an unstructured interview. Unstructured interviews are suitable when a researcher wants to discover more. Due to the sophisticatedness of this interview type, the expenses are high. Companies even go for an external researcher to hold interviews as conducting them with

high expertise is essential. A narrative report is an outcome of an unstructured interview rather than a detailed analysis or summary (Walle 2015, 71.)

A semi-structured interview is related to an unstructured interview, which lets the interviewees respond naturally. The interviewers mostly guide the process to gain specific information for the research. The interviewer gives the respondent less freedom than in an unstructured interview to handle the interview on a particular path. This interview type is suitable because it keeps a smooth communication process. The interviewer is responsible for having technical information for the respondents, although compared to an unstructured interview, it requires less sophistication. It has the same appearance and a close conversational tone as an unstructured interview. This type is cheaper than unstructured interviews, although there is a high cost per interview (Walle 2015, 72-73.)

A structured interview is related to a survey in its structure. Often, a structured, maybe even strict, procedure is used. It might be hidden to put the subject at ease. Even though changes are allowed, the interview moves along with the help of a reasonably detailed script. The researcher can get an accurate answer as it gives respondents less freedom during the interview process. Even though it is an informal survey structured method, the data collected are analyzed quantitatively. The expert in this practice requires less experience as it is not sophisticated compared to other interview types. This method is less expensive than other interview types (Walle 2015, 74.)

This thesis will implement a semi-structured interview to achieve the research purpose and objectives. The interviews will be conducted with cafes and roasters to collect information about the potential of the roasted coffee market in Finland and to identify market entry strategies. The interviews will help to determine the export market potential of Ethiopian roasted coffee, its position in the market, its competitiveness, and roasted coffee competition in Finland and to understand the overall market condition of roasted coffee in Finland. The interviews were set up in advance with the interest of the commissioner. The interviews were done with five companies in Finland using an interview guide created for both cafes and roasters (APPENDIX). All interviewees agreed to interview for the thesis project. Cafe Kahvipuu, Cafe Stiina, Random Coffee Shop, Rogers Coffee, and Windy Hill Coffee Roasters were companies interviewed. The interview with Cafe Kahvipuu was with co-owner Pauliina Mattila. The interview with random coffee was with co-owner Agnes Mattsson. The interview with Cafe Stiina was with the owners, Suvi Pajula and Leo Korpi. The interview with Roger coffee was with the owner, Roger Snellman, and the final interview was with Windy Hill coffee roasters with the owner, Jouni

Salo. The interviews were conducted via face-to-face, phone calls, and email. The interviews took between thirty and fifty minutes, depending on the responses got from the respondents.

TABLE 1. Names of companies and the interviewees

Company name	Interview participants
Cafe Kahvipuu	Pauliina Mattila
Cafe Stiina	Suvi Pajula and Leo Korpi
Random coffee shop	Agnes Mattsson
Rogers Coffee	Roger Snellman
Windy Hill Coffee	Jouni Salo

Qualitative document analysis focuses on how individuals understand their experience and build their environment (Morgan 2021, 65). The procedures a researcher utilizes in collecting qualitative data can significantly influence the subsequent analysis of such data. The complex and nonstandardized nature of the collected data needs categorization during analysis to enable proper evaluation. Without this categorization, the resulting interpretation may only be impressionistic. The application of diagrams and statistics, such as determining the frequency of occurrence of specific categories of data, may prove advantageous during the phase. However, contracting a conceptual framework is the most probable approach to scrutinizing the qualitative data that one gathers. The development of this could have occurred either prior to or during the data collection process (Saunders, Lewis & Thornhill 2007, 474.)

Braun and Clarke (2006) explain six analysis phases of qualitative data. The thesis follows those six phases to analyze the interview results. The phases are familiarizing yourself with your data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the report.

The initial stage involved familiarizing oneself with the interview data by transcribing the spoken information. The process of transcribing involved a careful and iterative analysis through attentive listening. Following this process, initial codes were generated regarding themes and patterns. Potential themes are created from these codes and further developed into advanced themes. The final two phases were done by identifying the main themes with potential subthemes and proceeding to finalize with the report.

7 ANALYSIS OF THE FINNISH MARKET

In 2007, Finland's industrial economy had a greater G.D.P. per capita. The value of exports in 2007 was 65,5 billion euros, with electronics, machinery, and forest products being the majority of exports. The E.U nations account for a more significant proportion of exports than their counterparts outside the European Economic Area. Russia, China, the United States, Japan, and South Korea are the nations outside the E.U. zone that account for most of Finland's imports, valued at around 60 billion euros. In 2007, 17% of all imports originated from a developing nation. From 2004 to 2007, the proportion of imports from emerging countries rose. The average growth rate of overall imports was 13%, while the average growth rate of imports from the E.U. was 10%. The development potential is comparable, offering emerging nations especially intriguing prospects to expand their business with Finland. (Ministry of Foreign Affairs of Finland 2008, 5.)

Sweden and Finland started importing coffee in the seventeenth century, and the first coffee shop opened in the eighteenth century. Coffee was considered a luxury and consumed by the most influential people. In the 18th century, Charles XI carried a Turkish coffee maker to his country after many years since he lost a war that made him travel to Turkey. Turku nobles used boats to import coffee to Finland in the 18th century. Initially, coffee was consumed along the shore and in the residences of noblemen. Coffee gradually expanded as a delight for the whole population. 1773 Finland's first coffee shop was established in Turku (Kahvi, 2023.)

Despite the limited supply of roasted coffee from an international market, the imports of these products are growing more rapidly than the overall market. Due to the technological advancement in the industry, it has been hard for international investors to enter the sector. Specialty coffee and value-added products are gaining popularity in Europe these days. According to some estimations, Europe is the most significant consumer of green coffee beans, with 32 % in 2021. It is believed to continue leading in the future also. (C.B.I, 2021.)

Regarding roasted coffee consumption Europe also takes the lead here, one person consumes 5 kg of coffee per year. Following Luxembourg and Netherlands, Finland takes higher consumers of coffee per capita. Around 90 % percent of roasted Coffee is consumed in Europe in quantity. Less than a decade ago, roasted coffee consumption in Europe continued to increase, and the country's import of these

commodities increased by 11% yearly between 2017 and 2021. In contrast, these products' total imports rose by just less than ten percent. (C.B.I, 2021)

7.1 Analysing the Finnish macro environment (PESTEL)

This part of the thesis provides an in-depth analysis of the Finnish macroenvironment, including the country's political, economic, social, technological, ecological, and legal systems for doing business. Each section explains the viability of doing business and exporting coffee to Finland by looking into these different parts of the macro environment.

7.1.1 Political environment

Various government positions are up for election, including the president, congress, and country council. Elections for the European Parliament are also being held in the nation. Voting in local and European elections will be open to eligible foreigners and citizens of the country at the right age. The government will notify its citizens about the election day at least one month before. (Infofinland, 2023) According to David (2022) the political parties in Finland are the national coalition party, the social democratic part of Finland (SDP), the Finns, the center party, the Left Alliance of Finland, the Greens of Finland, the Swedish People's Party, and Christian democrats. The political factors in any country will variously affect its society. For instance, the fear of society is highly dependent on the strength of the political system in the country. The people of Finland have less fear of political issues as the system is free of fraud and dictatorship.

7.1.2 Economic environment

The lifting of the COVID-19 bans in 2022 led to improved backing up of global economic development. Lifting the prohibition helped Finland's economy grow by a certain percentage in the first months of that year. However, growth slowed the following year again to Russia's invasion of Ukraine. The Bank of Finland expected the Finnish economy to expand by approximately 2% by the end of 2022 (Finland's bank, 2022.) Finland's economy continued to grow in the first half of the year showing 3.5 percent growth compared to 2021. The cost of living was high, more challenging financial circumstances and a weaker external environment challenged the end economy. Thanks to solid economic demand, investment, and an inventory build-up, the national government debt is anticipated to

increase in 2023 and substantially stabilize in 2024, expanding the debt-to-GDP. Since the beginning of 2022, the country has encountered a contentious cost of goods and service inflation. The country's harmonized index of consumer prices (HICP) inflation stood the highest in 2022. Despite the inflation of 8.1 percent, the country's low use of fuel compared to other EU members helped to withstand the inflation. Between 2023 and 2024, the Finnish government expects inflation to be lowered to 4.2 % in 2023 and 2 % in 2024 (European Commission, 2022.)

7.1.3 Social environment

The people of Finland live in thinly populated and urban areas with an estimated population of five million. Metropolitan cities like Helsinki accounted for the majority of the population live. People who speak the major national languages in the country speak Finnish and Swedish. Other major languages, English, Estonian, Russian, Somalian, and Arabic also spoken, following the Swedish and Finnish spoken in the country. The people of Finland give value to anyone around them and treat them equally. Men and women are equal in every social and other matter in Finland. Men and women regularly manage their homes and work equally. People in Finland have much trust in each other and the government. People are free to say what they want and participate in social activities. Individualism matters for Finnish people, making it the most crucial part of Finnish law.

Additionally, Finnish people appreciate to have their own space. Youthful individuals are inspired to be apart from their families, move into their own houses, and set up their private lives. In general, society like and values sincerity and punctuality. The community expects people to arrive in an agreed and scheduled appointment on time or perhaps early. It is not acceptable to be late for a formal meeting. Therefore, if a person has an appointment with any official must arrive on time or, if possible, early. The people of Finland do not like raising their voices in public places, making them the most moderate society. They also highly admire hard work and persistence in their workplace. Outdoor entertainment and walking in the woods are Finland's most common ways of life. (Info Finland, 2022)

Finns follow requirements and laws when considering a company culture with high ethical and moral standards. They avoid corruption and bribery in any business. In commercial negotiations, Finns tend to be distant and direct. They are very punctual regarding agreed-upon hours and transparent when managing issues. The choice and communication are straightforward. The most significant aspect of the items recognizes the value when doing business with Finnish partners. Specific requirements, such

as product quality and fulfilling regularity, are in high demand. They are more inclined to create long-term business partnerships with suppliers whose goods meet the needs of Finnish partners. (Ministry for foreign affairs of Finland 2008, 8.)

7.1.4 Technological environment

The decision on technology policy is a high priority for the Finnish government and its ministries since it lays the shared vision and goals for Finland's technological future. In its parliamentary session, the government finally accepted the resolution on technology policy. The country planned and put a policy to be the most prosperous country in economic growth and technological advancement in 2030. The government has four important policies to fulfill the purpose of benefiting the country in the future. One is to make Finland the top technological hub and competitive nation. The second prioritizes scientific education, research, skills, and investments. The third makes Finland the most innovative in embracing new technology and policymaking strategies and making People and businesses profit from these national policies. Fourthly, the country significantly assists with innovative development and technologies that address global concerns. (Valtioneuvosto, 2022.)

Finland introduced many technological innovations to the world. The First SMS messaging Heart Rate Monitor, Nokia phones, the Web Browser, wind turbines, Reflectors for walkers, Saunas, Angry Birds, and 5G technology are some innovations making Finland the top technological hub in the world. (Business Finland, 2021)

7.1.5 Ecological environment

Finland offers many incredible natural resources to enjoy and explore throughout the year. The country is also known for its longest-cold seasons. December, January, and February are winter seasons. These months always have below zero and have between -20 and -30 degrees Celsius weather conditions, varying in temperature based on the region. Wearing proper winter clothing to keep the body warm is essential for health. The season is mostly darker compared to other seasons, making people anxious and tired. It is advisable to use vitamin D, therapy light, connect with society, have a good diet, and work out this season. Spring season starts in April, and it is warmer than winter. This season is greenish, mainly as the ice melts and the beauty of nature begins. July accounted for the hottest month in

summer. June, July, and August are the months included in summer. The temperature is an average of 20 degrees Celsius in these months. Summer accounts for almost 24 hours of daylight. Individuals must use a black curtain to sleep at night time. The Autumn season starts at the end of August and continues at the end of October. This season is full of beautiful tree leaf colors, making it attractive. The season is darker than summer and is subject to a windy and rainy season. (Infofinland, 2022)

Regarding environmental preservation, Finland consistently ranks well on the global rankings, like the international economic forum's Environmental Sustainability Index. Finland's advantages include cutting-edge ecological management and regulation and whispered consideration of environmental protection in all facts of life. (Finland. fi, 2014)

7.1.6 Legal environment

In Finland, everyone has the right to have his case heard equally and without waiting for a more extended period by the court and other public authorities. Every person has the right to petition a court or other judicial authority to review a decision affecting rights and obligations. The constitution also includes fundamental guarantees of due process and responsible government. The critical protection of these is the ability to appeal a judgment and have those decisions made public, as well as the ability to have a say in the matter and make the decision public. (Council of Europe, 2013)

The Finnish legal system comprises independent courts of law, general courts, and special courts; the prosecuting authorities, the enforcement authorities, the prison service, public legal aids, lawyers, and licensed legal counsels. The justice ministry is mainly responsible for carrying out tasks and obligations associated with administering justice and expanding court operation e-justice. (European union, 2020)

Companies that export goods to Finland face challenges due to the European Union's strict export regulations. Export procedures may be simplified with the right amount of effort and a focus on offering excellent service at a reasonable price to attract customers. E.U. law provides detailed guidelines for consumers, workers, and ecological protection. As a rule, food is held to the highest standards, while most specialized products must adhere to regulations unique to their respective fields. Selling to clients in Finland and elsewhere in Europe will be easier and will take less effort to follow European standards. Regulations and directives are the primary vehicles for enacting E.U. law. Each Member Countries will

follow the E.U. law and must be converted into binding national law, and regulations are immediately in effect (Ministry for foreign affairs of Finland 2008, 9-10.)

The E.U. legislation put forth product safety mandates forbidding selling products harmful to customers' health. Exporters use the C.E. approach to ensure their products fit the requirements of E.U. legislation and put the mark on the product they are exporting to the region. Keeping the safety of products and individuals will assist in reducing product liability cases while shipping to the E.U. region. All E.U. members guarantee food safety for protecting people and all living things with extensive food law regulation (EC178/2002). Restrictions may be amended as needed to maintain proper food safety. Animal and organic products must be certified and labeled by the E.C. regulations. E.U. guidelines lay forth the specific guideline Export of organic goods from developing nations (Ministry for foreign affairs of Finland 2008, 10-11.)

Companies must be conscientious when packing goods for export, ensuring they are safe and clean until they reach the consumer. If an exporter wants to sell a product for industrial or consumer use in the E.U., they must follow the E.U.'s packaging and labeling laws. The main goal is to protect the health and safety of consumers and give them valuable details regarding the products. Materials like plastic and cardboard in food packaging must comply with European Union standards. The importer must take steps toward reducing packaging waste and increasing package recycling per E.U. rules (Ministry for foreign affairs of Finland 2008, 12.)

7.2 Porter's five forces analysis

This chapter of the thesis discusses Porter's five forces to analyze the coffee industry in Finland. Market competitors, suppliers' bargaining power, new entrants, and the threat of substitutes for new products or services will be discussed individually to understand Finland's roasted coffee export market potential. Each section gives a brief explanation of the Finnish coffee industry in general.

7.2.1 Market competitors in Finland

Coffee is imported mainly from developing countries, where Brazil has the highest market share. The coffee trade is growing 1.7 % in one year on average, with slight changes blocking growth in the year

between 2013 to 2017. Value-added coffee, like specialty coffee, shows a tremendous 7.1 % growth as demand increases. The affordable coffee mix like Juhla Mokka (Paulig) is well known and famous in the country. However, some customers in Finland prefer high-quality, variety, and specialty coffee in the market, while this trend can be seen in Europe also (C.B.I., 2019.) current competitors in the segment includes Kaffa roastery, Helsingin Kahvipaahtimo, Turun Kahvipaahtimo, Mokkaestari, the Cafetoria, and the most prominent company Paulig opening a small roasting company by the name Robert´s coffee. The company also engaged in the specialty roasted coffee trending in Finland's capital. (C.B.I., 2019)

7.2.2 Bargaining power of Suppliers

The bargaining power of suppliers in the coffee industry in Ethiopia is moderate and sometimes high due to the shortage of supply. Such deficits exist naturally or are human-made. Riots and wars caused the human-made shortage in coffee-growing regions. Shortages allow suppliers to enforce their demand, such as raising the price of coffee beans which gives them high bargaining power to supply for companies. A roaster company mostly buys coffee beans from small farmers, which offers the company a balanced bringing power.

Brazil, followed by Colombia, Honduras, Nicaragua, Kenya, Guatemala, Ethiopia, and Tanzania, are suppliers of Coffee for the Finnish market. High-quality Coffee, such as arabica, is in great demand in the Finnish market. Kenya and Tanzania are such crucial suppliers to Finland, showing how much the country values high quality and variety in its suppliers. (C.B.I, 2019.) the figure below shows the coffee suppliers in Finland and their supply in percentage.

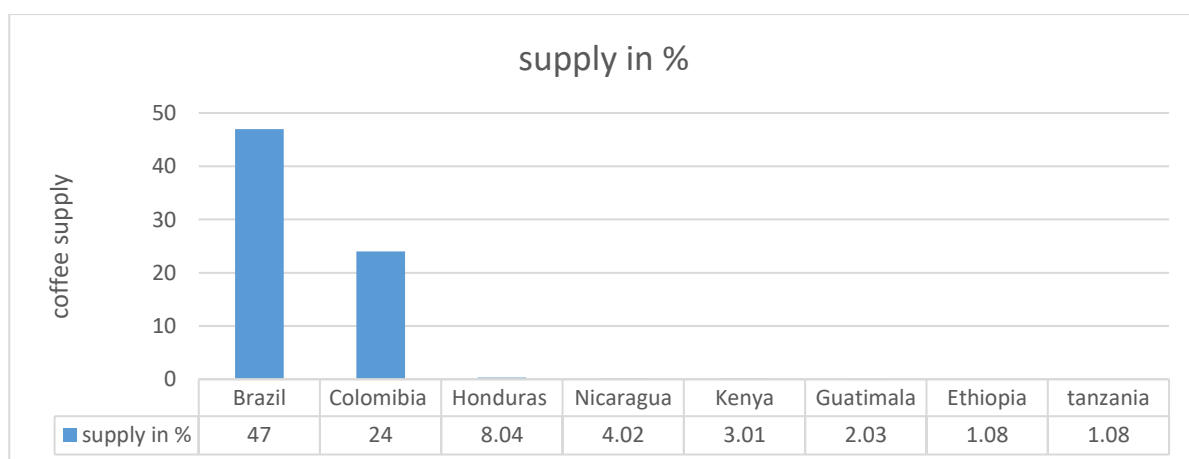


FIGURE 2. Leading suppliers of coffee in Finland (adapted from C.B.I. 2019)

7.2.3 Bargaining power of buyers

The bargaining power of business-to-business buyers is high because the coffee industry has many suppliers. With few cost variations, a customer might choose another supplier as it also works for profit. According to C.B.I (2019) the price range of roasted coffee in Finland is between forty-three as high end and seven euros as the lower-end price per kilogram. The organization states that many coffee roasters are providing roasted coffee to customers. Therefore, the company must consider adjusting costs to moderate buyers' bargaining power to enter the Finnish coffee market.

7.2.4 New entrants in the market

Specialty coffee preparation by small-scale roasters is trending in the country these days. Paulig dominates the coffee industry, with a high market share in importing coffee, retail shops, and the largest retail shops in Finland. However, those small-scale roasters are growing within the coffee business. Twenty small-scale roasters exist in the country, selling their products via online shops and coffee shops. The Finnish market offers growing potential in the specialty sector, where small-scale roasters play a more significant role. In one year, many micro-roasters in Finland produce roasted coffee of fewer than 1000 kilos. These micro roasters often have their specialty store built within them, and they also sell coffee online via the Internet, like Kaffa Roastery and Cafetoria. (C.B.I., 2019.)

7.2.5 Threats of substitute products and services

The number of Europeans who choose specialty coffees is rapidly expanding. Coffee beans of the Arabica variety are highly regarded throughout Europe. The number of local coffee roasters and specialty coffee stores throughout Europe has risen recently. There is no shortage of coffee shops or coffee shop chains. The number of new coffee bars opened in 2016 was the greatest of any restaurant category, reflecting a significant increase over the previous year. High-end coffees with single origins and a compelling backstory are becoming more popular throughout Europe, particularly in the northwestern region. Europe has a diverse roasted coffee industry due mainly to its vast range of coffee-drinking

customs and consumer tastes. Depending on the kind of coffee bean and the degree of roasting done to it, there may be a wide range of flavours. For instance, southern Europeans choose a dark roast, whereas northern Europeans prefer a mild roast. When roasting Arabica coffee beans, it is best to go for a light roast for many Europe nations. (C.B.I, 2022.)

Even though the Finnish people are known for drinking coffee often, they also consume other beverages. The nutritional benefits of tea and the provision of more interesting mixes contributed to its increasing popularity among the Finland test-conscious masses. Mushroom drinks prepared by Finnish friends in 2012 also became more popular in the country. The mushroom powder will be prepared in a tea bag and added to boiled water before it is served. The mushroom tastes good as coffee does to consumers. (Koivola, 2020.)

7.3 Strategic groups in the coffee industry

Through SCA Finland's membership program, the Finnish coffee industry is open to individuals and organizations. Annually SCA Finland organizes world coffee events competition, which includes the barista championship, breweries cup, cup tasters, and latte art competitions. The person who wins the contest shall serve as a representative of Finland in the global coffee competition. Table 2 below lists specialty coffee roasters and cafes in Finland that are a member of SCA Finland SCA Finland (2023) Table 2 also shows the number of businesses related to coffee and their current location in Finland. YA Coffee is a micro-roaster in the coffee industry and must be grouped into micro-roaster companies. Paulig Group and Kaffa Roastery are big roasters in Finland, grouped in different strategic groups. Therefore in table 2 below, all coffee roasters except the Paulig group and Kaffa Roastery are in the same strategic group as YA Coffee. Table 3 presents the data on the startup of Finland's coffee and tea business. The table illustrates the number of enterprises established during the period spanning from 2018 to 2021. The year 2021 shows a noticeable increase in growth compared to previous years, indicating a steady increase in coffee and tea establishments in Finland.

TABLE 2. Members of the specialty coffee association of Finland (Adapted from SCA Finland, 2023)

Member of SCA Finalnd	Location in Finland
Artisan Coffee	Helsinki
Cafetoria Roastery	Helsinki, Espoo and Lohja

Cafe Solo	Vasssa and Pori
Coffea	Jyvaskyla
Holemaen Coffee	Helsinki
Kaffa Roastery	Helsinki
Kaffecentralen Finland oy Ab	Helsinki
Kahiwa Coffee Roasters	Lahti
Lehmus Roastery oy	Helsinki
Kahvila Savy	Helsinki
Meria.fi	Helsinki
Moccamastter Nordic	-
Paahtimo Papu	Jyvaskyla
Paulig Group	Helsinki
Rogers Coffee	Pietarsaari
Slurp Coffee	Helsinki
Unison Coffee	Joensuu

TABLE 3. Establishment of coffee and tea enterprises (Adapted from Statistics Finland,2023)

Establishment of enterprises (year)	Tea and coffee processing (number)
2018	39
2019	42
2020	42
2021	50

7.4 Customer segments

YA Coffee intends to appeal to two main customer groups. The organization may develop a more tailored and successful marketing program by better understanding customers' requirements, tastes, and purchasing habits. Cafes purchase roasted coffee to serve to retail consumers visiting their shops.

Roasters purchase Coffee to roast and sell to their clients in various marketplaces. These two customer segments are further analyzed based on the interview data. The findings are presented in the next chapter.

8 RESULTS OF THE INTERVIEWS WITH CAFES AND ROASTERS

This part of the thesis discusses interview results with cafes and roasters in Finland. The chapter has three subchapters presenting the finding of the interviews with cafes and coffee roasters. Three interview results with cafes and two coffee roasters and summary of the results discussed.

8.1 The finding of interviews with cafes

This section of the thesis will analyze the interviews conducted with the respondents, and the resulting findings will be presented and discussed. Owners of three cafes were interviewed for this thesis. The primary outcome of the discussions will be analyzed individually to examine the diverse responses. Finnish individuals own those three cafes, and all serve different kinds of coffee, other beverages, and pastries. They provide their customers with different roasted coffee brands from local and foreign companies.

8.1.1 Interview summary with Cafe Kahvipuu

Cafe Kahvipuu started its business in the year 1993. The cafeteria has multiple owners but, since 2019, has been primarily run by two people, Pauliina Mattila and Aki Pusa. The cafe serves its customers in Kokkola and Tampere. The cafeteria serves drinks and baked goods to customers at quality and reasonable prices.

Regarding the coffee product, the company offers a diverse range of items sourced from Finland and Sweden that are competitively priced. As per the respondent's opinion, they prefer providing high-quality products to their customers; currently, two distinct variants of brewed coffee are being marketed, namely Presidentti, a light roast produced by Paulig, and a dark roast by Löfberg. The specialty coffee is made using coffee beans that undergo dark roasting, resulting in a flavor profile that exhibits subtle notes like berries.

The entrepreneurs believe that exporting roasted coffee to the Finnish market through the roaster will succeed due to the Finnish population's preference for coffee and the wide range of options available,

indicating potential for new entrants. The interviewee put forward that social media has become increasingly influential in contemporary times, thus presenting a promising avenue for promoting new merchandise.

8.1.2 Interview summary with Cafe Stiina

The establishment of Cafe Stiina was in 2017, marking the commencement of its business operations. The cafeteria provides its customers with affordable beverages and pastries while maintaining high-quality standards. The company procures coffee commodities from vendors like Löfbergs, Windy Hill coffee roasters, and Bellarom's.

The interviewee strongly believes a company with a high-quality coffee brand will have a significant likelihood of success in Finland, mainly in proximity to major urban centers where the coffee culture is thriving. The recommendation for the company to venture optimistically in and around large cities would be a promising option for a new business endeavor. As per the interviewee's statement, it was observed that the Finnish population holds honesty and openness in high regard and esteems these qualities greatly.

8.1.3 Interview summary with Random Coffee Shop

Random coffee shop joined the coffee business on the 20th of October 2020. The cafeteria provides its customers with affordable beverages and pastries while maintaining high-quality standards. The company buys coffee products from Löfeberg company, originally from Sweden. The company uses social media to promote its products to its customers. They use social media to promote coffee products like arabica, specialty coffee, and other beverages and pastries.

According to the interviewee importing a new brand into the Finnish market is challenging. The biggest challenge to entering the market is high competition. The fact that Finnish company owners are devoted to their preferred coffee brands is a further barrier to importing roasted coffee to Finland. The company strongly suggests that any company entering the Finnish market must work on promoting its products to different businesses like hotels, cafes, and restaurants.

8.2 The findings from the interviews with coffee roasters

This thesis chapter will focus on interviews with coffee roasters, and the findings will be presented and discussed. The interview includes participation from two coffee roasters. The principal result of each interview will be independently analyzed to look at the range of responses. Individuals from Finland own these small-scale coffee-roasting businesses. Both roasters use various types of coffee; for example, both roasters use specialty coffee and Arabica coffee from South America, Asia, and Africa.

8.2.1 Interview summary with Roger Coffee

Roger Coffee was started in 2015 in Jakobstad by Roger, who had developed a passionate interest in coffee making. The coffee business started in a home garage with a two kilograms roasting machine. The owner bought a small amount of coffee beans from a supplier and sold them to customers. The promising growth of customer demand presented an opportunity to acquire a cafe in the heart of Jakobstad. The company currently uses a roaster that roasts up to 12 kilograms simultaneously. The company roasts raw beans up to 5000- 6000 kilograms annually. The company buys its raw beans from a UK supplier with a storage location in Lithuania, and coffee beans are from Africa, Asia, and South America. The coffee beans are transported to Finland in trucks.

The company uses different techniques to sell its specialty coffee to customers. It uses the Slurp coffee company to sell its products, from its cafeteria to long-time customers and the city market in Jakobstad. The interviewee pointed out that selling specialty coffee in the Finnish market is a big challenge because there are plenty of cheaper options. He also explained that the quality of the inexpensive products is not specialty coffee. The interviewee suggests that roasters not export roasted coffee to Finland because specialty coffee customers expect freshly roasted coffee and fast delivery. The company finally recommends that roasters contact customers weekly and supply freshly roasted coffee and continue doing that to build strong customer relationships.

8.2.2 Interview summary with Windy Hill Coffee Roasters

Windy Hill coffee roasters started the roasting coffee business in 2018. The respondent explained that they had a deep desire and passion for roasting coffee before the company began its business. The company is a family business based in Kokkola. The company sales grew and are growing little by little through receiving orders from customers. The company prepares different kinds of coffee products, for instance, customized coffee gifts for individuals and companies. The company sells its products in Kokkola retail shops, companies, and cafeterias. The beans roasted are Arabica from South America and Africa. The company tested and tried Robusta coffee from Asia (Vietnam).

The respondent suggested that importing roasted coffee is possible, but roasting in Finland is highly recommended due to the freshness of the product. The interviewee also pointed out that starting small, building a good relationship with customers, and promoting coffee products online is good. The respondent suggests cheaper products exist in the market, but selling specialty coffee is better because it is growing.

8.3 Summary of results

This chapter discusses the interview results based on the research purpose and objective. This part combines the coffee roasters' and cafes' experiences in the coffee industry, their coffee type, the supply chain, and their recommendation for YA Coffee's market entry strategy.

8.3.1 Coding the data

Initial coding was done after summarizing the interview and being familiarized with the transcribed data. Table 4 describes the data extracts from the interview transcripts and the initial codes. This table supports establishing a theme in the next step of the data analysis.

TABLE.4 Data extracts and initial codes

Data extracts	Codes
<ul style="list-style-type: none"> • The cafeteria provides its customers with affordable beverages. • The cafeteria serves drinks and baked goods to customers at quality and reasonable prices. • He also explained that the quality of the inexpensive products is not specialty coffee. 	Affordable prices are the best option.

<ul style="list-style-type: none"> • freshly roasted coffee and fast delivery • The respondent suggested that importing roasted coffee is possible, but roasting in Finland is highly recommended due to the freshness of the product. 	Good quality coffee is a priority.
<ul style="list-style-type: none"> • The company Buys coffee products from suppliers in Finland. • The company buys coffee products from Löfeberg company, originally from Sweden. 	A good supply chain is necessary.
<ul style="list-style-type: none"> • The company strongly suggests that any company entering the Finnish market must work on promoting its products to different businesses like hotels, cafes, and restaurants. • The interviewee also pointed out that starting small, building a good relationship with customers, and promoting coffee products online is good. • It uses the Slurp coffee company to sell its products, from its cafeteria to long-time customers and the city market in Jakobstad. 	<p>Selling products using different techniques</p> <p>Selling products using the Internet</p>

8.3.2 Established and main themes

Combining related codes creates subordinate categories, which are interpreted to create themes. The researcher used a mind map to organize codes and themes across layers. Table 5 describes the Participants' Background in the coffee roasting businesses and the shared features in the coffee industry. Table 5 also shows the establishment of themes.

TABLE 5. Participants' background in coffee roasting business and commonalities

Commonalities	Participants
Five years of experience in the coffee industry	All participants
Small scale business	All participants
Arabica coffee users	All participants
The roasting volume is above 1000	All participants
Uses suppliers to import coffee	All participants
Buys from Suppliers in Finland	Jouni salo
Buys from Suppliers out of Finland	Roger Snellman, Jouni Salo
Selling coffee online	Roger Snellman, Jouni Salo

Table 6 describes the participants' background in the coffee cafe businesses and the shared features in the coffee industry. Table 6 also shows the establishment of themes. All interview participants show the same commonalities in their experience in the coffee industry, size, the product they use, and companies from which they buy coffee.

TABLE.6 Participants' background in cafe business and commonalities

Commonalities	Participants
Five years of experience in the coffee industry	All participants
Small scale business	All participants
Arabica and specialty coffee users	All participants
Buys coffee products from suppliers in Finland	All participants
Buy coffee from foreign suppliers.	All participants

The mind map in figure 3 below shows the potential and market opportunities of the coffee industry as a central theme. It shows organized themes in a diagrammatic presentation to show the potential of the Finnish market.



FIGURE.3 A diagrammatic representation of established themes

9 CONCLUSION AND DISCUSSION

This section of the thesis summarizes the thesis project and suggests valuable recommendations for market entry in Finland. The initial subchapter provides a comprehensive summary of the thesis project. The part that follows presents a brief description of various market entry suggestions for the coffee sector in Finland.

9.1 Summary

Deciding to enter a foreign market requires careful analysis and research because foreign markets differ from domestic ones. Going international plays a vital role in any organization to growth and experience. Especially value-added products like coffee are challenging to export from local to foreign markets. Before entering a foreign market, companies must investigate the country's business environment, conduct an industry analysis, choose a good entry strategy, and manage the supply chain.

The purpose of this thesis was to identify the market opportunities in the Finnish market for Ethiopian roasted coffee and determine the export strategy for the commissioner to enter the market. This thesis provided valuable tips for Ethiopian coffee roasters wishing to enter the Finnish market. This thesis used different techniques to achieve the objective and purpose. Primary and secondary data sources are used to make the report reliable and valid. The primary data was collected and analyzed by interviewing potential cafes and coffee roasters operating in Finland. Secondary sources were collected and analyzed using websites, statistical data, and reports from various organizations. Finally, this research highlighted some helpful guidelines for Ethiopian coffee-roasting companies to enter and expand in the Finnish coffee market.

Based on the information from different sources, Finland is a potential market for roasted Coffee with some shortcomings. The Thesis analyzed the possibility of a roasted coffee market in Finland through Macro environment and industry analysis. The company has a competitive advantage on the Finnish coffee market because it has direct access to coffee farmers and can make more moderate prices for the product it sells than local coffee roasters. Introducing the company's products in the Finnish market is also recommended.

The thesis used reliable sources while writing the theoretical chapters and research chapters. The Centria University of Applied Sciences library database, books, and other reliable internet sources were used to achieve the research purpose and objective. The interviews were conducted formally with cafes and coffee roasters. Before the interviews, rapport was built with the interviewees via phone calls, visiting their business place, and email. The research reliability is not fully guaranteed, as only five interviewees were made. During the interviews, some challenges arose from rescheduling the interview date affecting the time and making it tight with other interview schedules. The research also used secondary sources to collect data, supporting the thesis project's purpose and objective. The sources used in the secondary data collection were reliable, and credible sources were used.

The thesis is generally valid, given that the information obtained from the interviews and secondary sources utilized in the study met the research purpose and objectives. Based on the results of the interviewees and secondary sources, cafes in Finland will buy high-quality coffee that is produced responsibly and offers a favorable quality-price relationship. Coffee roasters are more interested in buying raw coffee beans than roasted ones. Therefore the company must work with cafes in Finland.

9.2 Recommendation for market entry

This section offers suggestions for the market entry strategy of YA Coffee, which has shown interest in entering the coffee market. A feasible market entry strategy is imperative for success in a new market. Consequently, the suggestions are formulated based on the findings and analysis of the research.

Despite the company's experience in the global marketing of its product, it lacks any prior involvement in the Finnish coffee industry. The absence of proficiency in the native language poses a challenge for the enterprise to market its goods within the region. Therefore, recruiting overseas agents within the production country for indirect exportation represents a viable alternative for penetrating the Finnish coffee industry. The major drawback of the indirect export mode is a lack of appropriate market knowledge, low profit, and a lack of the Finnish coffee-drinking culture for a better understanding of customer preferences. Opening a foreign sales branch is also another option for the company. The company can open a temporary sales branch and analyze its viability. It will be expensive for the company as it is a micro-roaster.

Engaging in direct exporting helps YA Coffee reduce expenses paid for a third party and maximize profit. In direct exporting, YA Coffee can be advantageous by marketing the product, distributing, getting customers' direct feedback, and creating good relationships with customers abroad. Although direct exporting has many advantages for the company, there are also challenges to entering the Finnish market with an entry strategy. For instance, the company must do all the necessary procedures to export the products to Finland, which creates a heavy workload, increases expenses, and limits understanding of the Finnish coffee market.

YA Coffee should establish an online export strategy. Despite its relative size, an online presence would enable the company to reach many consumers in the Finnish coffee market, potentially simplifying market access compared to the conventional export channels. The organization must devise a strategy to incorporate digital channels into its comprehensive sales approach for the enterprise.

Since the beginning of the COVID-19 pandemic, there has been a notable increase in online buying and selling activities within Finnish society. A significant proportion of Finnish consumers prefer purchasing from domestic online retailers in the foreseeable future, as opposed to foreign ones. Buying from neighboring countries and the European Union is currently trending. Similarly, over 50% of individuals intend to decrease their internet-based purchases from China and the United Kingdom (Helsinki Times, 2022) Only three percent of the Finnish population is not using the Internet in 2021. The Europe E-commerce report indicates that Finland has over 80 % of online customers to buy products. In 2021, the E-commerce market worthed more than seven million dollars and was expected to reach around eighteen billion US dollars between 2023- 2025, expecting a significant percentage growth and up to four million users. There are many available online stores. The biggest online stores many customers in Finland use are Zalando, grocery stores K-Ruoka and Foodie, Chinese platform Ali express, and DX.com (ecommercenews.eu, 2022.)

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interview question

For coffee roasters

1. How long has your business been in the coffee roasting industry?
2. Which coffee types are you roasting and distributing currently? Can you explain the reason?
3. From what country are you importing coffee beans? Can you explain the reason?
4. How is your company import coffee beans, and which freight service do you use?
5. Do you think the roaster company will succeed by exporting roasted coffee into the Finnish market?
6. Do you have any recommendations for roaster to enter the Finnish coffee market?

For cafes

1. How long has your business been in the cafeteria business?
2. What type of coffee is your company currently using?
3. Which company's coffee products are you using in your cafeteria?
4. Do you think the YA coffee roaster company will succeed by exporting roasted coffee into the Finnish market?
5. Do you have any recommendations for YA coffee roaster to enter the Finnish coffee market?