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BUSINESS MODEL

Cross-border shopping center

Thesis

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1 INTRODUCTION

The topic of the thesis is business model “cross-border shopping center”. I have been following cross-border business activities for many years. I visited for the first time the cross-border shop Rajamarket in Vaalimaa border crossing point many years ago. This shop is run by Vaalimaan Kauppakartano Oy, it was established in 1998. In addition in the same area there are two small shops, which are run by other companies.

For many years I have been interested in establishing my own business. The first significant project was a nursing home in Kangasala municipality in the former Pikonlinna hospital (Pikonlinnan sairaala). In order to start this business, I needed to get a permit from the local authority (Regional State Administrative Agencies). Despite two Bachelor degree’s I already had, I was demanded social work studies. Later on I made calculations and as a profit I got just an average salary for myself. Business with this kind of profit makes no sense.

The second project were SPA in my home village Korkeakoski in Juupajoki municipality. There is a building of former Emil Aaltonen’s shoe factory. The building is in quite a good condition and the environment is rural and it is situated by a lake Tehdäsjärvi. The problem with this project was financing, a huge investment for renovation was needed. The amount of renovation cost would be at least five times bigger than the building itself. The geopolitical location is also uncertain, because this is rural area a bit far from the main roads, and the payback period is going to be possibly long. Without starting capital it is not easy to get financing.

The next project was Ylinen. It is a former rehabilitation center for disabled and mental handicapped people in Ylöjärvi. Pirkanmaa Health District (PSHP) made a decision to concentrate all activities for disabled people in Nokia, Pitkäniemi area and to get rid of Ylinen. A good business plan and calculations were made again. I searched for an investor in Russia through my network, but without success. As an example I took Pikonlinna Oy’s model. Anyhow the payback period and revenue grow were very slow there.

At the end of the day I found out that the cross-border shop is one of the most attractive businesses for a person of Russian background with business education. Nowadays the market is held by three strong competitors. One of them is Atma Trade Oy whose only owner

and establisher Mohamad Darwich made tens of millions of business from nothing. The other is Vaalimaan Kauppakartano Oy. Main products of whose companies are tea, coffee, cosmetics in large packages with low price. The third one is Disas Oy, which main business is a wide range of fresh and smoked fish producing and selling, in addition it has a large assortment of grocery products. The situation changes every year, because new border crossing points are renovated and the middle class in Russia continues to grow. One of the potential places to start a new business is Central Karelian cross border point Niirala. There are no strong competitors around and it looks like they are not coming in the near future. The strong market holders in the south have had huge enlargements in the last years and they can't expand any more, also they still don't believe in the potential of Niirala. Another reason, why I chose this topic is the expansion of the number of people, who cross the border between Russia and Finland in Niirala. If compared from 2009 to 2013 the number was grown by more than 40%, and last year reached more than 1600 000 people (Finnish Border Guard report, 2009-2013). This thesis is confidential, because its content gives quite precise information about the author's personal business and competitors.

By this thesis I want to create my own business concept of border shop close to Niirala border crossing point and establish my own business in the previously mentioned location. Cross-border business is very up-to-date in Niirala region. It is proved by the Regional Council of North Karelia, which started, project "Development of businesses on highway nr. 9" (EU projects, Social fund).

To explore this topic it is needed to study theoretical issues in this field. The main study fields are the pointed basics of existing market's marketing research and benchmarking. For business creating I will study business models and their generation.

Thus, the second chapter of this thesis will be dedicated to the background of this research. First will be studied marketing research in general. Then I explore types of marketing research to see which type is suitable in this case. At the end of this chapter I will study how marketing research should be conducted and what the quality meters of good marketing research are. Further I will study benchmarking, because this is quite a useful method for market newcomers. Also in this chapter I will study a business model and what it is. Then I will study types of existing business models. An important question in this area is to understand how to generate own business model which will be more competitive than others. Further

ground theory about the business plan will be studied, how to generate a good one on the base of the business model.

The third chapter will be used to state research questions and methods. I am going to discuss methodology here. Upon the marketing research data studied in the theory part I create a study plan and find out data sources for marketing research. Further I found out about the practical part of benchmarking, I choose a type of study and find out other practical aspects. Then I will choose the participants (best practices) of benchmarking and find out that the main part of investigation there will be interviews with enterprises' representatives. In order to conduct the above mentioned interviews I need to build a survey or at least a survey frame, this will be done at the end of this chapter.

Chapter four will include the results of the marketing research. I will be looking at the present situation in cross-border markets: a general review and customer streams. After this I am going to analyze the best practices according to benchmarking criteria. Also here business models for each studying enterprise are going to be defined. At the end of the chapter they will be compared with each other.

The fifth chapter is also a practical part, where upon theory ethical study I will try to create my own business model, which is the base of every sustainable business. Upon my business model I am going to build a business plan for my further cross-border shop business.

The aim of this study is to find and analyze theoretical material about marketing research, business model generation and business plan creation. I need to study cross-border markets precisely to understand the business environment, opportunities, main suppliers, demand and customer streams. By studying the best practices I need to find out what the companies' business models are and what kind of value a customer is looking for. To penetrate new markets with a medium-sized company, the job should start by studying the market situation. Without knowing the market situation it's impossible to succeed and be sustainable.

In this work I try to understand what is meant by a business model and a business plan. I will study here business model generation and marketing research on the study case of a new cross-border shop. I will define the best practices in the existing cross-border market, examine competitors' activities and try to understand their business models or at least to identify their main features. Based on all practical work, I will create my own business model and business plan.

The research question in this thesis is the strong demand for a cross-border shop near Niirala border crossing point. There are possibilities for this shop to succeed and make large profits.

2 BACKGROUND

Before starting any business you need to know the business environment in the entire area, to know customer streams and demand. In order to study this it is needed to conduct marketing research. Finally to create own business model I need to look at other business models to see how in this business environment sustainable business is created. Without a marketing theory it can't be research this field. So I need to find a theory base to reach my goals.

Thus, in this chapter I am going to find out what is marketing research. Then I will take a short look at the marketing research plan and its parts. Then I will find out about benchmarking and how it differs from standard marketing research.

2.1 Marketing research

There are many theories about marketing research, one of them is Kotler's (2000, 103). He says that marketing research is the systematic collecting, analysis of data relevant to a specific marketing situation of goods or services. Marketing research is based on applied research to solve marketing problems or to make the right decision for managers. Marketing research can assess the potential of the market, market share, to understand customer satisfaction and purchase behavior; also it can measure the effectiveness of product pricing, distribution and promotion activities in specific markets.

American marketing association (Bennett 1988, 115) defines marketing research as a tool that connects the consumer, the customer and the public through information to identify opportunities and trouble. Using this information marketing actions may be generated, refined and evaluated. Also it is possible to monitor marketing performance and understand marketing as a process. In marketing research I find information to explore those issues, also I design, manage and implement methods of collecting information. In the end the results must be analyzed. By marketing research I get new opportunities and avoid marketing failures.

McDonald and Malcolm (2007, 365) make a difference between marketing and market research. They say that market research deals with research about markets. On the other hand, marketing research deals with research of marketing processes. Marketing research is needed to find out the best way of information flowing from institution to a customer.

Smith and Albaum (2012, 1-5) say that marketing research is about the relationship between customer, company and competition. A company has to understand what a customer wants from their products. This relationship is always influenced by competitors. You have to identify your customer and competition before starting a research project. Solutions for most business problems can be found through marketing research.

According to Karunakaran marketing research should be conducted before a store is open. The challenge needs to be defined correctly, then start collecting the data and transforming the data to useful information. Marketing research identifies customer needs; describes particularly a client profile, also the strength of the need. (Karunakaran 2008, 89-90)

Nairs (2009, 2-3) tells that you may use marketing research as a tool for solving any problem in the marketing field. Marketing research is systematic, objective information search and analysis. Marketing research is an aid in decision making. Information gives power and broadens the views of a problem.

Here were defined most of the points of the modern views on marketing research. It has goals and deals with information. The next chapter will look at how marketing research can be implemented in practice. This is an important part because only theory can't give us results, I need to know how I will structure this work and which parts it consists of.

2.2 Marketing research process

Marketing research is a marketing tool. Marketing research process consist of steps, which should be strictly structured in order to avoid failures, to get only proper information and to reach target goals. The process begins with a definition of the problem and research objectives. It should be command work. In this part of the research the type of the research needs

to be defined. Data collecting techniques should be chosen properly. As a result of the marketing research process you get a report, which helps management in decision making.

According to Kotler there is exploratory research that puts light on the real nature of things. Another one is descriptive, which searches certain magnitudes, for example how many people drink coffee in addition to buying things. And the last one is causal, it tests the cause-and-effect relationship. For example if it is charged 50 cents for coffee, would clients buy more biscuits. (Kotler 2000, 105-106)

Kotler defines that the second step of marketing research is developing a research plan. Here I gather all the needed information and what it will cost. The first aspect in this step is data sources. I use primary and secondary data. Usually a good, easy start could be secondary data, because it's easy to reach and it is low cost. The next method is research approaches. This information collection is done through observation, surveys, behavioral data and experiments. Kotler tells that research instruments are used to collect primary data. It may be used different kinds of questionnaires, qualitative measures and gadgets. When using this type of research it must be created a sampling plan, in which subject of survey will be defined, sample size and sampling procedure. Contact methods could be by phone, by mail or online. (Kotler 2012, 213-225)

Choosing the right methodology for marketing research is the key issue. There are plenty of methods of data collection, but all data can be classified to primary and secondary. Secondary data already exist; it is collected for some other purpose. There are two kinds of secondary data, internal and external. Internal secondary data consist of reports, sales statistics, stock analyses, loyalty cards and account statements. External secondary data consist of general statistics (Government websites, Euro Stat), newspapers and magazines. Primary data are obtained for the entire research by questionnaires, focus groups, postal surveys, telephone surveys, customer interviews or internet feedback. (Karunakaran 2008, 95-96)

In marketing research I can implement qualitative or quantitative research methods. The quantitative method is used when a lot of data can be used, such as online questionnaire, on-street or telephone interviews. The qualitative method helps to understand trends and reasons; it shows the trends and help to generate ideas. It is conducted by individual depth interviews. (Snap Surveys)

The third step by Kotler is collecting of the information. This is most expensive part and it's prone to error. There could be a lot of problems in this step, for example many of the respondents can't be reached and they must be replaced, other will refuse to answer one or more questions and finally there will be biased or dishonest answers. Data collection methods can be done in person, by post or through telecommunications: by phone interviews, online questionnaires, or loyalty system. The fourth step is information analyzing, consist of averages and measures. The last step is presenting of information to relevant parties. It is important that in this step information will be presented in correct way, otherwise all research will be useless. After this Top management make decisions upon research results. (Kotler 2000, 114-115)

Here it is studied the marketing research process in general. Each of research process steps is defined. This information will helpful in conducting marketing research in Cross-Border markets. Most efficient and productive way of study new markets is to study the best practices and create better one. In order to do this it is needed to study the best market players (competitors). One of the ways of study the best practices is called benchmarking. It is one of the marketing approaches.

2.3 Benchmarking

Benchmarking differs from the standard marketing research that it is studying only best practices, so it is narrow the research only on the particular companies on target segment of the market. So this method can save researcher's time and expenses, because research is focused. Let's define the benchmarking and look on its specialties.

Bagiev tells that, benchmarking is not a method of marketing research; it's rather the function to conduct the marketing research. The benchmarking can be used as tool of the market newcomers. The benchmarking aim is, upon research results, to find out if a new business can be sustainable and to be able to make a good profit. Using of the benchmarking increases company's competitiveness. (Bagiev et al. 2000)

In benchmarking it can be compared business processes and performance metrics to industry bests or compare with best practices from other industries. Usually as metrics it can be used costs, business strategy, and quality, all other dimensions are also possible. In the benchmarking performance can be measured by specific indicators: cost per unit of measure, productivity per unit of measure and others. By benchmarking managers can study the most efficient way to do things, they can implement other company practices in their work. (Fifer 1989, 23)

Patterson says that product development, pricing models can be benchmarked, by which more profit from clients may be reached. There are some other marketing processes possible to benchmark, such as channel management, marketing communications, marketing information management, marketing planning and marketing implementation, this means processes which are based on strategies. (Patterson et al. 2008)

Using benchmarking, a company can meet customer requirements better. By analyzing other companies you can get information about consumer demand and responses. Adapting the best practices helps an enterprise to match customer expectations. Implementing benchmarking, a company becomes more competitive, long-held ideas are used. Leading companies have better resources to develop innovations two-times faster than an average company. Benchmarking can be used as a problem solving tool, you can learn how competitors solved the same kind of problem. Creativity grows inside the company, regular benchmarking is like cleaning, you always find things that you don't need or can be arranged in another way. (Patterson et al. 1995, 19-24)

Now it will be found out how to define the best market players. Bagiev tells that the best market players are usually known by competitors. In another way it has to be found the biggest market players and measure their activity by simple metrics such as revenue growth, number of clients and profit amount, in advance a search it may be implemented ROI, ROE and etc. (Bagiev et al. 2000)

One of the ways of conducting marketing research is benchmarking. This way is usually chosen by start-up businesses to understand how things are done by existing market players to create a vision about their own business model.

In the chapter above benchmarking in general is defined, but benchmarking has its own classification. To implement benchmarking in this research the proper type need to be chosen, so in the next chapter let's go through the main types of benchmarking.

2.3.1 Types of benchmarking

In this part I want to study the benchmarking more deeply by defining types of benchmarking, and possibly find out what the differences between them are. There are more than 15 types of benchmarking, defined by a different authors. In this section I are going to study only those that are relevant to this thesis. I chose six most applicable types. Now I am going more deeply to this aspect.

Let's take a look at Patterson's Benchmarking Basics book (Patterson et al. 1995, 31), which studies this subject very carefully and deeply. First I am going to examine *internal* benchmarking. This type is performed in every organization and it is done between units or divisions. This is the cheapest and fastest type to do. The internal benchmarking assumes that there are differences within an organization because of the geographic, financial or personal situation. According to Kulmala this type is used in huge organizations.

Camp (1989, 62) names this type of benchmarking as an *external* or competitive benchmarking. This type is the most difficult one, because no organization wants to share its secrets with competitors. Most of the information is already public, so newspapers, the internet, released legal documents, literature searches and competitors' press releases can be used. This type of benchmarking is time-consuming, the types of sources are: questionnaires, databases and plant tours. When you do the questionnaire/interview method competitors may be threatened by the possibility to give out information that gives you a competitive advantage that you don't have now. Anyhow, this approach is worth trying. In some industries it is the best way to conduct benchmarking research.

In the competitive approach there are several factors that may help: history of strategic alliances in the same industry, information that the target company is not the direct competitor,

collected data that will be kept secret. It is worth comparing information from competitors with information from public sources. Do not copy information that competitors gave, adapt it. In this case you will be better than your competitor. You may convince your competitor to allow you benchmark one of their processes. You must convince your competitor that this action is made for them. (Patterson et al. 1995 p.32-33)

A *collaborative* benchmarking allows limited information exchange anonymously. Information is exchanged between a consortium of companies. This is a good way to start, because this type of benchmarking is cheaper. This type concentrates on quantitative statistics rather than on qualitative analysis, but it is still good getting worthwhile ideas. (Patterson et al. 1995, 34)

According to McGonagle & John (1996, 76) in a *shadow* benchmarking there is a comparison competitor-competitor without the partner knowing what you are doing. Conducting is not easy and information is incomplete, so you have to have an experienced benchmarking team. Shadow benchmarking gives you a new data that can help you to improve your processes if they are the same as the competitor's.

Kulmala says that a *functional* benchmarking is comparing your processes with similar ones in the same industry. In this type researches concentrate on the area of special expertise. The risks of adapting information are too high. The benefits could be high as well, because you are comparing your activities with no direct competitors. This type takes time and it's difficult to sell to managers.

According to Patterson et al. (1995, 36) the last one, a *word-class* benchmarking, is comparing processes that are the same regardless of the industry. It's difficult to find participants, because the most relevant partner is reluctant to participate. This type is very costly, takes 12-24 months, but gives as a result great ideas to improve key processes.

I took a look at the benchmarking types but choosing the right one is the most difficult part. Patterson et al. (1995,38) tells us that the best way of examining competitors is to take a look at their customers, the best companies always have a passion to communicate with external and internal customers. For penetrating a new market with strong competitors Patterson suggests us to choose the shadow benchmarking.

In this subchapter I went through the types of benchmarking. An internal is used inside huge organizations. An external is a more difficult one, because no organization wants to share

information with others. In this type of the benchmarking information were got from the open sources: company's website, public statistics organizations, governmental structures. Also information in this method could be collected by the interviews or the plant visits. The next type of benchmarking was the comparison of a competitor with a competitor without them knowing you are conducting it. This type of research is incomplete, because you can't get all information you need. There is also a functional type, where you compare similar units of different companies in the same industry. Finally I have the world class benchmarking, it's the same kind as functional, but you compare the same processes regardless of the industry. Choosing the right type of benchmarking is one step to reliable results of research and reaching the target goals.

2.3.2 Benchmarking Process Model

In the marketing part I went through the marketing research process in general. In this part I will inspect the Benchmarking Process Model, so how benchmarking should be conducted, to get the best results. This is a very structured process, it should be conducted step-by-step. Let's take a look at Kulmala's model.

The process starts by determining the subject of the research, identifying the customers and their requirements. Next you have to identify the benchmarking partners, in this stage you decide what sources of information will be used. The sources could include a competitor's employees, reports and databases. Then I move to collecting and analyzing benchmarking information. During this stage I establish information collecting methods. Information is analyzed according to the requirements of research. The final part is "take action", which is maybe a report or a presentation and follow up activities of product development or strategy decisions.

According to Patterson et al. (1995,51) important things to benchmark are: strategic importance of organization, anything that affects quality or costs, things that make the highest

percentage of fixed or variable costs, anything that supports company's success, and all other factors that separate your organization from competitors.

To be able to choose the best matching organizations for this research, Patterson et al. (1995, 54) presents a matrix for me, upon which I can make the selection. The criteria could be service orientation, company size, 25% improvement in sales or profitability year-to-year and I can think about other criteria as well. In each criterion points are given, summarize all points and chosen the right companies for research.

When the right participants are chosen, now I will see how to do the questionnaire. Before making a survey research objectives have to be defined and problems to be conceptualized (Iarossi 2006, 31). Kozak (2004, 139) gives advice here as well, he says the best way to ask is by phone or to pay a visit to the target company, some can give good results by email. Possible questions can be about the way of treating customers, what management systems are in use? Anyhow, never ask questions you wouldn't answer in your home organization, and never ask a question you wouldn't be able to answer about your own processes.

I have to choose the way of conducting the benchmarking. As previously said in the marketing research chapter, the data collection could be done through interviews and surveys. Here I use Howitt's (2005, 56) types of surveys, they are interview and questionnaire. The questionnaire is usually paper-pencil type, which the respondents complete themselves. The interview is like a discussion, the questions are more broad and open-ended. The main disadvantage of a questionnaire is a very low response rate. Interviews are more personal discussions, sometimes you don't give really time to think about the answers, and the response is most reliable. In business research it's even better, because a respondent in an interview will tell something that in a normal situation they won't. An interview is easier for the respondent. For example in telephone interviews there are so called cold calls, when you just call the company and ask very important data from the company.

Iarossi (2006, 10-34) says that in the beginning the first interviews can be as pilot-projects, so I can see what questions work and what are better not to ask. I have to take into consideration the duration of the interview, the coherence of content. Survey managers should use creativity and diplomatic skills; interview should be smooth in the way of a nice discussion. The questions should be short, long questions could lead to the wrong direction. Use simple language. In one question you have to ask only one thing, not many. Avoid technical terms,

or abbreviations such as return on equity (ROE). Not all entrepreneurs have a business education background. Avoid negative or double negative expressions. Be specific, try not to use words “usually”, “bad”, “good”, “rarely”, they can mean different time limits or things for different people. Upon Zukerman (1972, 159) you should ask questions that are applicable to the respondents, asking “Where did you complete your doctorate” from a non-PhD person is completely useless.

Finally in the chapter two, a review of the theoretical material was carried out, it were studied what marketing research is, after this was discussed the marketing research process. It was found out that for a new market penetration the branch of marketing research, which is called benchmarking, could be used. Types of benchmarking was studied and it was found out that for this research the most suitable is the shadow type of benchmarking, because there are already strong competitors and I are about to establish a new business in the existing markets.

The last part of this chapter I went through is the stages of benchmarking research. Upon this structure of my own research’s practical part can be seen and desired the information may be gathered. After the market area is clear, I know the point where I have to make pressure it’s a time to build a business model and upon it a business plan.

I the next part I am going to speak about a business model. In my practical work I am going to create a business model and a business plan for a border shop. A good business model creation is a guarantee that my future business plan will be correct and the future business will run smoothly. In order to do these I am going to try to find out what the business model is, and then I will examine the business model elements. After the building blocks are found, I will study the business model building technique.

2.4 Business model

Here I will deal with the business model, its elements. Finally I will learn how to build a business model. In the beginning I will try to explore what a business model is. In general a business model is the ideology of the company, a description how a company is going to

make money, what resources a company would need. Also a business model describe possible partners and distribution chains. This study is based on Osterwalder's (2000) business model generation theory. This theory describes it very clearly process of business model creation. This theory shows different ways of business model generation, its elements in the most successful and innovative company's examples. There are many theories of business model creation, but Osterwalder's (2000) theory is very close to practice. To explore a business model in general I will study economic gurus' Stewart and Zao, Mayo and Brown, Slywotsky etc. definitions of a business model, they explain the topic very broadly. Based on the above mentioned studies I will try to define a business model in the most accurate way.

Osterwalder et al. (2000, 53) tell concisely and clearly that a business model describes the structure how an organization creates, delivers and captures value. The business model should be understandable for all managers in the organization. Stewart and Zao (2000, 125) explain a business model as "a statement of how a firm will make money and sustain its profit stream over time". On the operational level the model means an architecture configuration. The focus is on the operational process and the design helps to create value. Services can be delivered in different ways, administration done in an efficient way, resource management adjusted and logistic work properly. Mayo and Brown (1999, 150) define a business model as a structure of components to create sustainable and competitive business. Strategic level decisions of the top management give the firm a position on the market and the company's opportunities grow.

Slywotsky (1996, 140) says that a business model shows the way, how a firm chooses customers, creates its offerings, allocates resources, makes the tasks how to perform itself and capture profits. Morris (2005, 270) sums up that a business model is the set of decisions that leads the business strategy, created architecture and economy to build a sustainable and competitive enterprise in the defined markets.

In this part of the second chapter I went through the most relevant definitions of a business model, which, in my opinion, most clearly gives an idea of a business model. Finally I can see that a business model is an architectural structure, which consists of certain components and it is done to create value for customers and profit for stakeholders. A business model is a strategic tool for the top management and wrong element of a structure will affect another one, so to build it correctly there is need to find out the main elements of a business model.

Also the relations and connections between these elements affect its structure and sustainability.

2.4.1 Business model elements

In this part of the second chapter I will discuss business model “building blocks”. What information should they consist of and how they are related to each other. Here as a frame Osterwalder’s, Peng’s and Wagner is theoretical views will be implemented.

I start to make this puzzle from customer segments. Each organization serves its customers business to business or business to customer. A company may have one or several clients. Customers are the heart of a business model, without customers an enterprise will not survive long. An organization should choose its customer segment and which segment to ignore. A successful organization defines customer needs, and what a customer willing to pay for. (Osterwalder 2010, 16-21)

To solve customer problems and satisfy them there are need to create value prepositions, this value could be a service or a product. Each value preposition serves requirements of specific customer segment. There could be innovative value prepositions that describe a new offer, or they could be for existing market with added features and attributes. For example Skype vs. mobile phone with a touch screen. (Peng 2009, 71)

The next block is channels, this describes how a company communicates with customers and how it delivers the value preposition to clients. This block includes: awareness, evaluation, purchase, delivery and after sales. Parts of it are usually outsourced. The channels could be direct or indirect. (Osterwalder 2010, 26-27)

Osterwalder (2010, 58) says that a company needs to establish relationships with the specific customer segments. The level of relationships may differ from personal (pharmaceutical companies to physicians) to automatic (Skype). Customer relations may be driven through acquisition, retention or boosting sales. In a normal company, I am are not considering here

non-profit organizations; the main target is to get a big revenue and a good profit from it. The revenue is arteries of the business model. Revenue streams are a result from the value proposition offered to customers. There are different kinds of revenue streams: asset sale (selling of products), usage fee (hotel room), subscription fee (gym) and renting/leasing. (Wagner 2013, 25)

The next big part consists of 3 blocks: key resources, key activities and key relationships. Let's take a look at each one. The key resources include the most important assets, which make a business model work. They are physical, intellectual, financial or human. The key activities include production, problem solving and network or platform. The last part of this trio is the key partnerships. The main players of this part are suppliers and alliances with non-competitors. (Osterwalder 2010, 34-39)

The last element is a cost structure, this element includes fixed and a variable costs. The company chooses if it wants to be value or cost-driven. The cost-driven are for example low cost airlines, they try to do everything to minimize costs wherever possible. The value driven are for example luxury hotels, they provide with customer personalized services. (Osterwalder 2010, 40-41)

In this part I went through the main blocks of a business model, every business model should contain each of them. In the next part I am going to match all pieces together and create a business model canvas.

2.4.2 Creation of business model

Building a successful business model requires reliable building materials and a perfect building technique. In this part I am going to explain business model is most used design methods.

Osterwalder suggests us to use a canvas as a concept of a business model creation. On this canvas are positioned 9 building blocks, which are the initial parts of a business model. The canvas should be placed on the wall or a table and the model creation team fill the blocks

with post-it or write their ideas with markers. By seeing the whole picture each member of the team can always see what happened on the canvas. This style of the business model creation helps to visualize ideas and business model can be modified by each member of the team. Without this concept it's difficult to systematize assumptions. This business model could be a blueprint for the strategy. (Osterwalder 2010, 14-15)

The first technique I am to consider is called *customer insights*. According to Buxton this is customer-centric design. This technique studies first client needs and the ways of relationships clients want to establish with an enterprise. The best way to understand a client is to live with him, in his environment to experience the same things that he faces in everyday life. Tomorrow's growth segments can be outside of today's cash cows. This technique also shows what client doesn't really need. (Buxton 2007, 41-62)

The second technique is *ideation*. This method is based on innovative ideas creation. It could be composed by brainstorming in a team of employees of different level, age and race. In this technique each of the blocks is desirably innovative. As a result of this method one can get from three to five potential business innovations, using canvas I can compare them all and choose the most suitable one. (Osterwalder 2010, 134-145)

Osterwalder says that the third technique in business model creation is visualization (Osterwalder 2010, 146). The business model design team paint ideas with drawings in each plot of the canvas, post-it notes can be used as well. By sketching all elements on the canvas, viewers can see the whole picture of a business model. After the pictures are done, it's important to set a relationship the between blocks. Visualizing helps to keep ideas in "written" form, because human being is not able to keep ideas long in short time memory. When a model is created, it can be discussed between the creation team members. (Buxton 2007, 277-298)

The next technique Osterwalder described is *prototyping*. In this case he is creating many different ways of creating a business model. One can focus for example on the free delivery of a product, another one of the sponsoring fee, the next one on internet sales and so on. Then he evaluates each model's pluses and minuses, this gives possibilities for new directions of exploration. This type of planning is a new way of thinking. It helps to create multiple business models across industries, it encourage opportunistic thinking and it is design focused. (Osterwalder 2010, 160-169)

A *storytelling* is a method to imagine a business model through a story. It can be spoken as a presentation, presented by video clips or role play, shown by text and images or even presented by a comic strip. The benefit of this method is that the model is presented in an engaging, tangible way. This is a good way of pitching investors. Investors don't want to know that you are the next Google. They want to know how you create value for customers. (Osterwalder 2010, 170-179)

Pillkahn thinks that scenario-guided business model design is a creation of a new business model or innovating an existing one. If compared with visual thinking, prototyping and storytelling, scenarios make abstract tangible. There are usually several versions of a business model based on two or more criteria. Comparing each part of the model you can develop the most appropriate business model. (Pillkahn 2008, 259)

No good business could be started without a proper business model and a business plan. In this part of the second chapter there were studied six techniques by which you can create a business model. Each technique suits only for a certain type of business. For example, scenario-guided technique suits for new business or in innovating new one. In the next part I will describe briefly business plan idea and also make the connection in between a business plan and a business model.

2.5 Business plan

“Measure thrice and cut once”

In this part of the second chapter I will speak about a business plan and its relation to a business model. A business plan is a plan of action for future business. The structure of the company, customer relations, its financial streams and human relations (HR) all make the base of a stable business plan. It's an outline of the future company. A business plan is based on a business model. It's explaining the idea of the business activity. The first part of a business plan also includes information about a business environment (product demand, competitors), SWOT, data about the entrepreneur, information about the product or services

provided by the enterprise. Important parts of a business plan are HR, operation management description and a detailed structure of the company. The second part consists of financial information.

According to Smith (2012, 33) a business plan provides details of your business and it is built upon a business model. Facilities, equipment and staff planning belong to a business plan. It explains marketing strategies, how you are going to attract clients and how you will be dealing with competitors. On the other side a business plan explains the financial stability at a particular time of a new business and gives a further forecast. A business plan supports a business model and explains the steps to achieve the goals of a business model. A business plan is very dependent of a business model. A business model explains the money flow into the company and a business plan explains the structure needed for that money stream.

Weklar (2014) emphasizes that a business plan is made for investors: banks or other financial institutions. It should base on facts, not only on that this business is profitable. Profit trends should be calculated for 2-5 years. She (Weklar, 2014) says that every business plan should contain an Executive Summary. It is a short snapshot of your business, here you have to grab the reader's attention and sell the significance of your business. The next part is the company, here you can tell your mission or purpose, what will be your products and services, advantages, remember to tell about your intellectual potential. The next is a market analysis. Here you can tell about the situation on target markets based on demographic data and geographic locations. You can show market needs and how they are covered until now, describe how your solutions will be better than competitors'. After the market analysis it's important to study direct and indirect competitors, how you will overcome the barriers of entering a new market.

According to Pinson (2004, 5) each business plan should contain a financial part. In start-up businesses this part will show projected financial statements and it's mainly designed for potential investors. The financial part consists of summary of financial needs, dispersal of loan funds statement, cash flow statement (budget), three-year income projection, breakeven analysis, balance sheet, profit and loss statement and financial statement analysis. Documents should be well-executed. This will provide you with a realistic view on your business in terms of profitability. A potential investor or lender usually checks the financial section first.

In the second chapter it was studied the business model and plan from a theoretical point of view. The aim of this work is to create a sustainable cross-border shop, and to establish such a company there is need to create a business model and a business plan. In this chapter the business model and plan were defined. It was found out, that a business model is an important part of a business plan. Each business model is individual, blueprinting may be used, but it is better to create one's own business model, using elements from the existing business models. The business model elements were studied in particular, and finally it was found out how to create my own business model. In this research the canvas technique were found which will surely help author in the practical part to build our own business model. In the last part of the chapter I took a look at the differences between a business plan and a business model. In the end I found out what the elements of a business plan are. This theoretical information will be useful in my own business model and business plan creation.

In the theoretical part of this thesis were created the base, found solutions and ways of study for future practical work. In the beginning I went through marketing research basics, it was studied how to choose the right methodology. I focused on benchmarking, which is the most suitable approach for newcomers and its increase in the future company's competitiveness. Also it was studied benchmarking types: internal, external, collaborative, shadow, functional and word-class. I will choose the right type of benchmarking for my cross-border marketing research. In the end I explored the structure of the questionnaire and the features of conducting this type of research. Finally I inspected the business model theory and found out elements which it consists of. I found a business model creation technique. This would be useful in building of my own business model. At the end of this chapter I found out about a business plan and its connection to a business model.

The next chapter will be dedicated to the methodology. I will define research question, speak about research methods. Then I will explain in details how research process were conducted and what parts it's

3 RESEARCH QUESTION AND METHODS

This chapter is dedicated to define the aim of this study, to find out how this research will be helpful for the author. And what goals would be achieved by this study. Also I will take a look at the methodology of this research, what are my tools to get information I need and to achieve the goals of this thesis. At the end of this chapter I will go more deeply in to the subject, define the participants of this research and criteria by which they are chosen. The research methods used in this study are marketing research and benchmarking.

3.1 Research Question

The aim of this study is to find and analyze theoretical material about marketing research, business model generation and business plan creation. I need to study cross-border markets precisely to understand business environment, opportunities, main suppliers, demand and customer streams. By study best practices there is need to find out what the companies' business models are, and for which customer value must be created. To penetrate new markets with a medium-sized company marketing is the basic thing, without understanding these things it's impossible to succeed and be sustainable. Finally it is possible to define the research question: *There is a strong demand for a cross-border shop near Niirala border crossing point. There are possibilities for this shop to succeed and make large profits.*

3.2 Research Methods

In this chapter I will consider the research methods used in this thesis. The first important tool is the marketing research. It is used by each start-up company. Without understanding the market situation and true demand it is impossible to build a good business model and create a sustainable company. Benchmarking were chosen as the research tool in this work to study competitors' business models and to complete the marketing research at the demand point of view. The benchmarking is used as well for new enterprises or wherever there are needs to improve existing operations. Furthermore I will speak about the methods of choosing participants of benchmarking. After the participants are chosen, they will be listed in this chapter.

3.2.1 Market research

I am are going to conduct marketing research according to the criteria by Kotler presented in the theoretical part of this study. The first step will be defining of the research problem. There is need to research cross-border markets, as a prospective field for own business. Secondly I will draw a research plan. I will divide it into 3 separate parts. The first part is the business situation in general, also about place, what businesses are more sustainable in this area, which places are the most attractive for newcomers. The second part will be about competitors. Who are my prospective competitors/partners, why? Could my prospective businesses competitors be partners? And last, the third part will be about the demand and client streams. I have to understand what is about demand in this area, client streams, types of clients, desired time of receiving service.

Next I have to find out the appropriate solutions of the data search. I can collect the primary data from interviews with business representatives, clients, employees and relative

parties. Such as the municipal structures: Tohmajärvi and Parikkala municipalities. Business development organizations such as Keti (Central Karelia Development Company Ltd.), and Development of businesses on highway nr. 9 project. It will be discussed in next chapter about the structure of the interview. Also a good source of primary data collection is on-site visits. The secondary data it is possible to get out from the media, the cross-border market grows explosively, so media write a lot about new shop openings and about other noteworthy events. Other data needed in this research are from the financial side, financial statements for limited companies in Finland in Public data and they could be checked from economical newspapers such as Kauppalehti, Taloussanomat, Finnish Business Information System (YTJ), “Yritystele”. The last one is not a very reliable one. General information can be found on Finish statistic center web-resources (www.stat.fi). Information about border crossings numbers, prospective customer groups and relative issues can be found on Finnish border guard website: <http://www.raja.fi/en>.

3.2.2 Benchmarking in practice

This chapter will be dedicated to the practical aspect of benchmarking. Here the best market players will be defined and analyzed best market players. I’ll try to determine each company’s business model and find out why this business has succeed in the cross-border market. Furthermore I will find out if these companies match with the benchmarking criteria from the theory part. After this I’ll try to find elements that will be useful for my own business model. Also I am going to find out the level of competitors’ aggressiveness. Also I will look for possible collaboration solutions. In this work I will use questionnaires, telephone surveys and other possible data, which are listed in the annex.

To conduct marketing research I choose the qualitative method because the number of cross-border businesses are limited and the main players are well-known. In this case marketing research is an important tool to solve this thesis research question. What is the marketing situation in the region, is there demand for my products, are there enough prospective clients

to maintain my operations and bring a profit and growth? Those are the main questions to solve by marketing research in this work.

The aim of this marketing research is to get a glue what is a cross-border shop means. What kind of business models are implemented in this kind of enterprise. Also process descriptions, popular products, general situation in cross-border business, established costs, marketing strategy will be useful. Upon the nature of research descriptive research was chosen, this type of research helps to describe the situation on markets and market potential, also the attitudes of customers that buy products.

As data collection methods secondary data will be used as internal, to use financial statements and annual reports, which are public in Finland. External data might be useful, because in primary data entrepreneurs probably will not share all information that is needed. Primary data will be collected through individual questionnaires and cold calls, also enterprise visits will be conducted.

As research design to this work were chosen benchmarking, competitive type, because the target company does not exist yet. The things explained in the theory were in practice. Rajamarket's CEO in his phone interview of 18.2.2014 gave very superficial information, on the other hand there was a lot of useful information. For example how to find out the top 10 products: go to the target shop and collect receipts from a trash bin near a cashier. Also from the same source can be counted the margin by knowing the wholesale price, and even the shop revenue, because the revenue from the annual report doesn't always show the real situation.

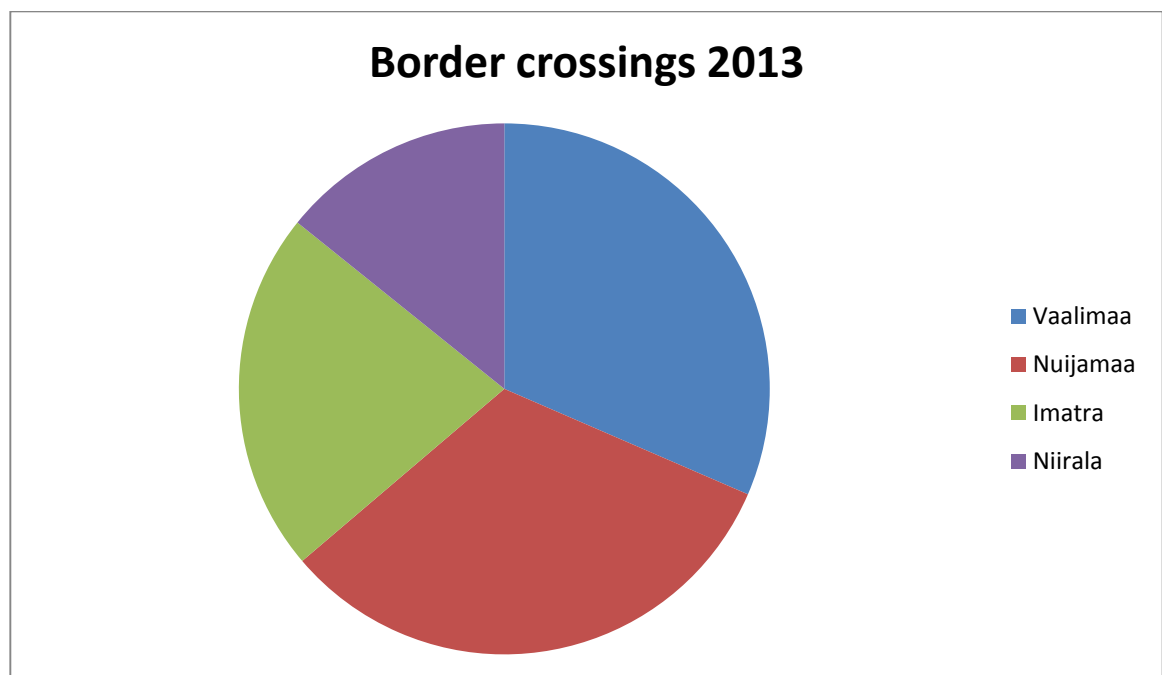
This type of benchmarking is suitable for experienced professionals. In one of my jobs as a project manager, I was penetrating a new market in Russia with Finnish product, that time I had to do a lot of cold calls to competitors to get information about the new market. This gave experience that could be implemented in this work.

On the other hand shadow benchmarking maybe more preferred, but the problem is that information should be quite precise to count all costs and the start-up budget.

The analysis and interpretation of the data, as well as the research report will be presented in Chapter 4 (Results).

3.2.1.1 *Choosing of Participants*

Here there will be a discussion about criteria how to found out the best practices. I already found out in the practical part how I can choose the participants. The first criteria, the participants should be in the target segment of the market. So it should be cross-border shops and they could be considered perspective competitors of my business. The main focus in this segment is done in the south of Finland in the border crossing points of Vaalimaa, Nuijamaa and Imatra. Karelian border Niirala is on the fourth place of border crossings. There is one prospective border crossing point in Parikkala, it's in the middle of Imatra and Nuijamaa, but this project existed already for many years and always it was postponed. Anyhow, there is an important promoting thing: Russian government builds, as part of a European Union project, St.-Petersburg-Sortavala highway, which is just 20 km away from Parikkala, and it should be ready by the end of the year 2014.



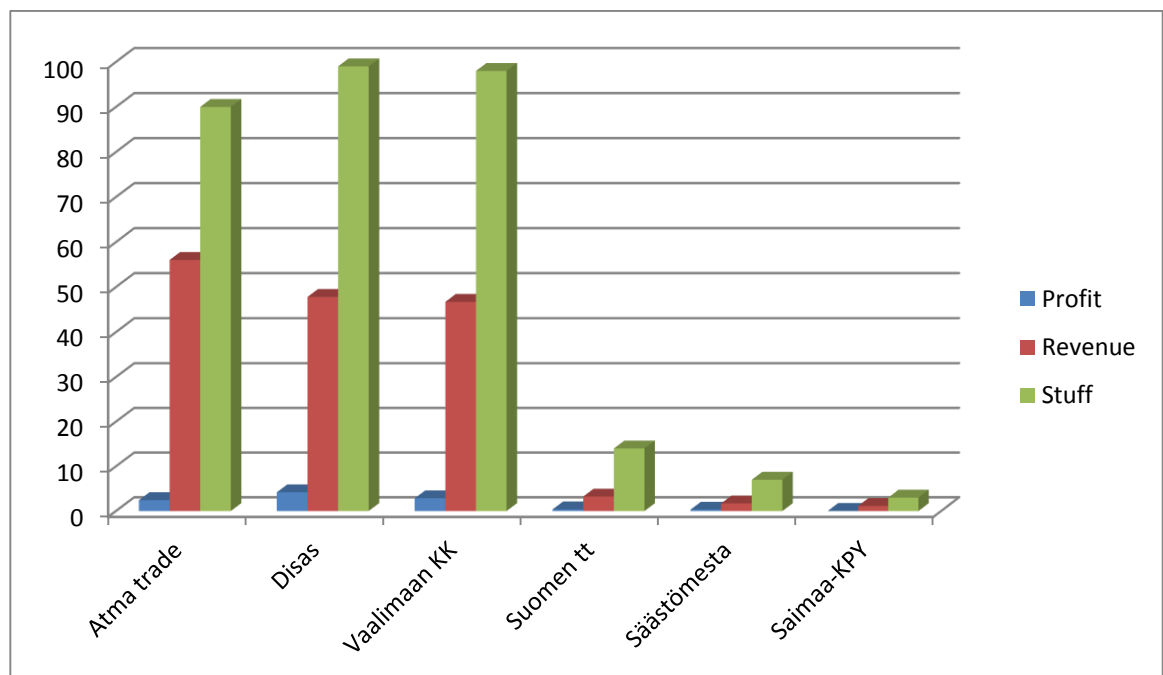
Graph 1. The Finnish border guard statistics, www.raja.fi

So I found out that by the position that belongs to Kotler's marketing mix (Kotler 2000), I can define Vaalimaan Kauppakartano Oy, Rajamarket (present in Vaalimaa, Imatra), Atma Trade (Nuijamaa, Imatra), Scandinavian (Imatra), Disas (Vaalimaa, Nuijamaa, Imatra).

The above mentioned are the main competitors, with some exceptions, the main focus of Disas is fish selling, but they still sell a lot of grocery.

The other participants were chosen rather by the location close to the border, and they may be considered competitors, such as Saimaa-KPY-Trading Oy (close to Vaalimaa), Suomen Tavaratorit Oy and Tohmajärven Säästömeistä Oy (close to Niirala). Itä-huolinta can be considered a small competitor. I found out that a strategically important company is Rajapysäkki Ky, because it is situated immediately after border crossing point Niirala, so its position is brilliant, there are need to analyze this company in the sense of business opportunity.

The best practices can be found by size. In order to find out the biggest one I can use simple meters such as revenue growth, number of clients and profit amount. The fastest growing is Atma Trade, it has the biggest revenue and the best profit. Graph 2 shows the data on which the base selection is done.



Graph 2. Finnish economical information portal, www.taloussanomat.fi and other sources, 2013

In the next sections companies will be introduced and then analyzed the companies one by one upon benchmarking material. I will try to define each company's business model, also I try to find out the reason for success or failure. In addition I am interested in operation management and establishment procedures.

3.2.1.2 Building survey

The goal of this study is to build working and competitive business. To do this I have to benchmark existing players to find out how they succeed in the market and what the basics of this kind of business practices are. Also there is need to understand operating costs and the operation management of existing organizations, to design a reliable business plan. So when participants are chosen I need to collect reliable data about the participants. Most of the data I need, does not exist in secondary sources, so I need to access primary data, this can be done through interviews or on-site visits. I will look in this part how to build correctly an interview base.

To build working surveys, I will use information from the theory part. First, it is good to know the core issue, to ask what the business model of the enterprise is, but as I mention in the theory this is quite a confidential question, and it's good to get the answer during a relaxed discussion. So I do not always ask questions like they are written, to fit initial things into the discussion. Sometimes it is useful to ask: In your opinion, why do you think your business is better than competitors. Then another important thing to ask is the revenue of shops, and to take into consideration the time frame as well. In Finland last year is revenue can be checked from Finnish Business Information System (YTJ), but it does not show the real situation by units (Ananiev, 2014). After this let's move to operation managements and let's ask, in which things daily they make emphasis in their work. Then I move to the key client section. I need to find out the main clients for the enterprise, numbers (daily, annually, changes by seasons). To manage clients sufficiently there is need for a good CRM. So, I shall question the companies about their CRM and its costs. After the clients I have to study competitors. So, the question would be, be who are your main competitors and what are the advantages to them?

To start the shop I need to know what I am going to sell, and what the actual demand there is in the market. By the next question I can try to find out the main products of the enterprise and their margin structure. "What are your own brands or what are yours a unique importer to Finland?" Then there are need to find out the main suppliers of the goods, and if goods are provided on credit, or if they should be paid immediately. This question is addressed to try to estimate the needed cash flow. From this part I will differentiate the fish-shop business,

because I want to make more focus on it. So I will ask about the revenue of the fish shop separately, how many employees are involved in it?

The next section of questions would consider establishing costs and procedures. The questions of this section should be more precise, for example for Atma Trade Imatra, I know already that the building is owned by a pension fund, so I am not going to ask who owns the building, because the answer will be Pension fund. But I want to know which fund exactly owns the building, so I will ask which pension fund owns the building? An additional question will be: how much is the rent, how long is the rental agreement, was it difficult to get one? Then am I going to make an effort on building costs, builder, and specific questions, such as why this particular builder were chosen, where there tender between builders. Second subject is equipment of the shop: cashier tables, shelves and other machinery. To open the shop I need to have goods at the beginning, so I need to know what is start storage and in which base are delivery, daily, weekly or monthly.

Now I have to move to operation management. This information will be useful in business plan's financial part, when I will calculate starting cost of the business. I need to know HR-structure in general. As well as how many people employed in particular unit and what positions they held, which are the shifts, salary ranges and HR-managing system.

Then I am moving to the marketing part. I need to know what are the company's marketing strategy is. Then I know from media, that there is some marketing research done, so I am asking about results and what are they include.

In the end of discussion each enterprise will receive in addition specified questions, which are specially designed for entire company. For example Atma Trade's core business is in Nuijamaa, so I would like to know how Imatra and Nuijamaa shops differentiate, in other hand I have here dynamically growing company and I want to know are they plan to expand, especially, do they have any plans about Central Karelia region.

In this research most of the interviews and on-site visits are going to take place in February 2014. Questionnaires can be found in attachment.

The practical part, fourth chapter will be dedicated to cross-border markets analysis, benchmarking of best market players and analyzing customer streams. Also I will explain here about methodology of studies, especially in building surveys. After this in last part of this thesis, I will make main job of this work. I will create business model and plan for cross-

border shop in Niirala. After this new established business's chances to survive will be evaluated in last part of this thesis in conclusion.

4 RESULTS

In this part I will present results of this research. Results will be presented in two parts in marketing part I will speak about cross-border market and general things in this area. In benchmarking I will describe each competitor and present company's history. Those results will be base for business model formation and they will be implemented in the next chapter, which consider business model and business plan.

4.1 Results from market research

In theory part I went throw marketing research basics and techniques. Then I investigated about benchmarking and way of conducting it. In this chapter I am going to summarize results we got upon presented theory. I will start from cross-border market review. Here I speak about market generation, how situation developed and where am I now in this market. I'll also mention significant market players that influence market development.

In the next chapter I will investigate type of the client presented in target market. I'll find special features of Russian client and discuss about it behavior. Then begin main investigation of best practices, which called benchmarking. I will define the business model canvas that will be used in comparing competitors' business models. Later on I will investigate each market player separately and define enterprise business model. I will start with most significant market players and continue with minor ones.

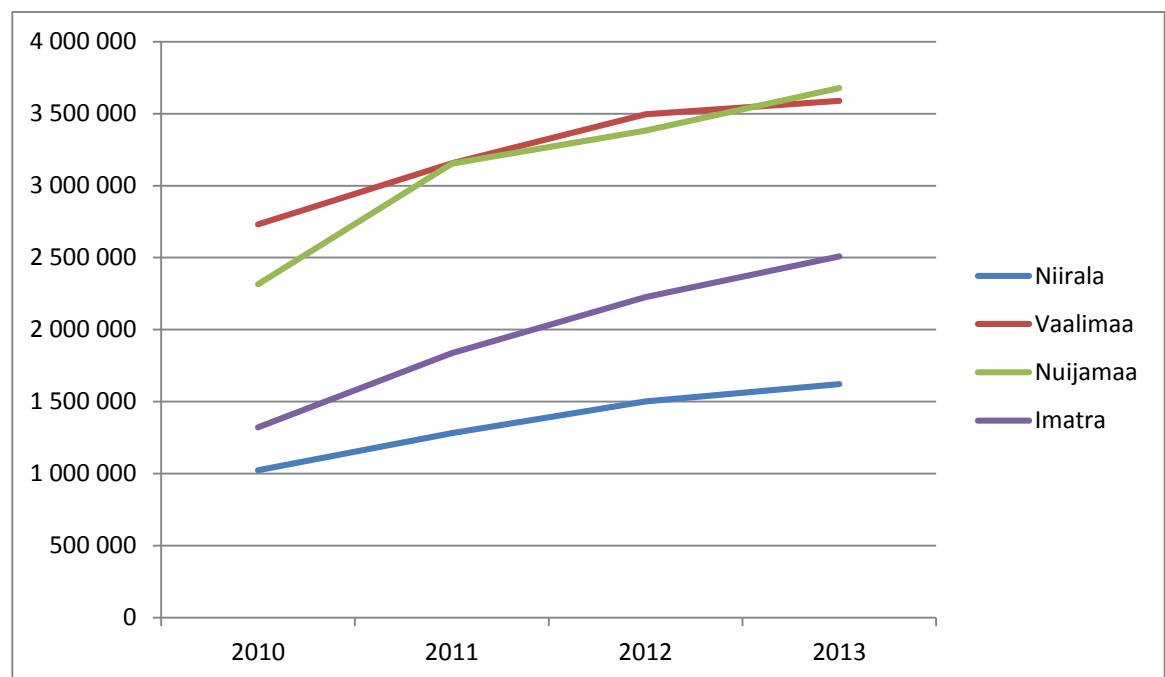
4.1.2 General review of markets

In this part I will consider general data about the cross-border market situation. I will define the size of the market, type and number of the clients, briefly about competitors (each competitor is described precisely in the next chapter), also I will speak generally about the market trends and the present situation. The last thing I will consider are business opportunities.

The cross-border activity started in the middle of the 1990s. Businesses were started by Russians or by foreigners who used to live in Russia. The first cross-border shop was established by Sergey Ananiev in 1997. He sold cheap Chinese goods, tires, tea and coffee in big packets, detergents and electronics. A huge focus was on clothes. Ananiev's first Vaalimaa's store Rajamarket, still doesn't have competitors. Rajamarket never sold fish. The concept is more or less copied from other cheap goods shops in Finland such as Halpa Halli, Kärkkäinen, and Veljekset Keskinen. For many years Russian clients visited Rajamarket and other shops in towns near by the border in Lappeenranta, Imatra and Nuijamaa. Ananiev's shop is very profitable, but the profits stay on mean level. A real breakthrough in the industry occurred in 2006 with the opening of a new cross-border station in Nuijamaa instead of the old one (Projektiutiset, 2006). This station was built in a slightly different location, so the small shop/gas station and cafeteria were left without clients, because the direction of the traffic has been changed. After the re-opening of a new border crossing point Mohamed Darwich, the owner of a cheap things shop in Lappeenranta, built a huge market just next to Nuijamaa border crossing point. This was the beginning of success and huge profits in cross-border markets. For example, its revenue was after 2 years of work 22 000 000€, and for comparison Vaalimaan Kauppakartano Oy after 12 years of work reached just 17 700 000€. After this the industry in the south borders started to develop with a rapid pace. Vaalimaan Kauppakartano opened 4 new markets. A new player Scandinavian came to the market. Disas built 3 brand new markets with huge investments.

All cross-border shops are situated by south borders. Last these borders were crossed: Vaalimaa by 3590240 people, Nuijamaa by 3677849 people and Imatra by 2507708 people. Finland has northeastern borders as well, but crossing numbers through them look quite different compared to the south, Salla 253686 people, Raja-Joseppi 133256 people,

Kuusamo 44217 people, Vartius 507088 people and Niirala border crossing points. The last one has the biggest number of people who cross the border. Last year it was 1621081 people, who cross the border between Finland and Russia in Niirala. It's almost 45% of the other biggest border crossing point (Vaalimaa, Nuijamaa). In three years beginning from 2010 the number of people, who cross the border grew by 35% (Finnish border guard statistics 2010-2013). The number of sales in Kitee-Tohmajärvi region grew up to 58% (9-tien kaupallisen ja matkailualan palvelutarvekysely, attachment 4). In Niirala there are no serious competitors present. This region has a growing potential, one reason is the new highway St. Petersburg Sortavala, people do not want to stand in queues at busy tedious southern crossings, they rather drive a bit longer, but enter Finland without waiting at the border.



Graph 3. The main border crossing points

There are prospective competitors nearby, but they have no specific competitor's features to be considered as competitors, because they are located far away from the border crossing point and offering is not focused on Russian clients. Here I will list a short analysis on them. The first one of them is Tohmajärven Säästömesta Oy. This shop mainly is concentrated on outdoor clothing, household and house decoration. Then in Tohmajärvi there is

Tavaratori, which is a branch of Suomen Tavaratori Oy, the shop is quite new. The offering of this shop is concentrated on power tools and ironmongers. Tokmanni in Kitee belongs to a huge chain in Finland.

4.1.3 Customer streams

The closest western EU-country to Nord-West Russia is Finland. People from St. Petersburg region have developed a habit to go shopping or for a weekend to Finland. Generally goods are of better quality in Finland, especially for people from small towns or countryside. For example Finns will buy rather domestic products, but Russians prefer to buy imported products. Nevertheless there could be exactly the same brand in the local market, but people will believe, that the product from Finland is of better quality. The availability of some goods is better in Finland. For example iPhone 5 came to the Finnish market a bit earlier than to Russia. Cross-border shops return VAT to customers outside of EU, which is quite a powerful price reducing factor. The range of the products is quite wide from toothpaste to car tires. Russian customers demand quality at a good price, in this situation the quality of service is not a more important thing. As I found out the quality of service in cross-border shops is low (on-site visits, customer comments in web). Russian clients want to buy brands they know, and visit places where they used to buy.

Finland became a gateway for Russian people into Europe. Finnish visa is issued more easily than other EU countries' visas. Russian citizens travel to Finland to use Schengen visa and then to travel somewhere else in Europe, also Russians use Finland as a transit country. Most of these customers enter the country by road, after the border they want to stop, to rest, eat, and drink a cup of coffee and shop. The idea of a cross-border shop is like fishing, when fish come inside the cage, close it immediately, so when a prospective customer crosses the border I attract them to the shop. Therefore the location of the shop is the base for success.

Let's discover a profile of a Russian client, who visits a cross-border shop. Obolgoviani (2013) says, that a Russian customer is much socialized, usually they never travel alone

(family or friends). People rely on social media, and they share experiences with each other with pleasure. Sometimes a trip to Finland can be the first visit abroad. Shopping tourists are visiting Finland quite often. Many Russian emigrants are visiting their family or friends in Russia. There are also business visitors, culture tourists, people visit their friends in Finland and others, such as health-care tourists. The Russian customer has habits, if they know and like some place they will visit it always. The same thing with products, Russians usually like to buy the same products as they used to buy back home, but still they like to try something new.

According to TAK Rajatutkimus the main purpose of the trip to Finland is shopping. In the same report I see, that mostly travelers stay just one day in Finland, the money amount spent on purchasing goods is about 135 €/day. In the report of the questionnaire of Russian customers' purchasing activity at highway 9-area, 62% of the respondents tell that the money amount spent per trip is about 100-500 €. The average Tax-free purchase in Tohmajärvi is 71 €, compare to Nuijamaa with 122 €. Invoice purchases (VAT 0%) are about the same amount. I can see from the same report that in Niirala only 19% of people stay one day in Finland. Why could it be? The situation is that good shops are situated far away from the border, in Tohmajärvi, Kitee, Joensuu and even Jyväskylä. To make it in one day is impossible, especially for a family with kids. That's why travelers are forced to stay overnight in Joensuu, which increases travel expenses and the time of travel.

4.2 Results from benchmarking

In this chapter I will analyze the enterprises, which I chose as the best practices cross-border businesses previously. I am going to make a general review on each of them. I try to look how they achieved the position they are holding now. Also I take a look at the types of goods they sell and the pricing policy. Finally I will try to define each enterprise business model. In analyzing I will use Osterwalder Canvas shape for each enterprise. Having the same structure allows us to compare all models. The structure in general will look like showed on the graph 4.

KP Key Partners	KA Key Activities	VP Value Proposition	CR Customer Relationships	CS Customer Segments
	KR Key Resources		CH Distribution Channels	
CS Cost Structure			RS Revenue Streams	

Graph 4, Business model canvas, Osterwalder, 2010

4.2.2 Atma Trade Oy

Atma trade Oy is registered on 11.04.2003 (YTJ). Its only owner is Mohamed Darwich, he is originally from Syria and came to Finland from the Soviet Union's Leningrad, where he graduated as a building engineer in 1991. He started his business with approximately 1000€, his first business was in Lappeenranta. He introduced a completely new way of thinking for the second hand shop. The business idea of this enterprise was that a client can rent sales surface (table or corner), where they can sell his second hand stuff. New enterprise were popular among Russian clients. Entrepreneur guess that it would be prospective client segment, and he started to investigate the market by gathering Russian client preferences. In the end of the day he found out, that they seeking for: detergents, tee, coffee and cheap Chinese products. (Kauppalehti, 2007)

Next am going to list Mohamed's career path.

- 2001-2003 Flower shop in Helsinki went in bankruptcy.
- 2003-2007 Shop in Lappeenranta town, revenue 1000 000-2000 000 €
- 2008 Laplandia Market, Nuijamaa
- 2013 Laplandia Market, Imatra

- 2013 Grande Orchidée, fashion clothes shop (building costs 12mm €, 3500m2(HS 27.12.2013))
- 2013 Laplandia Market online shop (<http://laplandiamarket.ru>): 2 delivery points, St. Petersburg.
- 2013 Laplandia Motors, Lappeenranta, used cars reseller.
- 2015 Sells drop down at least 40%

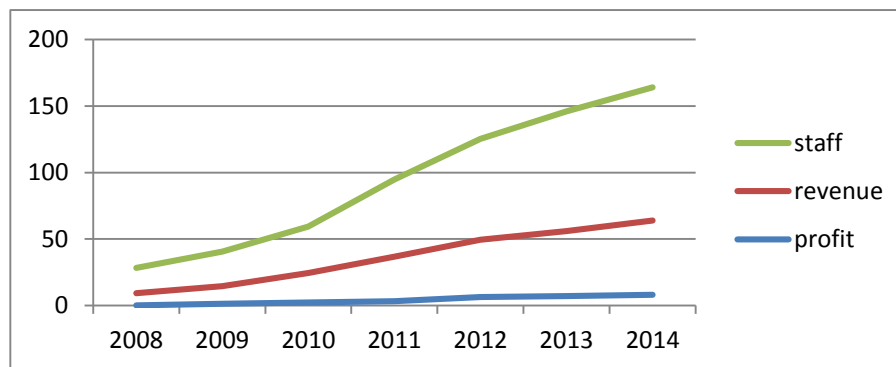
Cross-border business is very weak for economic situation of neighbor country. In autumn 2013 course of Russian ruble went down, so purchase ability lowered. Employer-employee negotiations started on 5.4.2014, “a couple of weeks we keep the doors open, but after that we are going to close” says Mohamed to a journalist about Grand Orchidée (Lappeenrannan uutiset 5.4.2014).

A new invention was an online-shop. This shop sells the same products as Laplandias in Finland. The delivery time is about 2 days. On the website they announce even that they sell or rent apartments and houses, but these links for these services are out of work, in general the website works very slowly. For example in the section “Hunting and fishing” there are links to Finnish online shops, and it says there, that the product price is the same as on the website, plus 1.5 € for delivery. The website is more structured as www.atmatrade.com.

Last year the profit was quite low, because of huge investments: Grande Orchidée building costs 12mm €. This company continuously makes market research in St. Petersburg, and they know what people want and at what price. (www.imatralainen.fi, 14.4.2013). The shops are open almost every day, annually only on 4 days a year the shops are closed (exceptional permission from government). www.atmatrade.com website is not updated, it has a lot of spelling mistakes, as well as not relevant information.

Atma Trade use mainly Super-Value pricing strategy (Kotler 2010, 650). Also the company has prolonged opening hours as an exception in the municipal rules. The enterprises purchase products from all around the world, without proper labeling. Client is used to buy well-known brands. For example, a client knows what dish detergent “Fairy” is, the client will purchase it, even if all the text on the product is in Norwegian or Danish apart of the brand name “Fairy”. Apart from the previously used strategy, also another strategy is used, such as Medium value strategy. Super-Value strategy is used as a bait. Because of the general belief, for example, that this shop has low prices and a good assortment, clients come in.

In this enterprise the point of interest is focused on two cross-border shops in Nuijamaa and Imatra. The name of the both shops is the same: Laplandia Market. The shops are situated directly after the border crossing points and they can be seen very well from the road. The surface of Nuijamaa shop is 2000m², it has also warehouse of 4000m². Surface of Imatra shop is 2500m², the warehouse is 1000m². Both shops include fast-food restaurants and a fresh fish department.



Graph 5, Atma Trade Oy

Core products: tea, coffee, sweets, extra virgin olive oil, detergents, hygiene products, cheap Chinese everyday products, Thermoform® underwear and their own brand Alizar® bags, buds, baby food, cosmetics. The trick of this entrepreneur is that in Chinese products producer is hidden, in the box is only written: “Produced for Atma Trade Oy, Finland”.

<p>KP</p> <p>Suppliers:</p> <p>Wholesale enterprises and factories: Finland, Europe and China.</p> <p>Fish breeders from Åland.</p>	<p>KA</p> <p>Sales: mainly B to C, but also B to B.</p>	<p>VP</p> <p>Quantitative: Reasonable price, good assortment with focus on Russian client preferences, fresh fish, known brands.</p>	<p>CR</p> <p>Generally this type of sales is Self Service. Bonuses for bus drivers, CRM cards, with possibility of VAT return on it.</p>	<p>CS</p> <p><u>Diversity</u></p> <p>I Private</p> <p>All social classes, the main definitive point is location. Mostly middle class of customers.</p> <p>Clients behind the border: St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Small business entrepreneurs 2. Shopping tourists (they act as small entrepreneurs as well, the buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers (fun, friend visits) 6. Business travelers 7. Others/Mass market <p>Russians, who live in Finland</p> <p>Local Finns and those, who cross the border</p> <p>II Business customers</p> <p>Other cross-border shops in Finland, other shops and wholesale enterprises, online shop in Russia: laplandiamarket.ru</p>
<p>CS</p> <p>This business is cost-driven.</p> <p>Fixed Costs: Buildings maintenance costs, rent (Imatra), salaries, truck expenses, freight.</p> <p>Variable Costs: Purchased goods, taxes and other relevant expenses.</p>	<p>KR</p> <p>Human resources: Entrepreneur, sales staff, fish smokers, restaurant staff, management team, business activities staff.</p> <p>Financial resources: capital</p>	<p>Qualitative: Perfect location, wide parking, attractive facilities, fast food restaurant with low pricing (vs. IKEA), long opening hours, only 4 days closed in a year. Accept payments in rubles.</p>	<p>CH</p> <p>Store and partner channels.</p> <p>Good advertisements on the road.</p> <p>Good website. B to B distribution channels unknown.</p>	<p>RS</p> <p>The main focus of this business is asset (goods) sale.</p> <p>Sales sources from B to C (90 %) and B to B (10 %) sales. This part is estimated.</p>

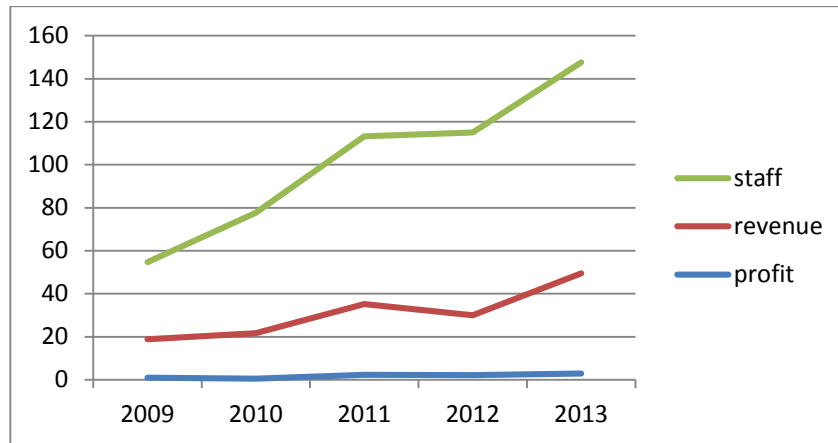
Graph 6, Atma Trade Oy

I took a look at the most fast growing and strongest market player. The success of this business is based on the right by chosen pricing strategy and assortment that matches customers' demand. Other qualitative value propositions ensure strong customer streams. Next I'll take a look at the second biggest cross-border market player.

4.2.3 Vaalimaan Kauppakartano Oy

This company is established by Sergei Ananiev in 1997 in Vaalimaa near Finland-Russia main cross-border. The buildings are owned by Vaalimaantie Kiinteistöt Oy, the company has the same owner as the previous one. The name of the store chain is Rajamarket, which is translated from Finnish as cross-border shop. The first shop was in Vaalimaa, the second just about 2 kilometers towards Helsinki. Then in Kotka, Lappeenranta and the last one is situated in Imatra. Mostly the shops except for the first Vaalimaa shop are orientated for both Russian and Finnish customers. (Rajamarket's website, 2014).

Rajamarket resembles cheap household supermarkets such as Tokmanni, Halpa Halli and Veljekset Keskinen Oy. The only difference is these shops are orientated to Russian client preferences, especially the shops located in Vaalimaa. The revenue of the company was quite stable, and only in the last two years it doubled, because of a huge expansion in the number of the shops. The last 2 shops in Lappeenranta and Imatra are combined with the LIDL-chain. A new invention of Rajamarket is Free Wi-Fi. The shops are in modern looking buildings with a nice decoration inside.



Graph 7, Vaalimaan Kauppakartano Oy

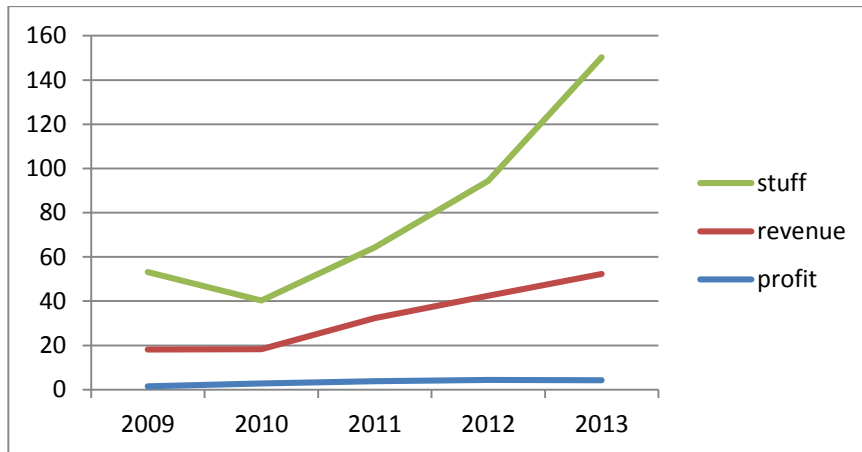
Core products: tea, coffee, sweets, olive oil, detergents, hygiene products, everyday products of Finnish and other brands, clothes of different manufacturers such as Luhta, Lassie, Thermiform and also cheap Chinese products.

<p>KP</p> <p>Suppliers: Wholesale enterprises and factories:</p>	<p>KA</p> <p>Sales: mainly B to C, but also B to B.</p>	<p>VP</p> <p>Quantitative: reasonable price, wide assortment with focus on Russian client preferences</p>	<p>CR</p> <p>Generally this type of sales is Self Service. Possible bonuses for bus drivers?</p>	<p>CS</p> <p><u>Diversity</u> <i>Vaalimaa + partly Imatra</i> I Private All social classes, the main definitive point is location. Mostly middle class of customers. Clients behind the border:</p>
<p>Finland, Europe and China. Local meat producers.</p>	<p>KR</p> <p>Human resource: Entrepreneur, sales staff, management team, business activities staff.</p>	<p>Qualitative: Perfect location (only Vaalimaa, partly Imatra), wide parking, local meat and other meat products, VAT return, attractive facilities. WiFi access in shops, long opening hours. Possibility to pay in Russian rubles.</p>	<p>CH</p> <p>Store and partner channels. Good advertisements on the road. Fliers. Good website. B to B distribution channels unknown.</p>	<p>St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Shopping tourists (they act as small entrepreneurs as well, they buy for themselves and for a lot of friends) 2. Transit passengers 3. Summer cottage owners/tourists 4. Family travelers (fun, friend visits) 5. Business travelers 6. Others <p>Russians, who live in Finland Local Finns and those, who cross the border. <u>All other shops</u> Standart Finnish customer <u>This applies for the company in general</u> II Business customers: unknown</p>
<p>CS</p> <p>This business is cost-driven. Fixed Costs: buildings' maintenance costs, salaries, freight. Variable Costs: Purchased goods, taxes and other relevant expenses.</p>				<p>RS</p> <p>The main focus of this business is asset (goods) sale. Sales sources from B to C (95%) and B to B (5%) sales. This part is estimated.</p>

Graph 8, Vaalimaan Kauppakartano Oy

4.2.4 Disas Group

The company was established by a professional fisherman in 2003 in Tesjoki which is next to Loviisa town. He opened a small fish shop near the road (E18) St. Petersburg-Helsinki, and soon it began to be popular. The group's name was chosen after the owner's wife's name Disa, so now the shops are called Disas (previously Disa's Fish). There are 3 companies that belong to Disas group: Kuusisen Kala Oy, which produces fish products; Disas Caviar Oy, product is caviar. Disas Oy owns shops and sells fish to final customer B to B or B to C. Disas makes the main revenues and profit for the whole group. The price of one building of this shop is around 8 mm €. Disas is well-known in the whole country, because its shop in Nuijamaa has the longest fish counter in Finland (Uutisvuoksi, 30.4.2012). Disas group includes a production and sales organization. There are B to B and B to C sales. The company buys Åland's and Norway's salmon at an unbeatable price. The quality of the buildings is much better compared to Atma Trade, for example inside they use glue-laminated timber brackets instead of iron brackets that are used in Atma Trade for example. Upon travel agency's guides and Desnitsa this shop differs from others by restaurant quality: food and service are better. Customers come here to buy fish and meat products. The amount of one purchase is from 5 € to 290 € (receipts). A summary (on-site visit): The shop is almost empty, no clients. In the shop there are maximum 4-5 customers, also in the restaurant there is about the same number. Very broad fresh fish assortment, also local meat and fish products are presented. Apart from this the shop resembles a normal S or K-chain grocery store. Behind the fish counter there are 5 employees, 3 cashiers, and 2 other employees, also possibly 1 manager on duty. In the restaurant there are 5-6 employees. All together on duty there are 17 employees engaged, too many employees compared to the number of customers. Perhaps the strategy is to be aware of huge numbers of clients coming, for example big tourist buses.



Graph 9, Disas Oy

Core products: Smoked fish, salmon, halibut, acipenser and others; different kind of caviar; small producer's fish or meat products; the same grocery products as in S- or K-chain with focus on tea, coffee, sweets, olive oil, detergents, hygiene products, everyday products of Finnish and other lower quality products, pet food.

<p>KP</p> <p>Suppliers: Finnish wholesales (SOK, Metro, Unilever, P&G etc.). Small local meat, fish and other product producers.</p>	<p>KA</p> <p>Sales: B to C and B to B.</p>	<p>VP</p> <p>Quantitative: High quality fish products for reasonable price.</p> <p>Qualitative: Good restaurant.</p> <p>Perfect location(only</p>	<p>CR</p> <p>Generally this type of sale is Self Service. Free meals for bus drivers.</p>	<p>CS</p> <p><u>Diversity</u></p> <p>All social classes, the main definitive point is the location. Mostly middle and high class of customers.</p> <p>I Private</p> <p>Clients behind the border: St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Shopping tourists(they act as small entrepreneurs as well, the buy for themselves and for a lot of friends) 2. Transit passengers 3. Summer cottage owners/tourists 4. Family travelers(fun, friend visits) 5. Business travelers 6. Others <p>Russians, who live in Finland</p> <p>Local Finns and those, who cross the border</p> <p>II Business customers</p> <p>Other cross-border shops in Finland, other shops and wholesale enterprises.</p>
<p>CS</p> <p>This business is value-driven.</p> <p>Fixed Costs: Buildings maintenance costs, salaries, freight.</p> <p>Variable Costs: Purchased goods, taxes and other relevant expenses due to production.</p>		<p>RS</p> <p>The main focus of this business is asset (goods) sale.</p> <p>Sales sources from B to C (85%) and B to B (15%) sales. This part is estimated.</p>		

Graph 10, Disas Oy

4.2.5 Scandinavian market Oy

Registered in 5/2012(YTJ), CEO Vladimir Desnitsa, other partners Ilja Kaganovich and Isaak Kaganovich. The shop surface is 2300m² (Fontanka.ru, 2012). The company's main warehouse is in Lappeenranta/Mustola, there is a warehouse store as well. Desnitsa in the interview tells, that there is no store in Mustola. The main shop for customers is in Imatra. Financial statements are not available from public sources, because Scandinavian Oy is less than one year old.

In 2002 Desnitsa established a logistic company Lapveden Logistiikka Oy. The mean revenue is about 1000 000 € and the profit 6-45.000 €. Desnitsa told in the interview, that he invested of 3000 000 € his own money without any credit institutions. The profit mentioned above is not quite realistic, because owner gathered a huge capital. He owns 50 % of Scandinavian Oy stocks. The other 50 % is owned by his partners Ilja Kaganovich and Isaak Kaganovich. The idea of the partners was to get a residence permit in Finland by owning the business. Now they got solved their problems in some other EU country and they want to get rid of their stocks (Desnitsa, 2014). There could be other reasons as well, company is making a loss and the whole industry is collapsed.

Based on an on-site visit, the company can be summarized flowingly: The building is similar in size and decoration as Laplandia Market, but with wood decorations in the front site. Building is situated between Disa's fish and Laplandia Market. Inside, in front of the cashier area there is a small restaurant (closed now). Customers said that, it was opened in the beginning, but then they closed it. A cashier said we will open it soon. The shelves are half empty. They say that the assortment is going to be renewed. Not so many customers, one says to another: "Let's go to Laplandia, there is nothing to buy here." Everything is in 40% discount. The assortment reminds Laplandia Market: cheap clothes, gifts, souvenirs, local steel producer's decoration goods, shoes: Kuoma etc; olive oil Manzumo, Victorian Tea, Pagen, Mistral, Heidel chocolate, Windel, Laica, Lindt, Milka. Originally the price level is high. I questioned the guide of one Russian tourist bus about this shop. "Why do you think this shop does not succeed here?" He answered, that it's impossible for two shops next to each other with the same assortment. Also he told me, that the marketing policy was not so efficient. For example in Laplandia, when guide brings a bus full of tourists there he gets

0,50 sent/tourist, in Disas he gets a free meal, but in this shop there was nothing. Generally there was no evidence of any marketing done in the internet neither in another media. So this result is quite expected.

Core products: tea, coffee, sweets, olive oil, detergents, hygiene products, everyday products of Finnish and other brands, clothes and shoes such as Kuoma, Thermoform, gifts and souvenirs.

<p>KP</p> <p>Suppliers: Wholesale enterprises and factories: Finland, Europe and China. Same as for others.</p>	<p>KA</p> <p>Sales: B to C</p> <hr/> <p>KR</p> <p>Human resources: Entrepreneur, sales staff, fish smokers, restaurant staff, management team, business activities staff.</p>	<p>VP</p> <p>Quantitative: Reasonable price, good assortment with focus on Russian client preferences.</p> <p>Qualitative: Perfect location, good parking, known brands, VAT return, attractive facilities, long opening hours.</p>	<p>CR</p> <p>Generally this type of sales is Self Service.</p> <hr/> <p>CH</p> <p>Store</p>	<p>CS</p> <p><u>Diversity</u></p> <p>Clients behind the border: All social classes, the main definitive point is location. Mostly middle class of customers.</p> <p>St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Small business entrepreneurs 2. Shopping tourists(they act as small entrepreneurs as well, they buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers (fun, friend visits) 6. Business travelers 7. Others/Mass market <p>Russians, who live in Finland Local Finns and those, who cross the border</p>
<p>CS</p> <p>This business is cost-driven.</p> <p>Fixed Costs: Buildings' maintenance costs, salaries, freight.</p> <p>Variable Costs: Purchased goods, taxes and other relevant expenses.</p>			<p>RS</p> <p>The main focus of this business is asset (goods) sale.</p> <p>Sales sources from B to C.</p>	

Graph 11, Skandinavian Market Oy

4.2.6 Tohmajärven Säästömesta Oy

Established in 1984, and owned by entrepreneur family Eila and Kalevi Sivonen. Before they had 6 shops in the area, but they were unprofitable, only Tohmajärvi shop makes a profit. The present situation in the Tohmajärvi shop: Permanent staff: 4 salesmen (2 Russians, 2 Finns) and 2 owners (Eila: CEO, HR, goods purchasing and daily management, Kalevi is warehouseman). Additionally there are 4 trainees and 2 summer employees. (Säästömesta interview, 2014).

The revenue is 1700 000 € and profit is 300 000 €. The shop surface is 600m² and there is a huge storage outside of the village. The shop is situated in the center of Tohmajärvi municipality. The shop was in the same place long enough to be well-known to cross-borders and local people. This shop is similar to Löytötex and Tokmanni. The building is rented. The idea of the shop is to sell average quality goods at a reasonable price (www.saastomesta.fi). Marketing is in good shape: they attract shopping tourist buses with lunch packages, discounts and other benefits; also they advertise their products in Russian Karelia local newspapers.

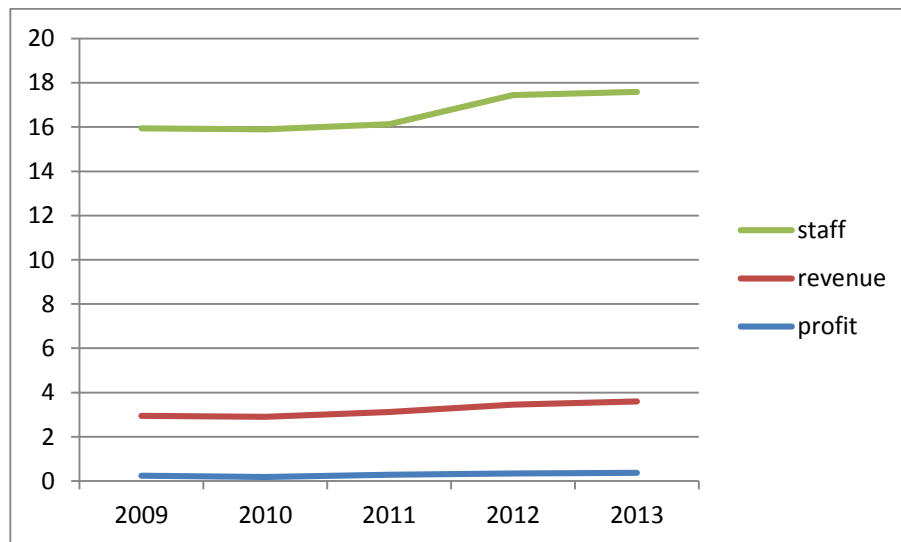
Core products: outdoor clothes (main emphasis on this product); other products: shoes mostly of cheap and not very known brands, but there are also some Finnish quality products (Luhta, Ski), detergents, hygiene products, everyday products, pet food.

KP Suppliers: Wholesale enter-prises from Finland.	KA Sales: B to C	VP Quantitative: Reasonable price, nice assortment with small focus on Russian client preferences. Qualitative: Satisfactory location, VAT return, main focus on outdoor clothes.	CR Generally this type of sales is Self Service.	CS <u>Diversity</u> Clients behind the border: Low and middle social classes. Republic of Karelia, also St. Petersburg and Moscow 1. Small business entrepreneurs 2. Shopping tourists (they act as small entrepreneurs as well, they buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers (fun, friend visits) 6. Business travelers 7. Others/Mass market Russians, who live in Finland Local Finns.
	KR Human resources: Entrepreneur, sales staff, management team, business activities staff.		CH Store. Informative website. Flyers distribution to mailboxes in Karelia. They give lunch coupons to bus drivers.	
CS This business is cost-driven. Fixed Costs: Warehouse maintenance costs, rent, salaries, freight. Variable Costs: Purchased goods, taxes and other relevant expenses.			RS The main focus of this business is asset (goods) sale. Sales sources from B to C.	

Graph 12, Tohmajärven Säätömesta Oy

4.2.7 Suomen Tavaratorit Oy

This chain has 2 shops: the main shop is in Joensuu and the second is in Tohmajärvi, it is opened in 2012. The shop is called Tavaratori. This chain is similar to Tokmanni, Veljekset Keskinen and Halpa Halli. Mostly the goods are cheap Chinese products. The shop in Tohmajärvi is quite a small shop, the surface is about 300m²; the sales surface is full of goods. Previously in the same premises was Market-Rajatukku, but the owner has not been so committed to business (quite a similar situation as in Rajatukku at Vaalimaa) he has an personal problems, the shop made a huge loss, so at the end of the day it was sold (Väisänen, 2014). The shop is situated near the roundabout on road 9 next to Tohmajärvi center, where the road goes from Niirala cross-border station to Joensuu approximately 18 km from the border. It is still too far from the border. Not so much specialized to Russian clients. Tea, coffee and detergent assortment is quite poor. While on-site visit, no clients at all. One cashier and manager are present. This organization doesn't want to give an interview. They have good marketing. They put advertising in Russian Karelia in Petroskoi and other big towns directly in personal mail boxes and in big local supermarkets. (Interview, Väisänen)



Graph 13, Suomen Tavaratorit Oy

Core products: Ironmonger, power tools, equipment for outdoor, everyday products of Finnish brands and lower quality products, clothes, shoes of cheap and not very known brands, gifts, equipment for fishing; tea, coffee, sweets, olive oil, detergents, hygiene products.

KP Suppliers: Wholesale enterprises from Finland	KA Sales: B to C	VP Quantitative: Reasonable price, nice assortment with small	CR Generally this type of sale is Self Service.	CS <u>Diversity</u> Clients behind the border: Low and middle social classes. Republic of Karelia, also St. Petersburg and Moscow 1. Small business entrepreneurs 2. Shopping tourists (they act as small entrepreneurs as well, the buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers (fun, friend visits) 6. Business travelers 7. Others/Mass market Russians, who live in Finland Local Finns and those, who cross the border.
	KR Human resources: Entrepreneur, sales staff.	focus on Russian client preferences. Qualitative: Satisfactory location, VAT return.	CH Store. Flyers distribution to mailboxes in Karelia.	
CS This business is cost-driven. Fixed Costs: Rent, salaries, freight and accounting. Variable Costs: Purchased goods, taxes and other relevant expenses.				RS The main focus of this business is asset (goods) sale. Sales sources from B to C.

Graph 14, Suomen Tavaratorit Oy

4.2.8 Saimaa-KPY-Trading Oy, Rajatukku

This business is situated in Vironlahti by Vaalimaantie (E18), this is the mainstream road between Russia and Finland. E18 is connecting St. Petersburg and Helsinki cities. The company owns the building, quite a big plot of land and big storage. The shop surface is 600m², but there is a permission to build additional 4000m². There are many products in a small area, the visitors have a feeling that they entered a huge store.

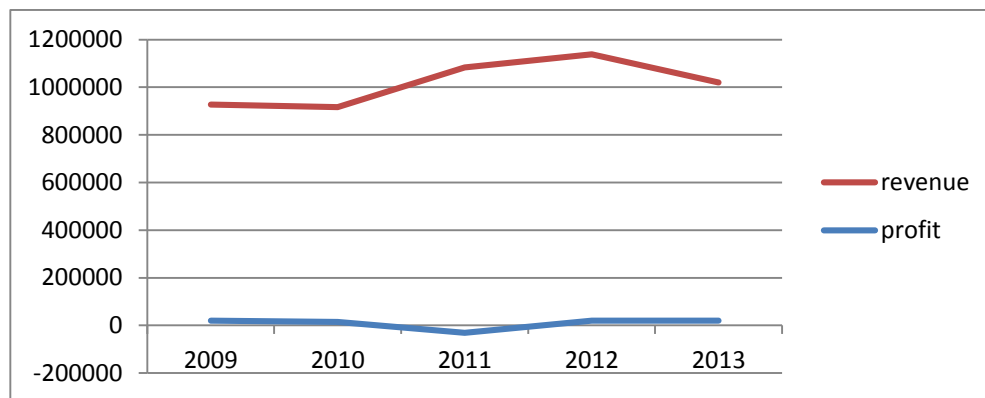


Figure 15, Saimaa-KPY-Trading Oy in numbers

Core products: tea, coffee, sweets, olive oil, detergents, hygiene products, everyday products of Finnish and other brands, clothes, shoes of cheap and not very known brands, gifts and souvenirs; products for garden or summer cottage.

<p>KP</p> <p>Suppliers: Wholesale enterprises and factories: Finland, Europe and China.</p>	<p>KA</p> <p>Sales: B to C</p>	<p>VP</p> <p>Quantitative: Reasonable price, nice assortment with small focus on Russian client preferences.</p> <p>Qualitative: Satisfactory location, VAT return, good customer service.</p>	<p>CR</p> <p>Generally this type of sale is Self Service.</p>	<p>CS</p> <p><u>Diversity</u></p> <p>Clients behind the border: Low and middle social classes. St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Shopping tourists (they act as small entrepreneurs as well, they buy for themselves and for a lot of friends) 2. Transit passengers 3. Summer cottage owners/tourists 4. Family travelers (fun, friend visits) 5. Business travelers 6. Others/Mass market <p>Russians, who live in Finland Local Finns and those, who cross the border.</p>
<p>KR</p> <p>Human resources: Entrepreneur, sales.</p>		<p>CH</p> <p>Store.</p>		
<p>CS</p> <p>This business is cost-driven.</p> <p>Fixed Costs: Rent, salaries, freight and accounting.</p> <p>Variable Costs: Purchased goods, taxes and other relevant expenses.</p>				<p>RS</p> <p>The main focus of this business is asset (goods) sale.</p> <p>Sales sources from B to C.</p>

Graph 16, Saima-KPY-Trading OY

4.2.9 Rajapysäkki Ay

Owners Valentia (CEO) and Ari Puustinen, bought the place from a retired entrepreneur family, there was a K-store. The price was 280 000 €. The building surface is 395m², additionally on the second floor there is a 3 room apartment. Now there is a gas station (the meter is in pretty bad condition), very small grocery shop with very high prices and cafeteria with hot meals. A good product is smoked salmon, but the problem is that it is not fresh. The fish comes from Puruveden Kala Oy in vacuum packages. Most of the customer's surface is used for cafeteria seats.

The revenue is about 395 000 € annually (CEO told 500 000€). Monthly fixed costs: 1500€/bank loan (about 112 000 € left by now), 1000-1500 € heating, electricity and so on, 2800 € 1 employee. There are around 130-200 customers per day. CEO is ready to sell it, because the second shareholder Ari is going to retire soon, also they afraid of huge cross-border stores coming to the area and killing the business. The price of the enterprise is 550-600 000€, the purchase price of the building in 2008 was 280 000 € (Hurskanen, 2014). The location is perfect, but the sales price is overvalued. Real price of the building is about 200 000 € (Esko Sainio, 2014).

KP Suppliers: local shops, and whole-sale.	KA Fast food restaurant, small grocery shop and tourist services. KR Human resources: Entrepreneur, sales.	VP Qualitative: Tasty food, long opening hours.	CR Personal assistance. CH Restaurant, store.	CS <u>Diversity</u> Local inhabitants. Clients behind the border: Low, middle and high social classes (No competitors for high class). Republic of Karelia, also St. Petersburg and Moscow <ol style="list-style-type: none"> 1. Small business entrepreneurs 2. Shopping tourists (they act as small entrepreneurs as well, they buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers (fun, friend visits) 6. Business travelers 7. Others/Mass market Russians, who live in Finland.
CS This business is cost-driven and value-driven. Fixed Costs: Bank loan, building maintenance, salaries, freight and accounting. Variable Costs: Purchased goods, taxes and other relevant expenses.				RS The main focus of this business is asset (goods) sale. Sales sources from B to C.

Graph 17, Rajapysäkki Ky

4.2.10 Companies' analysis according to benchmarking criteria

In this part I will compare the best market players, but not by the business model, this I will do in the next chapter. I chose an external, also called competitive benchmarking approach to get know hidden information of companies and information that they probably don't want to share. Something was done during the interviews to get the questioned person to relax, so for example I stat that this thesis is confidential, so the data from here will not be shared. A lot of information I got from public sources: Finnish Business Information System, Economy news (Taloussanomat), Finnish Economy Magazine (Kauppalehti) and local newspapers. In this research I combine external and shadow benchmarking, because by shadow benchmarking you can get a lot of new information.

According to benchmarking criteria the most profitable company in the cross-border market is Atma Trade. Its last year's revenue was 56mm €. The company has 2 big similar stores next to Imatra and Nuijamaa border crossing points, as well as a Grand Orchidée fashion clothes shop and some other small businesses. Atma Trade's business model is to sell as many goods as possible, to achieve huge revenues. This model is possible with low margins and a wide assortment. To sell cheap, you have to buy cheap. So Atma Trade CEO Darwich buys his products all around the world, 90 days/year he is traveling to search for the new products. This is a supermarket focusing on Russian customers, selling tea, coffee, detergents, sweets and other additional products.

The second best market player is Disas group. Its profit was 5,6mm€ with a revenue 48mm€. The first shop of this company is in Tesjoki (Loviisa), next to E18 road. The second shop is in Nuijamaa and there are 2 modern shops (Mustola 5 mm€, Imatra 8 mm€). Also the company is building one more shop near the new diversion of E18 road in Hamina, the building cost is 8 mm€. The group is core business is fish products production and they sell to B to B or B to C. In its new shops Disas sells the same products as huge grocery shops Kesko or Sokos.

The third best player is Rajamarket. The company name is Vaalimaan Kauppakartano Oy. Its first shop was next to Vaalimaa border crossing point. Then the company bought an old building just 2 kilometers away from Vaalimaa next to road E18. After this 3 more shops were built. All of them are close to road E 18 or to other border crossing points. Rajamarket

is a supermarket, which is focused on cross-border clients, especially Vaalimaa shop. Other stores are orientated to local as well to cross-border clients. This company has no strict strategy. It may be seen in its shops. As a trend, Rajamarket builds together with other shops, like Imatra's shop is built together with a LIDL store.

The companies listed above are chosen purely by benchmarking criteria. They have open relevant financial data to analyze and they are strong market players with many years of experience. They share the market and collaborate, for example Disas Oy provides caviar for Rajamarket at a wholesale price.

Further on I will analyze other important market players, which can be our direct competitors, or they want to sell their business to us. The next company is Scandinavian Market Oy. This is a good example of a newcomer. This company was the first to build a shop next to Imatra border crossing point. The shop concept is quite close to Atma Trade idea, with some differences. For example the restaurant is not stylish as in Atma Trade or Disas, but the outside decoration is better than Atma Trade's for example. The business model of this shop was the same as Atma Trade's with some exceptions. Scandinavian sells tea, coffee, detergents as core products, in addition, they sell local by made products, and Finnish well-known brands such as Kuoma watertights, also some unique brands in Finland. The business got into trouble when competitors came to the neighborhood (Atma Trade and Disas). Also Scandinavian has no marketing strategy, even no webpages. Anyhow the company continues to make losses a couple of months after the opening, because Atma Trade is beating with prices. After this the 2 shareholders (Kaganovich's) that own together 50 % of the business want to sell their shares to somebody else. CEO decided to change totally the assortment and sell all goods out half price. Desnitsa estimates the revenue to be about 5600 000 €, and profit 13-16 %.

Now I will take a look at 2 competitors, Säästömesta and Tavaratori, they are both situated in Tohmajärvi. I begin from Säästömesta. It is an old market player in the region. Its revenue 1.7 mm€ can't be compared to other giants. The location of the shop is not very focused on cross-border clients. It's too far from the border crossing point and not close to road 9. The shop is located in Tohmajärvi center, so a lot of local clients come here. The shop is focused on outdoor clothes. Here is no traditional cross-Border assortment: tea, coffee, detergents and smoked salmon. So this shop is not counted as my competitor.

The next one is Tavaratori, owned by Suomen Tavaratorit Oy. This is a branch of an old shop Tavaratori in Joensuu. The location is by road 9, but still too far from the border crossing point. The shop has a small surface and things are placed very tightly here. No clients here and quite a poor cross-border assortment, for example only 2-3 kind of tea and just a couple of detergents.

Here I went through the best market players and I got some clue about their business models. I can't get a ready model for my future enterprise, unless we take a franchising one. Later I are going to take into consideration this possibility as well. The goal of this work is to create my own business model, so we will look for building blocks in order to build an original business model. In the next chapter I am going to compare business models on the based on the information I got.

4.2.11 Comparison of business models upon acquired material

In this chapter I are going to combine all research material about the business models of cross-border businesses. I are going to find the common features of cross-border shops. After this we'll try to find which features lead to success in the cross-border market. These features will be implemented in my own business model generation. The most difficult is to build a business model, when there is no previous experience. In this case it is a competitive advantage to use the experience of existing businesses.

I can see from the most successful business Atma Trade in Nuijamaa (also Desnitsa interview, Kotler and others), that the most sustainable *value proposition* in the region is a great assortment with focus on Russian clients: detergents, tea & coffee, sweets, olive oil, fresh fish, known brands, in big packages at low prices, and a location near a border crossing point. Osterwalder (2000) says that there are two kinds of value propositions: quantitative and qualitative. Therefore a reasonable price and a wide assortment with focus on Russian clients preferences would be quantitative, because the core idea of Laplandia Market is to keep prices as low as possible, in order to sell as much as possible. In this equation a good

turnover will be fast. So you need to have a huge warehouse, like in Laplandia Market case or the business needs very reliable Just in Time delivery partners.

Qualitative, means customer overall experience and outcome (Osterwalder 2010). A huge number of Russian tourists come to Finland by busses, so big parking space is an obligatory issue. The location is very important in this kind of business. For example, when Atma Trade was in Lappeenranta town, its revenue was 1000 000-2000 000 €, but when it moved next to the border crossing point, it grew in 20 times, it was influenced by other factors as well, but the position of the shop was a determinant factor. People are usually tired and hungry on the trip, so fast food is a good addition to the above mentioned combination. I need to remember that costumers of this shop are usually low and middle class, so they count their money very well. So they can even stop by the shop, because of cheap fast food. Many Russians want to make a one-day trip, or to drive far away in Finland, so they cross the border in the morning, that's why a shop should be open from early morning. On the other hand customers coming from a day-trip or from inside the country want to buy still something before they leave the country, so a shop should be open until late in the evening. In this strategy the same client can visit a shop two times during his/her journey in Finland. Russian clients usually come during days off or holidays, so a shop should be opened on holidays, that is why Laplandia Market for example is closed only 4 days/year. This aspect is underdeveloped for example in Säästö mesta and Tavaratori, they lose a lot of clients, because of the short opening hours.

The value proposition attract the customer streams, the type of the customer I discussed in chapter 4.1.3, and here I will only look at differences in this segment between enterprises. Atma Trade, Disas and partly Vaalimaan KK have a leading position in the market, because they handle a diversified position of customer streams, they serve both segments B to C and B to B. Disas has grocery, and it is competing with Vaalimaan KK and Atma Trade, it has fish and it competes with Disas in this segment. In B to B segment, there is no competition between them. In B to C segment Disas holds upper segment clients and competes for the rest of the clients. Also there is a small geographical difference: customers travelling by E18 use Vaalimaan KK in Vaalimaa. Clients crossing the border in Nuijamaa and Imatra use Laplandia Market, if they don't go forward to Laplandia Market, and additionally Scandinavian holds them, but if customers go to Lappeenranta or Imatra towns, they face Rajamarkets. Disas has its shop in Imatra and also other shops that are reachable from Nuijamaa and Vaalimaa. Also it's good to look at channels through which the value

preposition is distributed. The main channel is a store for B to C, but the best market players have also B to C clients.

Now I am going to evaluate the customer relation part. In this type of business, where you sell goods, I consider customer relation self-service. It is clear, that companies that don't manage customer relations are not holding the market, like in the case with Scandinavian. Upon Russian tourist company guide, Sandinavian don't attract clients for example Laplandia gives 50 cent per passenger for the tourist company, which can be used to purchase goods, Disas provide bus drivers with free meals, Säästömeista gives coffee or dinner coupons. In this case I can see that customer relation is mainly focused on collaboration with tourist companies, but in an interview with Laplandia (Imatra) the manager told us, that clients want that there will always be enough goods on the shelves and prices will be displayed clearly.

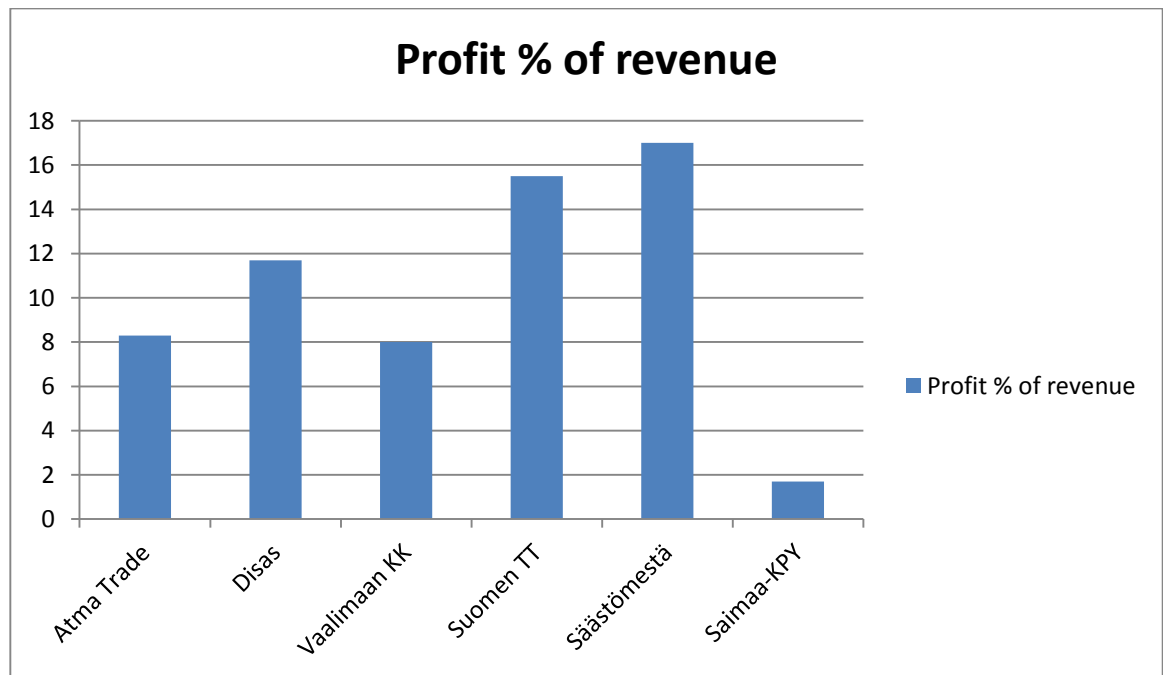
Next I will consider the left side of the canvas, where belong things that support business activities. In cross-border shops the core of the business are *key partners*, because without goods delivery at a good price, a shop can't attract its clients. This was one of the difficult parts in this research, because this is usually company confidential, anyhow they are "well-known" and all cross-border shops use the same suppliers (Desnitsa, 2014). This part is done upon business research during on-site visits. The products are checked for the country of origin and supplier name. Suppliers can be divided to standard local representatives of global suppliers (Unilever, P&G) and local wholesales such as Kesko, Heinon Tukku. The prices of this group are not very competitive. The second group is international suppliers that have no representative in Finland, such as "Brand distribution Poland Ltd". The last third, group are suppliers that are specialized in cheap shops and cross-border shops: Kaupahuone TV, Polish Trade House. The most competitive prices had the companies from the second group, only the problem is that it is competitive to buy only huge numbers of goods, because the price of transportation is high. In some cases the supplier choice is efficient, for example, Atma Trade buys its raw fish directly from Åland's fish breeders for the best price, or from the other side Vaalimaan Kauppakartano buys caviar from Disas.

Key activities are the same almost for all cross-border shops to sell goods (B to C), but Atma also sells B to B, because they have a huge warehouse and they are able to buy stock amounts (for example one container) at once, of course, there is a direct effect on the price, it is better then. An exception is Rajapysäkki, but it is not a typical border shop, it

has a restaurant and petrol sales. *Key resources* are usually the same in all the cases, its entrepreneur and employees.

At the end of this part I am going to consider the financial part of the canvas, it includes a cost structure and revenue streams. This part is more or less the same in structure, of course inside it is not the same, for example Atma Trade buys cheap and sells cheap. It means that Atma Trade has a low sales margin in order to attract huge numbers of customers. The only huge difference whether the company is cost or value driven. Cost driven is purely Atma Trade, Scandinavian and Vaalimaan Kauppakartano, value driven is Disas and Rajapysäkki. Next the cost structure will be considered also about in details. Costs could be fixed (rent, building maintenance, salaries, and freight), this type is more or less always the same. Another type of costs is variable (number of purchased goods, taxes and other expenses).

The revenue streams are focused on goods (assets) sales for all cross-border shops, an exception is Rajapysäkki, they sell services and goods in addition. The only difference here is the type of client, whether it is a business client or a private client. This was determined in key activities.



Graph 18, Profit compared to revenue 2013

4.3 Conclusion of results

In this chapter I have done benchmarking and marketing research of the cross-border market and market players. I researched the marketing situation in general. I found out that cross-border business is fast growing and it is still quite attractive at the moment for newcomers. There was a great change in the situation because of Nuijamaa border crossing point renovation. I found out that this destination is a very attractive business opportunity at the moment. Niirala border crossing point is renovated and opened as international border crossing point. It is open 24h/365days. There are no direct and strong competitors in this area. The owner of Atma Trade agreed to make a franchising agreement for a new shop in Niirala with the author of this project.

Then I found out the types of customers in the market and their preferences. The main cross-border clients are Russian visitors, who find Finland as a gate to Europe. The quality of the products sold in Finland is better. Because of the good image any product is easier to sell to Russian clients. Also Russians are social and travel with families and friends. They choose organized tourist bus tours or come by private cars. VAT return is a huge advantage in cross-border sales. Mainly a cross-border client is price driven, but later on value driven business has success as well.

In benchmarking I studied the best practices, which were chosen by benchmarking criteria in the previous chapter. I described briefly the history cycle and features of business. Also types of products and trade marks were found for each business. For most of these companies revenue, profit and some other financial data were found. A brief analysis of it is done. I tried to find also the type of facilities, crediting organization, type of CRM and warehouse management.

In the next part of this chapter I found out building blocks of a business model for each enterprise. Upon previously mentioned data I built a business model for each company. In the end I compared all these business models together. All of the businesses have more or less the same percent of profit, except Disas, who has lower profit probably because of the huge investments made in high standard real estate. Nevertheless, the profits of business with not efficient client focus or wrong assortment are much smaller. One of the best business models was in Atma Trade case, they focus on to cross-border clients and use a cost-

driven model. The service part is also developed in this company (cheap restaurant, pricing policy). Also Atma Trade, besides private clients serves B to B clients. The second most fast grown is Disas, they manage B to C as well as B to B clients. They have built quite a unique business in Finland. This company is focused on a value-driven model. The third strong best practice is Vaalimaan Kauppakartano that rises from one business shop to a successful chain. I considered also small businesses such as Rajapysäkki, because of its territorial position.

5 BUSINESS MODEL

This chapter will be practically about my own business. Here I'll present the business model and the business plan. This business will be situated in Middle Karelia region of Finland in Tohmajärvi municipality in Niirala village, just near Russian-Finnish border crossing point. The key activity of this business is a cross-border shop, with an assortment orientated to cross-border clients. This business has good potential, because in the area there are no direct and strong competitors. This idea is supported by another reason, the expansion of the number of people, who cross the border between Russia and Finland at Niirala. During last years from 2009 to 2013 the number of Niirala crossings has grown by more than 40%, and reached last year 1600 000 people (Finnish Border Guard report). The strongest cross-border market player Atma Trade is ready to make a franchising agreement with the author of this project for the target destination.

To explore this topic I needed to study the theoretical issues of this field. The main study fields are pointed the basics of existing market's marketing research, on the other hand we made benchmarking. In benchmarking I studied the best practices. I found out the business model of each business chosen for benchmarking. Then I compared all business models and found out the best features that could be implemented in a business model invented for a particular business.

5.1 Own business model

To establish new sustainable business I need to create a business model first. To simplify a business model it tells: to sell what? how? for who? with whom? This business model will be created by using Osterwalder's building blocks. Using this model is proved in the practice of 450 practitioners (Osterwalder 2011). This canvas consists of key partners, key activities, key resources, value proposition, customer relations, customer segments, channels of distribution, cost structure and revenue streams.

5.1.2 Customer Streams

In this section I am going to find out to whom I want to offer my value proposition, so which is my customer segment. Due to the position my main customer segment is focused on people who cross Russian-Finnish border in Niirala border crossing point. As it was shown in the best practices the only shop with focuses on Russian customers will have success. To research the customer streams of Russian customers I have to estimate from which area they are coming. I consider that the main stream of customers is coming from Karelia region, which is next to the Finnish border. The population of the area former Finnish Karelia (Sortavala, Suojärvi, Pitkäranta, Prääsä, Aunus) is about 105000 people (Sini Hukka, 2014). Clients from this area visit Finland once a week. Customers from Karelia Republic capital Petroskoi with a population of 262000 people and nearby regions (Kontupohja, Karhumäki) with a population of 69786 are visiting Finland once a month. Another minor customer stream is going to be from St. Petersburg and Moscow. The new highway A121, St. Peterburg-Sortavala, is going to be ready by the end of this year. Clients from the above mentioned megapolises choose Niirala, because it is not so busy a border crossing point as in South of Finland. The rest of the clients will be local citizens of Tohmajärvi-Kitee-Joensuu region and people crossing the border.

5.1.2 Customer Relations

The main idea of cross-border shops is self service. It could look simply like this: clients enter the shop, choose product from the shelf, go and pay at the cash point. But in my shop I want clients to feel welcomed to share time with us. Service must be personalized. Entrepreneur presence and visibility is important. CRM system will be based on loyal customer cards and VAT return. They are the core inducements of this business. Some of the clients come by private cars, but a big segment comes by buses, so a good relationship with travel agencies (Finnish and Russian) is important. There will be developed special bonuses for

companies/bus drivers for bringing customers to the shop. The amount of the bonus will be strictly dependent on the number of passengers. An important thing is to create enough free space for cars and huge tourist buses to park and to reverse. Bus drivers come with pleasure to this kind of park to relax and park without rush.

There are a lot of one-day travelers. So they cross the border in the morning and go back in the evening. Also many travelers start their trip early to reach the final destination by evening. There are other kinds of travelers who want to spend the maximum time in the country and go home in the evening. This means that crossing the border happens mainly in the morning and evening. So it is very important to adjust the opening hours to this demand. To serve clients on their time, the store needs to be open early in the morning (7:00) and it could be closed by 22:00 in the evening. For these kinds of opening hours special permission is needed from the local municipality. Also holiday and weekend opening need the above mentioned permission.

5.1.3 Channels

This part includes channels; who the company delivers its value proposition. The main front channel is the store. To this part of a business model I would like to include also the means by which clients get information about my business. I need to get clients to my shop. On the road, on the shop roof I need to put the illuminated name of the company in huge letters with a light. The website of the company should be simple and include up-to-date information with relative promotion companies. The website should be promoted in Google. Nowadays I have to make a great effort for Social Media (vk.com, Facebook). Another important information channel is Karelia's local newspapers and flyer home delivery.

5.1.4 Value Proposition

Value proposition means the collection of products and services a business offers to meet the needs of its customers. According to Osterwalder (2011), a company's value proposition is what distinguishes it from its competitors. The value proposition provides value through various elements such as newness, performance, customization, design, well-known brand, that reduce the risks of buying a poor quality product, price, accessibility of the shop, and convenience because of the cheap fast food restaurant.

Value proposition can be divided into: quantitative: reasonable price, good assortment with focus on Russian client preferences, fresh fish, known brands; and qualitative: perfect location, wide parking, attractive facilities, fast food restaurant with low pricing(vs. IKEA), long opening hours, only 4 days closed in a year, nice people working. A client gets a nice experience from the shop and wants to visit my shop again and again, also they shares the experience with friends and in social media.

5.1.5 Key Activities

This and the following two parts focus on infrastructure. The main activity in this business is to execute value proposition. Also creating of good image is an important thing. The customer must feel welcomed to the shop from the very beginning, starting from spacey car park. Managing of the delivery chain is important to keep enough goods on the shelves. Prices should be well seen. Keeping a huge warehouse keeping is not efficient, just in time delivery is ideal, but unfortunately it is not always possible in this kind of business.

5.1.6 Key Partnerships

Each piece of the business model is an important block in the total structure, which means that without in the business will be in serious danger. The key partnerships of the shop consist of suppliers of the goods, which could be wholesale enterprises and factories in Finland and internationally. To be the leader of the market the company needs to have partners to attract clients. The key partners in this case will be tourist agencies in the Karelia region. In the future it could be also St. Petersburg's tourist agencies. An important aspect of this business is a smoked fish counter. Clients like when the fish is fresh and cooked in a proper way. The competitive price of fish is not easy to keep on. That's why I need to find solutions to buy fish directly from Åland's or Norway's breeders. Fish is a season product, so the price may differ, but a great deal with the supplier can solve this thing as well.

Another important partnership should be focused on client attraction. A deal with local tourist companies (both sides, Russian and Finnish) is important. The first thing is information support. Tourist companies should inform their customers about my store. The second is collaboration with tourist companies. Buses should stop by the shop. In this case, instead of one car, clients (1-5), I'll get 8-55 customers from a bus at a time.

5.1.7 Key Resources

Key resources exist to create value for the client. First at all, in cross-border shop there will be an entrepreneur, who usually takes the role of CEO and depending the size of the shop, they would have a warehouse manager. Then it is all staff in the shop: cashiers, restaurant workers, fish smokers and cleaners. Choosing employees is an important process; it is good to spend time on it. Only the best ones, most skilled and experienced should be chosen. Employees should feel as team members, they couldn't be separated. It is healthy to organize corporate activities for all staff together.

Good operation management should be secured with ERP environment that could be SAP, Passeli, Suomen Kassajärjestelmät or other. But definitely CRM, HR, Finances and Store Management should be included.

5.1.8 Cost Structure

In this section I discuss the most important operating costs. They come from creating value, maintaining customer relationships and generating revenue. Such costs can be easily calculated from key resources, key activities and key partnerships. This business will be created around the costs in order to be able to provide the best possible price to the customer. That's why Osterwalder (2000) calls this type of the business cost-driven. There are two types of costs. The first type is fixed costs; they include building maintenance and rent, salaries, car expenses and freight. The second type of the cost is variable costs. They include purchased goods, taxes and other relevant expenses.

5.1.9 Revenue Streams

This segment represents cash business generated from each client segment. I must create a relevant pricing model, I need to find value for what the customer will pay. Mainly I have one type of the customer; it is private clients behind the border. But there are also small businesses from Russia as well, each customer segment makes its own revenue stream. The main focus of this business is goods sale.

<p>KP</p> <p>Suppliers:</p> <p>Wholesale enterprises and factories: Finland, Europe and China.</p> <p>Fish breeders from Åland.</p> <p>Tourist agencies.</p>	<p>KA</p> <p>Sales: B to C</p>	<p>VP</p> <p>Quantitative:</p> <p>Reasonable price, good assortment with focus on Russian client preferences, fresh fish, known brands.</p>	<p>CR</p> <p>Generally this type of sales is Self Service.</p> <p>Bonuses for bus drivers, CRM cards, with possibility of VAT return on it. Personal service.</p>	<p>CS</p> <p><u>Diversity</u></p> <p>All social classes, the main definitive point is location. Mostly middle class of customers.</p> <p>Clients behind the border:</p> <p>Karelia, St. Petersburg and Moscow</p> <ol style="list-style-type: none"> 1. Small business entrepreneurs 2. Shopping tourists(they act as small entrepreneurs as well, the buy for themselves and for a lot of friends) 3. Transit passengers 4. Summer cottage owners/tourists 5. Family travelers(fun, friend visits) 6. Business travelers 7. Others/Mass market <p>Russians, who live in Finland</p> <p>Local Finns and those, who cross the border</p> <p>Local inhabitants.</p>
<p>CS</p> <p>This business is cost-driven.</p> <p>Fixed Costs: Buildings' maintenance costs, rent, salaries, car expenses, freight.</p> <p>Variable Costs: Purchased goods, taxes and other relevant expenses.</p>	<p>KR</p> <p>Human resources: Entrepreneur, sales staff, fish smokers, restaurant staff, management team, business activities staff.</p>	<p>Qualitative: Perfect location, wide parking, attractive facilities, fast food restaurant with low pricing (vs. IKEA), long opening hours, only 4 days closed in a year. Possibility to pay in Russian rubles.</p>	<p>CH</p> <p>Store.</p> <p>Good advertisements on the road. Good website. Social Media. Karelia's local newspapers and flyer home delivery.</p>	<p>RS</p> <p>Main focus of this business is goods (asset) sale.</p>

GRAPH 19, Own business model

In this chapter I presented a business model for my cross-border shop in the Finnish-Russian border in Niirala. This model is innovative, because it is not only cost-driven, but I attempt to build a new concept of a border shop, which can be applied in any EU-Russia border. This concept is focused on customer experience in the shop; it is done considering customer needs and preferences.

5.2 Business plan

In this part I will present a business plan based on my business model. The business plan can be seen in attachment 1. This company will be established in the Finnish-Russian border crossing point Niirala in Finland. As I considered before, it's a very attractive location because there are a lot of people coming to visit Finland for different reasons as well as from the Finnish side people are crossing the border. I assume that there will be also a small amount of locals. The idea of this business is to create value for customer by price, wide offering, special products and service. I made a verbal agreement with Atma Trade CEO Muhamad Darwich about Laplandia Market franchising. This agreement includes goods supply and management experience, royalty is not included in this agreement. I have several possibilities for a location. I may rent, buy or build a new building for the shop.

The first option is John Nurminen buildings, there are 3 sheds: 3000m², 1600m² and 750m². These building are seen from Highway 9, but there is a railway in the middle in order to reach them, you have to turn to a side road and drive a couple of hundred meters by a side road. This building needs insulation. This option is to rent.

The second option is Rajapysäkki Ky, it has a gas station, shop and fast food restaurant. Rajapysäkki is now owned by Puustinen family. They bought it for 280 000 € (price now is about 200 000 €). And they want to sell it for 500-600 000 €. The building has a perfect location, but it is only 380m². Also the sale price is quite high, the real price of this building is maximum 200 000 € (Esko Sainio, 2014).

The third option is a former School in Peijaniemi. This property is situated just next to road 9. There is a sport-hall on the first floor, size of 200m² (the rent the first 1-3 months about 750 €/month, then 1000 €/month). The problem with this building is that the municipality of Tohmajärvi is planning a new road, and it will be in a different location from the present road and this building will not be in a good place anymore.

The fourth option is building of my own store. The municipality of Tohmajärvi purchased a plot, which is situated along Highway 9, after Rajapysäkki. On this plot a prospective business may build a shop building. The price of the project is about 2500mm €. Possible investor is one of the Finnish pension funds.

This business plan is done using Helsinki entrepreneur center online tool on web site www.liiketoimintasuunnitelma.com. This business plan provides standard parts as general information and SWOT. The second part is considering expertise, in which an entrepreneur background is explained and his abilities to run this business. In the next part we explain what kind of goods and services are demanded by my client segment. The main groups of the products are tea and coffee, detergents, sweets, smoked fish and cheap Chinese products. In this are also considered margin structure and calculations. The next part is about customers and markets. In this part we'll define my main customer profile and we will gather customer segments. I will try to estimate the number of customers daily, which will help us in financial calculations. Then in the next part I will describe the market situation from a competitor point of view. I will consider each competitor separately, to find its strengths and weaknesses. A further part will be about my company's general structure, main ideas, business administration. I will look through all possible locations in the investment part. Here I will have also an HR-management plan with salaries. In the last part I am going to consider the financial part and accounting. I am going to look for solutions how to fund our business. How financial management is going to be organized. I will also list possible counselors here. Additionally to my business plan I am going to make calculations of funding, profitability, sales and a 3-year performance plan.

6 CONCLUSION

This work is about a new business establishment, about cross-border business and business model generation for a new business based on benchmarking. The idea of this business came after creating different business plans, which are found unsuccessful. A cross-border shop is found as one of the most attractive businesses for a person with a background of a Russian emigrant with economic education. Nowadays the market of south borders is held by three strong competitors Atma Trade Oy another is Vaalimaan Kauppakartano Oy, and the third is Disas. Like my theory says, competitors are usually well known to each other. One of the potential places to start a new business is Central Karelia border crossing point Niirala. There are no strong competitors around and it looks like they are not coming in the near future, because their growth last year was more than they could sustain, also they still don't believe in the potential of Niirala. Another reason, why I chose this topic, is the growth of the number of border crossings in Niirala, in 2009 – 2013 the number increased by more than 40%, and reached last year 1600 000 people.

The aim of this study was to find and analyze theoretical material about marketing research, business model generation and business plan creation. I studied cross-border markets precisely to understand business environment, opportunities, main suppliers, customer steams and demand. By studying the best practices it was found out the target companies' business models, and for which customer value must be created. The research question was: There is strong demand for a cross-border Shop near Niirala border crossing point. There are possibilities for this shop to succeed and make large profits. In this chapter I are going to get an answer to this question. To achieve it I need to use marketing as a tool, to research the situation in the market, as our theory part explains us. Marketing research helps managers to make decisions.

By this thesis I wanted to create my own business concept of a border shop close to Niirala border crossing point and establish my own business in the previously mentioned location. To explore the topic I studied theoretical issues of this field. The main study fields are pointed the basics of the existing market's marketing research and benchmarking the best practices to find out the blocks for my business model and important aspects of the business plan.

Marketing research of the whole cross-border markets was conducted as well as cross-border markets in Tohmajärvi municipality where Niirala border crossing point is situated in Middle Karelia. It was found out, that the number of people who cross the border was grown by 35% in the last 3 years. The amount of sales of Kitee-Tohmajärvi region in the above mentioned period was grew by 58% and there are no cross-border shops present. There are prospective competitors nearby, but they have no specific features to be considered as competitors, because they are located far away from the border crossing point and the offering is not focused on Russian clients. Here I will list a short analysis of them. The first of them is Tohmajärven Säästömeista Oy. This shop mainly concentrates on outdoor clothing, household and house decoration. Then in Tohmajärvi there is Tavaratori, which is a branch of Suomen Tavaratori Oy. This store has existed here only 2 years and its offering is concentrated on power tools and ironmonger. The last one is Tokmanni in Kitee which belongs to Stockmann concern.

It was found out that the type of the Russian client its middle-class or upper middle class. Clients travel by their own cars or tourist buses. They travel with a family or friends. Customers purchase goods for themselves, friends, neighbors and to sell. The purpose of the travel is shopping, tourism, business, transit, friend visit, to open the visa.

In this thesis the main focus is on benchmarking, in theory I studied that, for a new business benchmarking should always be performed. The criteria for choosing participants were size of revenue, amount of profit, strategic location or other. The businesses I chose are the previously mentioned Atma Trade Oy, Vaalimaan Kauppakartano Oy, Disas Oy, Suomen Tavaratori Oy, Rajapysäkki Ky and Saimaa-KPY-Trading Oy. I found out that companies depend on location, succeed better with special kind of offering: tea/coffee, detergents, sweets, hygiene products and cheap household goods. The main criterion of the goods are quality, known trademark and reasonable price, availability of some goods is better. The quality of the same trade mark could be higher in Finland, because of higher quality standards for goods.

One of the goals of this study was business model generation. To make my own business model I have to learn from others how to do it. During benchmarking I gathered information for each building block of the business model of each business. Then we built a business model canvas for each business that was benchmarked. I found out, that there are similar features in cross-border stores' business models. For example in customer relation segment all of the shops have VAT-return by invoice and most of them have bonuses for bus drivers.

In revenue streams most of the shops concentrate on goods sales. Anyhow most interesting part is the differences in the same segment of different business models. I found out that usually those differences make sense in the success of the company. The right focuses in value proposition affect customer streams. There are quantitative and qualitative types of value proposition. For example Atma trade's quantitative value proposition is concentrated in good assortment with a focus on Russian client preferences (coffee, tea, sweets, detergents and personal hygiene products), fresh fish and well-known brands. This model is cost driven and because of it there are huge revenues. Another example is Tohmajärven Säästömeista. It has the best profit percent (17%, vs. Atma trade 8%) from all border shops. But its annual revenue is quite low, it is only 1.700.000 €, if I take in to consideration that this enterprise is 20 years old.

The target of this work was to establish a cross-border shop. The name of the company is Jusapit Oy, because the owner's name is Juhani, and Pit is from the owner's hometown St. Petersburg. The name of the store would be Karelia Market, which is chosen by the location in Karelia region, and market word I see in many other cross-border stores. In the theory part it was found out that efficient business must be built upon a well-planned business plan. Previously a business model was created for my enterprise. Upon this model a business plan was designed. This business plan is done using Helsinki Entrepreneur Center (Helsinki Uusyrityskeskus) online tool. This business plan provides standard parts as general information, SWOT, expertise, products and services, customers and markets, markets and competition, financial administration and accounting, financial calculations. The best possible place for a store is just next to Niirala border crossing point on a municipality plot. The investment is about 106.000 €. It could be borrowed from a local bank and Finnish governmental organization Finnvera. Building must be built by investment one of the Finnish pension fund. My enterprise will rent the building for about 8-11% of building value. In the rent agreement Jusapit will have a possibility of purchasing the building.

At the end of the business plan all financial calculation is done: funding, profitability, sales and a 3-year performance plan. The minimum target net result was 12 000 € plus entrepreneur salary. I have done negative, realistic and positive sales calculations. All fixed costs are the same in all 3 possible variants. Even in the negative calculation Jusapit Oy is able to manage to pay all responsibilities and maintain the business activity, with annual revenue of 2.027.760 € and profit 103.248 €. In the realistic calculation revenue is 2.862.720 € and profit is 373.728 €. In the positive calculation revenue is 3.536.652 € and profit is 539.244

€, with annual grow of 15 %. Those calculations are quite prudent, because in reality the growth could be 1000 %, like it happened to Atma Trade.

I took a look at the theoretical background of marketing research and benchmarking. In the practical part it was found out that there is a strong demand and potential of customer streams growth in Niirala. There is a need for quality and a specialized store there. Upon the business plan calculations I can be sure that the cross-border shop in Niirala will succeed and create value for customers. The municipality will benefit directly by taxes and additionally there will be a lot of new job placements created.

Further research could be faced on cross-border activities in the north border crossing points in Finland such as Salla, Raja-Jooseppi, Kuusamo and Vartius border crossing points. Another uninvestigated field could be on other EU-Russia borders, such as the Baltic countries (Estonia, Latvia and Lithuania).

6.1 Post scriptum

During the last few months while finalizing this thesis, the political and economical situation in Russia has changed remarkably. Due to the civil war in Ukraine and Crimea joining to Russia, EU set economical restrictions towards Russia. At the same time Russia's main export product oil have had substantial reduction in price. These factors have made Russian economy very unstable. Foreign investors are not investing anymore to the Russia. The federal bank of Russia took all restrictions of Russian ruble course and allowed it float. As the result Russian ruble value dropped almost 70 % in a very short period. Inflation raise dramatically. Before devaluation of ruble the average salary of an a engineer was about 1000 €. Now that is less than 500 €. As the result the Russian tourists does not have the purchasing power he/she used to have. This have had devastating effects to the cross-border business in Eastern Finland. Now one can only wait the new turn in world economy. At the moment it is not possible to start cross-border shop, at least in Finland.

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APPENDIX

Research material

Questionnaire 1

22.2.2014, Atma trade Oy, Imatra, Laplandia Market, shop manager Mustafa Darwich

1. Main data of the stores

Nuijamaa warehouse 6000m², shop 2000m²

Imatra warehouse 1000m², shop 2500m²

2. What is your business model?

To ensure goods exchange as fast as it possible: we want to sell as much as possible, this is possible only when our margin is quite low.

- a. To keep price as low as possible. We buy goods from where is cheaper, Finland or abroad. For example Sweden, Holland, Germany and UK.
- b. We try hard to sell things, that client mostly wants.

3. Sales

Now it is daily 10 000 €, with profit 20-25%.

Before it was around 15 000 € with higher profit.

4. To which things you make main focus in daily work?

Price should be always visible.

It should be enough products in the shelves.

5. What are your main products?

Tea, coffee, sweets, travel bags, Thermoform underwear and bath equipment.

Brands: Nescafe, Gevalia, Lavazzo and etc.

6. What is the margin structure of your products? How is the margin constructed?

From 7 to 50 %, mean 20-25 %

7. Who are suppliers of your goods?

Nestle, Unilever, Gevalia, marabou-Kraft, Lavazza and others

8. Goods are provided in debt, or should it bought in the shop first?

All are bought inside.

9. Own brands/unique in Finland

Alizar-own trademark, thermorm-underwear, Holland-cleaning equipment

10. Fish shop, what is amount from main business, also establishment costs.

It could be about 10 % of revenue.

11. Who are your main clients? Amounts, seasons?

Now is low season, also ruble course is lowered, so sells are 25% lower than usual.

Bigger amounts of clients come at weekends or at holidays.

Weekdays now 700-800 clients/day, before it was about 1500 clients/day.

At weekend it is around 1500 clients/day, but before we had about 2000 clients daily.

12. Loyal customer system, who provide, costs?

Own system, card cost 2,5 € is charged from client directly-

13. Who are your main competitors, and what are your competitive advantages (why your shop is better)?

You know them. We have most famous of the well-known brands, our prices are the best ones.

14. Which pension fund owns the building, how much is the rent, how long is rent agreement, was it difficult to get one?

Its small pension fund (Tuuliasen säätiö, Lappeenranta), they found us by themselves.

15. How much was building costs, who build? How long does it took to build, was there tender between builders?

I don't know, call our CFO

16. Equipment cost: shelves, Cashier tables, and machinery?

I don't know, I was not involved in establishment of this shop

17. Storage amount, how much was at the beginning? How often you must to order more?

We have more than 5000 types of products, also we have own logistic solutions: company owns a track.

18. Personal by professions, salary ranges. HR managing system.

We have about 40 employees, at working day there are about 6-7 employees on duty, at weekend there are about 10-14, in two shifts.

Salary categories (TES) A-level 10,50 €/h — C-level 15 €/h, they work more hours, extra per weekend, evening and bank holidays.

HR system: Suomen Kassa Järjestelmät

19. What is your marketing strategy?

Laplandia market is well known brand, if you would ask in St. Petersburg, do they know Laplandia market, you'll get positive response.

20. Marketing research, when is done, what are the results?

No need for it, Laplandia is well-known brand already.

21. How you can compare Nuijamaa and Imatra business environments?

Nuijamaa is better clients double or more, about 16 small business clients visit shop once monthly.

Revenue: 4 000 000 €/year.

22. Plans for future

Next year to open shop in Vaalimaa, later on also Niirala.

On-site visit report 1

22.2.2014(Friday afternoon), Laplandia Market, Imatra

Many foreign products, for example Germany, Holland: no labels in English, Finnish or Russian.

During visit shop is full of customers. Not all of the staff speaks Russian, this create problems for Russian clients.

Marketing: Laplandia pay tourist company's guides 50cent/per client, for stopping buses by their shop. This money can be used for purchasing goods in the shop. It is smart solution, because guides decide by which shop bus will stop.

In compare to other shops, in this shop prices are much lower.

Interview clients: We better eat by Disa's Fish and buy fish there, but here we buy all other things.

Restaurant is not very popular here. One side is self service restaurant other side fish counter.

Cashier corners are made by Itab.

Products and brands:

Tukkuporras, lapponia, berner, hardford, beauty formulas, fruktis, L'oreal, Linna, Astonish, Avec shampoo, Domestos, Vim, CIF.nl, Henkel.be, Lipsolute, Ultra compact, Claro.de, Persil.it, jabonespardo, vicli, riduto.it, Borjomi, Oivarini, Valio, Nuts, Ketchup, Eldorado, cheese(Menu), Eldorado(Metro), Haribo, naamelli.fi, Tea Stewed, big packs.

Own brands, ordered directly from china's factory: Atma Mop (Neco), Still clots drier, travel bags, thermos.

Smoked salmon price is 14.85 €/kg, fish looks quite fresh.

There are 14 Cashiers in total, but open is about 8-10.

On-site visit report 2

22.2.2014, Grand Orchidée, Lappeenranta

This shop looks fancy as inside as outside. Fashion Cafeteria situated inside. Great crystal chandeliers, attractive furniture (like at the palace). By interior there're not so many shops in Finland like this. Lot of fashion brands are presented here. Now everything in 50% discount. Just a few client and most of them are Russians.

Questionnaire 2

18.2.2014, Vaalimaan Kauppakartano Oy, CEO and owner Sergei Ananiev, by phone

1. What is your business model?

no answer

(Big shops of home household goods, clothes and some food. Can be compared with halpa-halli, Tokmaanni etc. But this one is with focus to Russian clients, all shops is more or less close to the border, 2 shops which are very closed to the border(Vaalimaa and Nuijamaa — Mustola) in assortment are orientated to Russian client)

2. To which things you make main focus in daily work?

no answer

3. What are your main products?

Go and see, what people mainly buy, or look from recites. Also from recites you can count revenue, by multiplying to number of cash machines. I am doing this sometimes myself in Prisma or other shop. Also you can count margin structure by knowing wholesale price.

4. What are your main clients? Amounts, seasons? How many clients per year?

Depends from area where the shop is, but in the border line 90% are Russians.

5. Main competitors, why your shop is better?

You know my competitors, my shop is better, because I've learned everything myself in 20 years.

6. How much was building costs of new shop, who build? How long does it took to build, was there tender between builders?

no answer

7. Equipment cost: shelves, cashier tables, and machinery?

no answer

8. Storage amount, how much was at the beginning? How often you must to order more?

We look upon need, sometimes it could be 10e sometimes 1 000 000 €, we have no budget for this.

9. Personal by professions, salary ranges. HR managing system.

We pay our salaries by TES , ammount of staff upon HR plan.

10. What is the margin structure of your products? How is the margin constructed?

no answer

11. Fish shop, what is amount from main business, also establishment costs.

We don't have any.

12. Marketing research, when is done, what are the results?

Yes we done some of them.

13. Own brands/unique in Finland

Go and look and my shop and then call producer and ask if he can sell it for you.(At least we know that there is Ahmad Tea and some brands of Extra virgin olive oil.)

14. Loyal customer system, who provide, costs?

Our own system, doesn't cost too much for us.

15. How you can compare Nuijamaa and Imatra business environments?

Different location. One shop is in Imatra another in Vaalimaa. (At least we know that Vaalimaa business is older one in company.)

On-site visit report 3

22.2.2014, Rajamarket, Imatra

Shop is made quite close to city center in trading area with other shops (Citymarket, Prisma etc.), shop share building with LIDL.

Shop is decorated in nice way, so you get comfortable feeling in it. This shop is not look any more like storage. A lot of clients are inside; parking place is full of Russian cars. Only 1-2 cashier on duty.

Goods: mainly cheap clothes, but there're some brands, for example: Lasse, Luhta.

Household, kitchen goods, office supplies.

Difference from other shops in Finland of this niche. Specialization on Russian client: tea, coffee. Olive oil: Basso, San Migel, Desantis; Detergents.

Minuses: no toilet paper, few of sweets (maybe because of strong competitors around), no beer(same reason as before).

Questionnaire 3

20.4.2014, Scandinavian market Oy, CEO and owner Vladimir Desnitsa, by phone

1. What is your business model?

same as AtmaTrade. Buisness is build upon Freight forwarding business

2 owner 50% + 50%

2. To which things you make main focus in daily work?

customer care

3. What are your main products?

They are same as AtmaTrade, but we try to sell them with lower price. We can't buy huge amounts, because we have only one shop. But we try to find solutions to sell them cheap. In this difficult time, we have 0% of profit.

4. What are your main clients? Amounts, seasons?

enemmän suomalaisia, kotitalous

5. Main competitors, why your shop is better?

AtmaTrade

6. Who own building, building costs?

Company owns building, surface 2500m².

7. How much was building costs, who build? How long does it took to build, was there tender between builders?

Building cost 2000 €/m²

8. Equipment cost: shelves, Cashier tables, and machinery?

no answer

9. Storage amount, how much was at the beginning? How often you must to order more?

2-3 weeks storage

10. Personal by professions, salary ranges. HR managing system.

12 people, TES

11. What is the margin structure of your products? How is the margin constructed?

no answer

12. Fish shop, what is amount from main business, also establishment costs. Why now this department is closed?

It was not profitable, we are renting this space.

13. Sales/Why you change assortment?

We need to react for changes from outside. We change assortments to get better deals.

Revenue 5600 000 €/year, 250 000 €/month (Christmas 450 000 €).

We are ready to sell 50% of stock. Total price of the shop 6300 000 €. For 3000 000 € we can sell 50 % of stock.

14. Who are suppliers of your goods?

They are same as for others.

15. Discussion

Disa's has so many people 10-12 people a day, they need only 4-5 people daily, but this shop want to make focus to customer service, Russian clients don't look for service, they look for price. In this area Outlet shop for clothes will not succeed, only this kind of detergent/tea/coffee shop succeed. We started this shopping center project in Imatra. We got first plot in that place and then came Atma and Disa's, they start to believe in this place, when they saw that we are managing well.

On-site visit report 4

22.2.2014, Scandinavian Market Oy, Imatra

Not so many customers, one says to other: "Let's go to Laplandia, here is nothing to buy". Shelves are half empty. Everything is in 40 % discount. Assortment remembers Laplandia: Cheap clothes, gifts, souvenirs, small steel decoration producers goods, shoes: Kuoma and

etc; Olive oil Manzumo, Vitorian Tea, Pagen, Mistral, Heidel choco, Windel, Laica, Lindt, Milka. Originaly price level is high.

On-site visit report 5

22.2.2014, Disas, Imatra

Building cost of the shop is 8 m. e. You can really see it. Construction inside are wooden. Shop is very big, not so much clients. Apart from fish assortment remembers Finnish Sokos/Kesko chain, but there are a lot of small (ecological) meat and fish producer goods, for example Wigren, Weljekset Mattila palve, suomen lihaherkku. Also Valio, Atria, Marli, Tea, Arvid Nordqvist Coffee, Suovenirs, Pet products: HauHau. Very cousy restaurant with many people inside. Detergents are same as everywhere(exept Wicli). Sweets. No clear department division. Not so many customers, only maybe in fish department. Fish department is quite big with very large assortment; prices are same as by competitors. Here you can taste fish before you buy it.

Questionnaire 4

27.2.2014, Pertti Hotti, by phone

1. What is your business model?

Laplandia Market Franchising in Tohmajärvi near the Russian border in municipality plot. We planned to open our shop before Christmas 2014, but now seems that we will do it next year. We have discussion with two financial institution, but now is very uncertain economical situation because of ruble course lowering. My sponsor wants to wait a little bit.

2. Why you don't want to use Nurminen storages?

They are not on main road, not good to attract customer attention clients.

3. What are your main clients? Amounts, seasons?

Russian travelers. Last year about 350 000 clients/year (Total 1620000, 43 % Russians; amount should be divided by 2, because most of them go and back)

By the year of 2017 this amount doubles

Total amount then 3 000 000 people (Finnish border control prediction)

4. Main competitors, why your shop is better?

Price, Assortment, no competitors in this area

5. Which pension fund owns the building, how much is the rent, how long is rent agreement, was it difficult to get one?

2 small financier are interested, but no agreement yet. The rate of return in Joensuu City center (Kesko 10 %), here in remote inhabited area it would be 12-15 %

6. How much was building costs, who build? How long does it took to build, was there tender between builders?

Size of the building 2900m²(shop 1400m², storage 1500m²), Cost of the building 2000 mm€

7. Equipment cost: shelves, Cashier tables, and machinery?

All shelves and cashier equipment leasing from <http://www.3stepit.com/>

8. Storage amount, how much was at the beginning? How often you must to order more?

storage about 400 000 €

9. Personal by professions, salary ranges. HR managing system.

in the beginning 12 +2+ CEO

10. What is the margin structure of your products? How is the margin constructed?

They are same as in Laplandia, but we are not able to provide quite same price level, because we will have additional costs at least freight, because we need to transport goods from Nuijamaa warehouse to Niirala.

11. Fish shop, what is amount from main business, also establishment costs. why now closed?

Fish will be brought from Imatra/Laplandia Market, then we will buy own equipment.

12. Goods are provided in debt, or should it bought in the shop first?

Goods will be purchased.

Questionnaire 5

9.4.2014, Säästö mesta Oy, Tohmajärvi, CEO and owner Eila Sivonen

1. What is your business model?

We have huge assortment, all to time advertising actions. We sell tax free for Russian customers.

We had 6 shops (ex. Joensuu, Iломantsi, Polvijärvi etc.) before, but only this shop make profit, so we closed unprofitable businesses.

2. To which things you make main focus in daily work?

Job should be done smoothly every day; employee should like him/her work and dedicate to it. We make emphasis on sales and customer service. Client need to feel himself welcome in the shop and he should get information about product. When we have a lot of clients all staff engaged in sale work, if we have less clients employees

do some other duties. We make focus in teamwork, we make corporative parties or other activities together.

3. What are your main clients? Amounts, seasons? How many clients per year?

Our clients 50% from neighborhoods and 50% from Russia. Daily about 200-300 clients. Our range of products has season focus. We have summer, winter and autumn seasons.

4. Main competitors, why your shop is better?

Tavaratori (not direct), Tokmanni (slide different location, but exactly same goods).

5. Muuttuvat kulut(vuokra, sähkö, henkilöstökulut)

Rent 2500 €/month, electricity about 1000-1500 €/monthly.

6. Sell surface

Shop: 600m², but we have also big storage outside of the village.

7. Revenue/profit/owners

Last year we change from AY to OY. Revenue will be about 1700 000 €, profit 300 000 € (before tax). 2 owners: husband and wife

8. Storage amount, how often you make orders?

Wife is CEO and she makes orders as well. Goods are coming all to time. We order now autumn 2015. Only full time employees have pass to storage management system. Storage management, HR and cashier systems from CraftHouse.

9. Personal by professions, salary ranges. HR managing system.

Permanent staff is 4 salesmen (2 Russians, 2 Finns) and 2 owners, Eila: CEO, HR, goods purchase and daily management, Kalevi: storage maintenance and daily management. Additionally we have 4 trainees and 2 summer employee. Our salary payment is according by TES.

10. Main products

Outdoor clothes is our specialization. Clothes are 70 % of the revenue. Detergents, garden products and presents. Ex. Luhta, Ski. Suppliers: Heinon tukku, Kyytiainen.

11. Goods are provided in debt, or should it be bought in the shop first?

We are long time in market, so we have 3 months payment time.

12. Own brands/unique in Finland

None, we buy from huge wholesalers in Finland.

13. What is the margin structure of your products? How is the margin constructed?

It is 40 % or less.

14. Marketing research, when is done, what are the results?

None, we use existing research for ex. recent KETI research.

15. Loyal customer system, who provide, costs?

No, but we think about it. We try to lure Russian minibuses by giving them some goods for free, or giving them lunch coupons to local gas station, problem is they don't use them, because gas station has its lunchtime later on, when they have left already.

We plan to build a loyal customer system.

16. Marketing

We have our own website, also we use local newspapers in Russian Karelia (Gubernia, MK v Karelii, Vesti Priladozja, Vestnik: Ladoskij Krai, Ladoskie Vedomosti, Ladoga), and Finnish Russian language newspapers, like Forvater, also important is to deliver flyers to mailboxes in Russia. We used to deliver our flyers in the border, but now there are no good place to put our stand there.

For Finnish customers advertising in Koti-Karjala and Väylä newspapers.

Questionnaire 6

28.2.2014, Rajapysäkki, Niirala, CEO and owner Valentina Puustinen

1. What is your business model?(what, how, why, with who)

We made good restaurant. We are focused in feeding large amount of people.

2. Gasoline profit: 10c per liter, new meter 5000 €, 1000l/day

3. Margin structure: 30% maximum

4. What are your customers/how many per day/seasons

Weekday 20-30, weekend 35-50 people, 100 people/summer

5. Amount of customers in working years?

In this time it is decreased.

6. What is your business model

Good food

7. Data of real estate: 395m² shop, apartment 100m², plot 1.5Ha. Apartment small renovation

8. Revenue

495 000 €, Tuula Hirvonen/OPKK

Once a month all papers to accountant. Money in safe in the shop, weekly to the bank.

9. Is your enterprise for sell?

yes, price is about 600 000 €

We bought for 500 000 €, renovation 50 000 €, new equipment 50 000 €

10. Marketing strategy of new enterprise?

First newspapers for free Helsingin Sanomat, Karjalainen. Then pay for advertisement in Petroskoi TV and newspaper.

11. Equipment cost: shelves, cashier tables, and machinery?

New equipment: fridges, stove etc. All together more than 50 000 €

12. Personal by professions, salary ranges. HR managing system. Is it easy to find good people to work with?

Salaries Leena 2800 €, Valentina+Ari= about 4000 €

We work our self, in addition we has got one employee: Leena Potapova, you can contact her, if you want.

13. Fish

We buy smoked fish from Puruveden Kala in Kesälahti, every second week in winter, in summer every week

Fresh fish will be a good product.

There are demand for fresh meat and meat products for example: sausages from Germany.

14. Who are suppliers of your goods?

Tokmanni, we buy from local supermarkets Sokos and Kesko chains.

15. Fixed costs

Electricity + heating cost 20 000 €/year

16. Equipment

We have at least new dishwasher 5000 € and new Pizza oven.

17. Future

Russian are waiting for good restaurant and good hotel.

18. Marketing

Direct agreements with Finnish tourist companies, to serve groups with meals.

19. Storage amount, how much was at the beginning? How often you must to order more?

50 000 €, gasoline 30 000 €

20. Suggestions

If you are going to establish cross-border shop you have to buy all your products directly from producer, not from wholesale.

On-site visit report 6

9.4.2014, Rajapysäkki, Niirala

In the parking there is 2-4 cars registered in Finland. Russian client is rare. Area is huge, plot is 15000m², rental agreement with Tohmajärvi municipality is for 38 years. Building permit is left for 700m². Building consists of 2 floors: 1 floor is restaurant + shop=451m², 2 floor is apartment 116m². (Building draft, annex 1). Gasoline meter is in worse condition. Additionally company make business of car parking and small amount is warehouse. Inside the building shop area is small, prices are huge, for example Kulta Katriina coffee cost 6€. Meal side is quite developed. Inside is comfy. Warehouse on the back take huge amount of the building. There are no goods, only some old machinery and equipment out of use. Kitchen is small but utilitarian. Apartment is in good condition, but beat old fashion already.

Questionnaire 7

28.2.2014, Paltivar Oy, Tohmajärvi, CEO and owner Leena Koukka

1. What is your business model?

Second hand shop and tyres.

2. What are your main clients? Amounts, seasons?

7 p.m. first clients

2-20/day

1. How long you work in this place?

Since July 2013

2. There where one competitor in the hall, but he was under 1 month

Kilokirppis, viisa service

3. How much were your establish costs? What kind of financial solution you used?

We have bank loan 6500 €.

4. Equipment cost: shelves, Cashier tables, and machinery?

mauno enquist very old things, tori.fi, realisointi keskus

5. Security solutions

Turvamestarit

establishment: 1500 € (moving sensor 5, central monitor)

Monthly 90 €, Visit 30 €

Guarding gate in future

6. Insurance

toiminanvastuu, tavaravakuutus, sekä pakolliset, rippuu vakututtevasta

7. Space

Month 100m², 1m²/5 €

8. Personal by professions, salary ranges. HR managing system.

All 4

Lea Koukka Chairman of the board

Tony CEO assistant

Andrei Thugurov CEO

Olga Thugurov, employee

Coffee: employee work practice, person in charge should be on place.

9. What is your marketing strategy?

Forvater newspaper, website

10. Fish

Niiralan customs, fish in not alloyed to get through?

11. Rajapysäkki Ky

Valentina not jointed to any chain: Kesko or S-chain.

Prices are high. K-chain managing well. Border control staff come only at weekend to eat. Local people don't consider this place as a convenience store, because of the high prices and low quality of service.

12. Itähuolinta

Tax free is not working any more very well, but they sell gifts, there is dragstore and there is post office.

13. Limited company(want to sell out)

Many areas to work in (monitoimiala)

Company has 6000 € debt and its financial statement is loss-making

14. Plans for future

It's better to sell Finnish quality goods: Hackmann, Pentick, Finlayson

Phone interview 1

21.2.14, Saima-KPY-Traiding Oy CEO and owner Veikko Pitkänen

Summary: Veikko is retiring and he wants to sell his business. He is not very pleased to speak on the phone, he wants better to meet in person. Veikko was last year lot away; his daughter is running business at the moment. This business is very dependent on the location, losing its business activities will not be as much successful.

On-site visit report 7

Saima-KPY-Traiding Oy, Rajatukku, Vironlahti, 13.4.14

Entering the shop, you can see cheap Chinese clothes, shop looks like warehouse. Detergents and tea/coffee assortment is quite poor. Most of the clients are local finish clients. Only one Russian speaking saleswoman Zoja is present, she works here already for 10 years. She told that new highway is going in other direction, present road near this shop will have secondary duty and in this shop nobody goes in future. She is responsible for purchasing. They encourage tourist buses to stop by doing group invoice, so all of the customers purchases is done in one invoice, which is stamp in customs and afterwards guide receive all amount of money, he divide it with bus driver. This thing encourage all busses go through this shop. Also bus driver and guide are provided with coffee and discounts for products.

Saleswoman Zoja tells that new Helsinki-St.-Petersburg highway is going in other direction and road going nearby shop is going to be minor, so tourist amount will collapse, probably only some of tourist will visit shop as well as local inhabitants.

Phone interview 2

Former CEO and owner of Niiralan kauppa Hurskanen Toivo and Anne, 16.4.2014

We sold Niiralan Kauppa building for 280 000 €. We used to own Niiralan kauppa Avoin Yhtiö. We manage very well, when we were in K-chain. Building is good quality it is built by building company. To sell the building was quite difficult case. Nobody was interesting in property in this location.

Receipts

1. Scandinavian

- a. Receipts in total 4
- b. Popular products Nescafe Espresso; Caviar 400mg
- c. Mean amount of one receipt
- d. Measured time 2h

2. Rajamarket

- a. Receipts in total 9
- b. Popular products Gevalia original 500gr, Pellini 1kg, Mokate 1kg, Bio Luvin 730ml, Airwick home deodorant
- c. Mean amount of one receipt 35 €
- d. Measured time 4h

3. Disa's fish

- a. Receipts in total 7
- b. Popular products sweets, fish, tea, meat, butter
- c. Mean amount of one receipt 50 €
- d. Measured time 3h

4. Laplandia Imatra

- a. Receipts in total 6

- b. Popular products sweets, fish, tea, meat, butter, coffee
- c. Mean amount of one receipt 30 €
- d. Measured time 2,5h

Receipts are long with data for VAT return information, most of receipts are paid by finish bank card, so it means that Russians take them receipts and this receipts we got, only from finish customers

Attachments

1. Attachment

Business plan: Negative, realistic and positive versions.

2. Attachment

Questionnaire of Russian customers purchasing activity at highway 9-area.(9- tien kaupallisen ja matkailualan palvelutarvekysely Venäläisille asiakkaille, 9- tien yritystoiminnan kehittäminen – hanke 2012 – 2014, Birgitta Väisänen). Other name: Matkailun ja kaupanalan raportti 2013.

3. Attachment

Russians as tourist in Finland. (Venäläiset matkailijoina Suomessa TAK Rajatutkimus 2013 tuloksia, Tutkimus- ja Analysointikeskus TAK Oy).

4. Attachment

Questionnaire to Russian visitors in Niirala 2011. (Kysely venäläisille matkailijoille Niiralassa 2011, Pohjois-Karjalan Maakuntaliitto, Julkaisu 153, 2012).

-Confidential-

Business plan

Jusapit Oy

Date: 27.06.2014

Version: Karelia Market

Created by: Juhani Zaryanov, Finland

Phone: 046-8102490

E-mail: jusapit@gmail.com

1. Summary of the Business Plan

This company will be established by the Finnish-Russian Cross-border point Niirala in Finland. We are going to rent/buy/build shop to sell goods and food mainly for Russian visitors but also for local people. We negotiated franchising agreement with Atma Trade. They provide us to sell their goods, food and fish. They share competence with us, and provide us all information needed for establishment and management of the shop.

Location: as close to Finnish-Russian border as possible. Shop should be seen quite well from the road.

Possible locations:

1. John Nurminen buildings (rent: 1m²=3-4e, price is negotiable, smallest building 750m²) buildings are not isolated-isolation needed.

2. Rajapysäkki Ky (price 500-600 000e).

3. Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3 months about 750e/monthly, then 1000e/month).

4. Building of own store, on municipality plot, price is about 2500m.e.

We want to attract huge amounts of clients in the shop, to sell as much as possible by reasonable price.

We want to make our shop well-known.

On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other SEO services. Nowadays we have to make great effort for Social Media (vk.com, facebook). Other important information channel is Karelia's local newspapers and flyer home delivery. Also flyers can be delivered at popular restaurant "Jänismäki", which is situated by road A130, which leads to Cross-border point Niirala.

SWOT

Strengths	Weaknesses
<p>Place: next to Finnish-Russian border Superb value pricing strategy (low price, high quality of products) Wide assortment range. Different kind of product-lines. Well-known brands. Fresh fish. Atma Trade support. Sell-staff speaks both languages (Finnish and Russian) VAT return on loyal customer card or invoice. Long opening hours, less holidays. Shop has only 4 holidays in year.</p> <p>Wide parking, attractive facilities, fast food restaurant with low pricing (vs. IKEA).</p>	<p>New shop.</p> <p>Attraction of new clients.</p>

Opportunities	Threats
Expand shop and establish ironmonger's, OutLet centre.	Situation in Russia is not stable. Small sell volume. Main competitors are just 8km away. Other competitors possibly coming.

2. Expertise

Entrepreneur Juhani Zarianov is 33 y.o., he has Master of Arts degree from University of Tampere with major Russian-Finnish translation and minor business administration and taxation law. He is finishing MBA as well.

Entrepreneur has large experience in new business establishment and running. He has good psychological skills, so he can chose right people for a team.

He knows russian client preferences and know what they are looking for.

Juhani manage basics of marketing and knows marketing channels in the region.

He is ready to work hard at the beginning for own business.

He has excellent network to business world.

Prospective counselors are:

Atma Trade CEO Mohamad Darwich, and other members of management team of same enterprice.

Juha Lepistö, former CEO of OOO Aurinkomatkat, former CEO of Hartwall Russia

Toni Ihander, CEO Laskentakonsultit Oy (bookkeeping and financial management)

johtaja Asko Harmoinen, Juha Lepistö,

Keti/Sini Hukka, Birgitta Väisänen

3. Products and services

In this part we are going to speak about offering of our Cross-border shop. We are going to plan our offering according Russian client preferences.

There will be several product lines, but they can be roughly divided into food and non-food products.

Food:

-Wide assortment of Tea and Coffee, extra large packages should be present, because they are always cheaper and customer demand it.

-Olive oil in custom but also in large cans, like 3-5liter.

-Pastries

-Sweets and chocolate. Locally produced(Panda, Fazer)and well-known international brands.

-Fish counter: fresh salmon, smoked salmon and other fish, caviar

-Snacks, chips

-Finnish(Valio) and cheap international(like Milbona from Lidl chain) diary products

-Ketchup, mineral water(ex. Borjomi, not allowed to sell in Russia, because its from Georgia)

-Other products

Non food:

- Detergents and toiletries
- Own brands made in China(travel bags, household goods, bathroom accessories, cloths)
- Thermoform underwear
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders
- Bads, dietary supplement, vitamins

Restaurant:

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Margin of the product will be about 10-20% for products, that attracts customer inside the shop, rest of the products are with margin of 30-40%.

1. Example of margin calculation:

Supplier - Kauppahuone TV

Lilien oil shower gel Honey and Propolis 400 ml

Purchase price (VAT 0%) 0,85e

Sell price (VAT 0%) 1,35e

Gross margin $1 - (0,85/1,35) * 100 = 37\%$

2. Example: Polish Trade House Oy

Fairy 1l expert

Purchase price (VAT 0%) 1,5e

Sell price (VAT 0%) 1,8e

Gross margin $1 - (1,5/1,8) * 100 = 16\%$

We believe that we get huge amount of clients because of competitive price, wide assortment of well-known brands with orientation to Russian customer, location, Russian speaking fast food restaurant and VAT return.

Last year through Niirala Cross-border point were crossed by more than 1.6 mil. people, 51% of them were Russians. Growth from 2011 year were 17%, last year 2013 10%(vs. Nuijamaa 9%). It is estimated that by the year 2017 amount of crossings will be double.

Your most important products, prices, and margin structure

Detergents and toiletries

Short description

Atma Trade

Unilever, Kauppahuone TV, Polish Trade House Oy, BIG BRANDS GROUP, Brand Distribution Poland LTD, Cederroth, Foxtel Oy, Procter and Gamble

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- fast consumed product
- big size packages

Examples of brands:

Pantine, L'oreal, Theramed

Vanish, Persil, Serf, Blick, Vicli, Omo, Finish, Ariel, Fairy, Cif, Colgate, Denvit, Waitt, Green Line, Twister, Mrs.Potter's, OnLine Kids, Lilien, Naturalis, Boxer, Normal Clinique, Delia, Axe, Neutral, Colgate, Pepsodent, Amway, Nivea and etc.

Tax free price in euros: 16
-Costs in euros: 10
=Sales margin in euros: 6
Share of overall sales: 30%

Tea/Coffee/Olive oil/other food products

Short description

Tea/Coffee: Atma Trade, Ahmad tee, Unilever, Innex Partners, Kesko, Kauppahuone TV, Kobbs,Valora Trade Finland Ab, Polish Trade House Oy.

Olive oil:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Parillo, Oliobiolevante.

Chocolate:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Mondelez, Fazer, Panda, Unilever.

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- special brands, unique in Finland
- big size packages

Examples of Tea/Coffee brands:

Twinings, Lipton, Nestle, Jacobs, Illy, Lavazza, Lazzarro, Bella Crema, Gevalia, Löffbergs lila, arvidnordquist, Nescafe, Presidentti, Kulta Katriina, Ahmad, Victorian, Menu and etc.

Examples of olive oil trade marks:

Olive oils: Olio, Basso, San Migel, Desantis.

Examples of rest of the products:

- chocolate(Fazer, Panda)
- diary products(Valio, Milbona)
- Pastries(Lu)

Tax free price in euros: 15
-Costs in euros: 10
=Sales margin in euros: 5
Share of overall sales: 25%

Bads, dietary supplement, cod liver oil and vitami

Short description

Atma trade

Vitabalans, Valioravinto, Orion, Axellus Oy, Megavit, Elixioil Oy, Möller's, Kauppahuone Tv.

A more precise description (strengths and argumentation)

- Russian customer make great accent on his/her health and try to maintain it by all possible means
- special brands, unique in Finland
- high quality

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Fish

Short description

Atma Trade, Disas, Åland fishermen, Norway.

A more precise description (strengths and argumentation)

- high quality product, special recipe
- competitive price
- fresh fish

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Other products

Short description

Atma Trade, China suppliers/factories, Thermoform, Luhta, Kuoma, Nokia, Metsa tissue, Tokmanni Tukku, Natura Oy, Fiscars, Ristina, Raan AO, Arla, Grite and others.

A more precise description (strengths and argumentation)

- middle quality products for reasonable price
- well-known Finnish brands

Example of products:

- travel bags, household goods, bathroom accessories
- Thermoform underwear
- WC paper and tissues
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Restaurant

Short description

Supplier and management adviser: Atma Trade

A more precise description (strengths and argumentation)

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 15%

4. Customers and markets

In this section we are going to find out to whom we want to offer our value proposition, so which is our customer segment. Due to position our main customer segment is focused on people who cross Russian-Finnish border in Niirala Cross-border point. As it was shown on best practices only shop with focus on Russian customer will have success. To investigate customer streams of Russian customer we have to estimate from which area he is coming. We consider that main stream customer is coming from Karelia region, which is next to the Finnish border. The population of area(Sortavala, Suojärvi, Pitkäranta, Prääsä, Aunus) is about 105000 people(Demographical situation in Republic of Karelia). Clients from this area used to visit Finland one a week. Customers from Karelia Republic capital Petroskoi with population of 262000 people and nearby regions (Kontupohja, Karhumäki) with population of 69786 people visiting Finland ones a month. Other minor customer stream are going to be from St. Petersburg and Moscow. The new highway A121 St. Peterburg-Sortavala is going to be ready by the end of this year. Clients from above mentioned megapolises choose Niirala, because it is not so busy Cross-Border point as in South of Finland. Rest of the

clients will be local citizens of Tohmajärvi-Kitee-Joensuu region and people crossing the border.

Expected visitors daily:

in the beginning about 100, after 2-4 months 350-750/weekdays, weekend 750-1000 depends from season and day of the week(data is compared to Laplandia Market Imatra, but with considering different amount of border crossing). High season is Christmas period and beginning of January, beginning of May and summer. For example Rajapysäkki Ky with low popularity has today 150-200 clients.

Calculation:

weekdays(WD) is 247

weekend(WED) + holidays 118

Expected purchase amount is 71e/client/daily. We will make all calculations with this mean amount.

Minimum amount of clients: WD 86450, WED 88500, mean is 479/day

Mean amount of clients: WD 135850, WED 103250, mean is 672/day

Maximum amount of clients: WD 185250, WED 88500, mean is 830/day

Marketing will be organized by visibility of the shop locally and by different marketing means. On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other CEO services. Nowadays we have to make great afford for Social Media(vk.com, facebook). Other important information channel is traditional media, newspapers. In Russian side it is Ladoga regional news and other Karelia's local newspapers, last channel could be flyer home delivery. In finish side is could be Kauppatie, Forvater, Koti-Karjala.

In our shop we want client to feel welcomed to share time with us. Service must be personalized.

Entrepreneur presence and visibility is important. CRM system will be based on loyal customer cards and VAT return on it is one of the core inducement of this business. Some of the clients come by private cars, but big segment come with buses, so good relationship with travel agencies (Finnish and Russian) is important. The will be developed special bonuses for companies/bus drivers for bringing customers in the shop. Amount of the bonus will be strictly dependent on amount of passengers.

Customer groups

Russian shopping tourist

A more precise description. Whom and why? Which actions will be taken?

This is people who life usually in nearby regions in Russian Karelia. Most of them are one day visitors. They come by own cars or with tourist buses. If they travel with own car, usually they take friends with them. There are also route buses, which may stop by you shop.

A customer example

Sortavala, Suojärvi, Pitkäranta, Prääsä or Aunus i

Allocation of resources

55%

Russian small business entrepreneur

A more precise description. Whom and why? Which actions will be taken?

In Russian Karelia nearby regions with population of 434786 people, there are only one city capital of Karelia Petroskoi, and 7 town and rest are villages, where at least one shop in each. They usually are run by local entrepreneurs, there are also chains like Magnit. This entrepreneurs buy a lot of products in Finland, because price after VAT return is more competitive. This customers buy in bulk.

A customer example

Russian Karelia entrepreneurs

Allocation of resources

5%

Transit passenger

A more precise description. Whom and why? Which actions will be taken?

Finland became gateway for Russian people into Europe. Finnish visa issued easily than other EU-union countries visas. Russian citizen travel to Finland to use Schengen visa and then to travel somewhere else in Europe, also Russians use Finland as transit country. Most of these customers enter country by road, after the boarder they want to stop, to rest, eat, and drink a cup of coffee and shopping.

A customer example

Petroskoi family going to Spain

Allocation of resources

10%

Summer cottage owners

A more precise description. Whom and why? Which actions will be taken?

It became a trend to by summer cottage or holiday apartment in Finland. If you compare price of summer cottage in Karelian Isthmus and in Finnish side is already cheaper cottages with better facilities. Also in Finland there is better infrastructure.

This

A customer example

Venäläinen pienyrittäjä

Allocation of resources

5%

Family travelers/tourist

A more precise description. Whom and why? Which actions will be taken?

Russian people usually travel with their families. They take also friends with them. Tour in Finland begun to be popular because of Finnish nature and high standard of services.

A customer example

Petroskoi middle-class family

Allocation of resources

15%

Business travelers and others

A more precise description. Whom and why? Which actions will be taken?

There are a lot of business connections between Finland and Russia nowadays. Popularity of Russian language grow among Finnish citizens. Business travelers usually are in hurry but still they need time to rest and to buy some present for hosting party.

A customer example

Kone's local manager

Allocation of resources

5%

5. Markets and competition

This business is planned to be situated by the border of Finland with Russia. Near the Niirala Cross-border point. At the moment there are no direct competitor in the area.

There is huge demand for Cross-border shop, because clients need goods listed in previous part, they even go to Imatra to get goods from Laplandia Market.

By the border there are situated Rajapysäkki Ky and Itähuolinta. Rajapysäkki is a gas station with good Cafeteria/fast food restaurant with small grocery shop. Itähuolinta is Tax-free return point, drag-store and souvenir shop. Bigger shops are in Tohmajärvi municipality, Tavaratori, Säästömestä, K and S-chain. In Kitee there are Tokmaanni and Sportia, bigger shops are in Joensuu.

Our shop will distinguish from competitors by position, offering, pricing policy and opening hours.

Competitors

Säästömesta Oy

Description

Old market player from 1984.

Shop is situated in center of Tohmajärvi municipality. It is specialize in outdoor clouts.

Competitors' strengths

Well-known market player.

Has good capital.

VAT return. Russian speaking staff.

Competitors' weaknesses

Location is not by the border. Offering is not matching Russian client preferences. Pricing policy is not right. Short opening hours. Sunday is holiday.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand. By us, client can pay in rubles.

Tavaratori

Description

company name: Suomen Tavaratorit Oy
2 shops in Joensuu and Tohmajärvi(new)
Revenue 3220 000
Profit 360 000(15%)

Competitors' strengths

Wide offering, old company, there is capital to invest, stable suppliers and management processes

Competitors' weaknesses

Location is not by the border.
Offering is not matching Russian client preferences.
New shop in Tohmajärvi.
Pricing policy is not right.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand.

S- and K-chains

Description

The most strongest Supermarket chains in Finland.
S-and K-chains have efficient

Competitors' strengths

This company can play with pricing, they can keep competitive prices and wide offerings.

Competitors' weaknesses

Location, is not the best one. They can't specialize on offering demanded by Russian client.
This company can't be flexible with opening hours.
No VAT return.

How do you differentiate yourself from your competitor?

Place. Offering, that suits to Russian client demand. We accept payments in Russian rubles.
We have flexible opening hours.

6. Your company

General information

Company name is Jusapit Oy, name of the shop Karelia Market. Name of the shop was chosen by name of the county it is situated in, "Market" is telling, that it's shop for foreign clients - Russians.

Company type is LLC(OY), due to expected revenues and risks this is best chose by now.

Location

Shop will be situated near by Cross-border point Niirala next to Finnish-Russian border.
This is strategic location, because all customer streams go through this place.

This shop will be seen, when people cross the border.

Building

John Nurminen buildings(rent: 1m²=3-4e, price is negotiable,smallest building 750m²)buildings are not isolated-isolation needed.

Rajapysäkki Ky(price 500-600 000e).

Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3month about 750e/monthly, then 1000e/month). Building don't need renovation, maybe doors can be renovated.

Building of own store, price is about 2500m.e.

Rajapysäkki Ky building.

400m²

Price 500-600 000e(real price 200-280 000e)

New building on municipality plot

Surface 2000m²

Cost 2000 000e

Investor build and rent it to company with longterm agreement. Annually is usually 10% of total cost.

Warehouse

Warehouse management system: Suomen Kassa Järjestelmät

Suppliers

We have verbal franchising agreement with Atma Trade. Also we have tentative agreements with suppliers: Ahmad Tea, Kauppahuone T/V, Polish Trade House.

Equipment

We will lease all shop furniture, cashier corners, IT, security system and all other equipment from 3 Step IT.

Security

We will put recording video cameras everywhere in sale area, anti thief gates and general security system fro night time. We will make agreement with local security company.

For all equipment and services, we obligated to purchase will be done competitive bidding.

Ex. pallet movers and some other small equipment.

For this expense we are going to budget 20000e.

HR

Job will be multi-tasked and for each position will be invented job description will be done.

We will need from 20 to 40 employees, depends on the popularity of the shop. At the beginning it should be enough: 5 cashiers, 1 cleaner/ seller, 4 restaurant workers, 1 fish smoker. And entrepreneur, all together 12 people.

Salaries will be payed upon TES, first 3 months salary budget is 2000e x 12 x 3=72000e

Also we will have 3 trainee, which will get their reimbursement from KELA.

Employee management system: Suomen Kassa Järjestelmät

As customer stream will grow, we will hire more people.

Management

Shop will be run by entrepreneur. In the absence of owner, some of cashiers will be in charge.

Sales

Sales process at the first stage of the project will be in shop. Client come inside the shop, chose goods, eat, get needed assistance from staff, get CRM card, pay and leave the shop. At the second stage sales will be at online shop as well.

Website

Our website will be in the beginning informative, but later on it will be online shop as well. We are going to connect our website with Facebook, vk.com, possibly others like Twitter and so on.

Insurances

We got proposals from Varma, Turva, Pohjola insurance companies and we chose Turva proposal, because it include risks of business activities.

7. Financial administration and accounting

We want to outsource bookkeeping to Laskentakonsultit Oy, or other accounting office, depends of competitive bidding. We estimate bookkeeping costs monthly 200e.

We are going to receive plan of business activities from Atma Trade. Plan will be evaluated, and all process descriptions will be adjusted to place and to present situation.

After 3 months of playing in the market. We will review our business concept, and see does strategy need to be added or changed. After this review will be done twice a year.

We are going to have twice a month meetings with workers to see how we succeed in our mission. Also twice a week will be personal appointment for every worker to see how he/she manage and what things can be improved or in which performance were excellent.

Tools, used to assist in work, Suomen Kassajärjestelmät: CRM, HR, warehouse management.

If something goes wrong in our business action, we are going gather meeting first with Atma Trade CEO Muhamad Darwich and then together with KETI and other possible parties. I these meetings we are going to consider possible solutions of work continuing.

We plan to get loan from Finnish Government business angel Finnvera together with local banks OP or Nordea. For the building we are going to use pension funds like Ilmarinen or Varma. Warranty for pension funds will be building. They will own building, and company will rent it. But is has right to buy it one day. If we'll need more funds, we'll use only Finnvera and one of the previously mentioned banks.

Corporate banking we'll arrange naturally in that bank where we'll get credit-line. In the beginning CEO, will be responsible for taking care of payments traffic. We are going to have safe deposit, where during the day we'll take money from the cashiers, CEO or his deputy will take everyday money to the bank. When amount of cash will grow, we will outsource this service to security company. We will have safe in CEO's office, for example for rubles. But we are not going to keep sums more that 5000e in the house.

We estimate that in 2-3 months we will reach proper amount of sales.

Advice sources: Atma Trade, Keti, Laskentakonsultit

Funding

CAPITAL REQUIREMENTS

INVESTMENTS		
Immaterial goods	Registration costs	330
	other	
Machinery and equipment	IT	
	Production equipment acquisitions	
	Assets, in kind	0
	Vehicle	
	Furniture	
	phone/fax/Internet including installation	
	Installation of machinery and equipment	
	Renovation of premises	
Movables of the company	Office supplies	150
	Other devices	
Working capital	3month Initial advertising/brochures	5000
Costs of the premise	Rent and rent deposit	0
Equipment costs	Equipment rental/leasing costs	2000
Salaries	Personnel costs	48000
Entrepreneur s personal living costs		0
Sales and	initial inventory	100000
Financial assets	Cash reserve	500
CAPITAL REQUIREMENTS IN TOTAL		155980

CAPITAL SOURCES		
Equity	Share capital	
	Personal funds invested	2500
	Personal production tools and equipment	0
	other	
Equity loan	Shareholder loan	
	Bank loan	118480
	Finnvera loan	35000
	other	
	Supplier loan	
Other sources of financing		
Difference		0
SOURCES OF CAPITAL IN TOTAL		155980

Profitability

Comp. form: ▼

Num. of Entrepreneurs: 1

		Per month	Per year
= TARGET NET RESULT		1000	12000
+ Loan amortisements	Years 5 Ammount 113480	1891	22696
= INCOME AFTER TAXES		2891	34696
+ Taxation	community tax % 20	723	8674
= CAPITAL REQUIREMENTS		3614	43370
+ Company loan Interests	% 4	378	4539
A = OPERATING MARGIN		3992	47909
+ Fixed costs (excl. VAT)	Compare Income levels		
+ YEL %	23.3 Income level 2700 Sale % 20	42	503
+ other insurances		92	1104
+ salaries		16000	192000
+ salary related	% 25	4000	48000
+ entrepreneur salary		1600	19200
+ entrepreneur salary related	% 15	240	2880
+ Company premises		18000	216000
+ leasing payments		1500	18000
+ communication		70	840
+ accounting, tax declaration etc.		150	1800
+ office expenses		50	600
+ travel, vehicle etc.		90	1080
+ marketing		100	1200
+ education, books, magazines			0
+ Fixing and maintenance		100	1200
+ unemployment fund		10	120
+ other expenses		100	1200
B = TOTAL FIXED COSTS		42144	505727
A+B = SALES MARGIN REQUIREMENT		46136	553632
+ purchases (excluding VAT:)	Margin % 30 or EUR	107651	1291812
= NET REVENUE REQUIREMENT		153787	1845444
- other net income			0
+ VAT	% 24	36909	442908
= TOTAL SALES / INVOICING REQUIREMENT		190696	2288352
By selecting the suitable alternative, you can estimate your minimum target invoicing level, or the ratio between price/quantity.			
		Excluding tax	Including VAT
Monthly invoicing target	months/year	12	153787
<input type="text" value="Daily target invoicing"/> ▼		31	4960
<input type="text" value="-"/> ▼ *			0

*Hourly target revenue only if daily invoicing target selected above

Sales

	Product/product group 1		Product/product group 2		Product/product group 3		Product/product group 4		Product/product group 5		Product/product group 6		EUR/month Excluding VAT
Products' / product group's name	Detergents and toiletries		Tea/Cofee/Olive oil/other food products		Bads, dietary supplement, cod liver oil and vitam		Fish		Other products		Restaurant		
	unit price	16	unit price	15	unit price	10	unit price	10	unit price	10	unit price	10	
	- costs	10	- costs	10	- costs	7	- costs	7	- costs	7	- costs	7	
	=margin	6	=margin	5	=margin	3	=margin	3	=margin	3	=margin	3	
Customer /customer group	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	Total
Russian shopping tourist	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Russian small business entrepreneur	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Transit passenger	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Summer cottage owners	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Family travelers/tourist	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Business travelers and others	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Locan inhabitants and finns who cross the border	340	2040	340	1700	340	1020	340	1020	340	1020	340	1020	7820
Sales margin total:		14280		11900		7140		7140		7140		7140	54740
Total sales of the product:	2380	38080	2380	35700	2380	23800	2380	23800	2380	23800	2380	23800	168980

	month	per year
Net revenue (excluding VAT):	168980	2027760
Total costs:	-114240	-1370880
Sales margin total:	54740	656880
Sales margin requirement from the profitability calculation:	months/year 12	46136
Difference (possible need of additional sales)	8604	103248
Difference -% (target is to obtain difference -% <80%)	84%	84%

3 years performance plan

Annual growth percent

	Year 2	Year 3
Income	15%	15%
Costs	7%	7%

	Year 1	Year 2	Own estimate	Year 3	Own estimate
Sales proceeds	2514422	2891585		3325322	
- VAT	486662	559661		643610	
Net revenue (turnover)	2027760	2331924		2681712	
- Total costs (material and supplies costs)	2600400	2782428		2977197	
- Staff costs	262583	280963		300630	
- Company premises /rents	216000	231120		247298	
- Marketing	6200	6634		7098	
- Other operating costs	25944	27760		29703	
Operating margin (profit)	-1083367	-996981		-880214	
- Financing costs	4539.2	3631		2723	
- Taxes	0	0		0	
Financial performance	-1087906.2	-1000612		-882937	
- Depreciation	0	0		0	
Profit	-1087906.2	-1000612		-882937	

Notes

-Confidential-

Business plan

Jusapit Oy

Date: 27.06.2014

Version: Karelia Market

Created by: Juhani Zaryanov, Finland

Phone: 046-8102490

E-mail: jusapit@gmail.com

1. Summary of the Business Plan

This company will be established by the Finnish-Russian Cross-border point Niirala in Finland. We are going to rent/buy/build shop to sell goods and food mainly for Russian visitors but also for local people. We negotiated franchising agreement with Atma Trade. They provide us to sell their goods, food and fish. They share competence with us, and provide us all information needed for establishment and management of the shop.

Location: as close to Finnish-Russian border as possible. Shop should be seen quite well from the road.

Possible locations:

1. John Nurminen buildings (rent: 1m²=3-4e, price is negotiable, smallest building 750m²) buildings are not isolated-isolation needed.

2. Rajapysäkki Ky (price 500-600 000e).

3. Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3 months about 750e/monthly, then 1000e/month).

4. Building of own store, on municipality plot, price is about 2500m.e.

We want to attract huge amounts of clients in the shop, to sell as much as possible by reasonable price.

We want to make our shop well-known.

On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other SEO services. Nowadays we have to make great effort for Social Media (vk.com, facebook). Other important information channel is Karelia's local newspapers and flyer home delivery. Also flyers can be delivered at popular restaurant "Jänismäki", which is situated by road A130, which leads to Cross-border point Niirala.

SWOT

Strengths	Weaknesses
<p>Place: next to Finnish-Russian border Superb value pricing strategy (low price, high quality of products) Wide assortment range. Different kind of product-lines. Well-known brands. Fresh fish. Atma Trade support. Sell-staff speaks both languages (Finnish and Russian) VAT return on loyal customer card or invoice. Long opening hours, less holidays. Shop has only 4 holidays in year.</p> <p>Wide parking, attractive facilities, fast food restaurant with low pricing (vs. IKEA).</p>	<p>New shop.</p> <p>Attraction of new clients.</p>

Opportunities	Threats
Expand shop and establish ironmonger's, OutLet centre.	Situation in Russia is not stable. Small sell volume. Main competitors are just 8km away. Other competitors possibly coming.

2. Expertise

Entrepreneur Juhani Zarianov is 33 y.o., he has Master of Arts degree from University of Tampere with major Russian-Finnish translation and minor business administration and taxation law. He is finishing MBA as well.

Entrepreneur has large experience in new business establishment and running. He has good psychological skills, so he can chose right people for a team.

He knows russian client preferences and know what they are looking for.

Juhani manage basics of marketing and knows marketing channels in the region.

He is ready to work hard at the beginning for own business.

He has excellent network to business world.

Prospective counselors are:

Atma Trade CEO Mohamad Darwich, and other members of management team of same enterprice.

Juha Lepistö, former CEO of OOO Aurinkomatkat, former CEO of Hartwall Russia

Toni Ihander, CEO Laskentakonsultit Oy (bookkeeping and financial management)

johtaja Asko Harmoinen, Juha Lepistö,

Keti/Sini Hukka, Birgitta Väisänen

3. Products and services

In this part we are going to speak about offering of our Cross-border shop. We are going to plan our offering according Russian client preferences.

There will be several product lines, but they can be roughly divided into food and non-food products.

Food:

-Wide assortment of Tea and Coffee, extra large packages should be present, because they are always cheaper and customer demand it.

-Olive oil in custom but also in large cans, like 3-5liter.

-Pastries

-Sweets and chocolate. Locally produced(Panda, Fazer)and well-known international brands.

-Fish counter: fresh salmon, smoked salmon and other fish, caviar

-Snacks, chips

-Finnish(Valio) and cheap international(like Milbona from Lidl chain) diary products

-Ketchup, mineral water(ex. Borjomi, not allowed to sell in Russia, because its from Georgia)

-Other products

Non food:

- Detergents and toiletries
- Own brands made in China(travel bags, household goods, bathroom accessories, cloths)
- Thermoform underwear
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders
- Bads, dietary supplement, vitamins

Restaurant:

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Margin of the product will be about 10-20% for products, that attracts customer inside the shop, rest of the products are with margin of 30-40%.

1. Example of margin calculation:

Supplier - Kauppahuone TV

Lilien oil shower gel Honey and Propolis 400 ml

Purchase price (VAT 0%) 0,85e

Sell price (VAT 0%) 1,35e

Gross margin $1 - (0,85/1,35) * 100 = 37\%$

2. Example: Polish Trade House Oy

Fairy 1l expert

Purchase price (VAT 0%) 1,5e

Sell price (VAT 0%) 1,8e

Gross margin $1 - (1,5/1,8) * 100 = 16\%$

We believe that we get huge amount of clients because of competitive price, wide assortment of well-known brands with orientation to Russian customer, location, Russian speaking fast food restaurant and VAT return.

Last year through Niirala Cross-border point were crossed by more than 1.6 mil. people, 51% of them were Russians. Growth from 2011 year were 17%, last year 2013 10%(vs. Nuijamaa 9%). It is estimated that by the year 2017 amount of crossings will be double.

Your most important products, prices, and margin structure

Detergents and toiletries

Short description

Atma Trade

Unilever, Kauppahuone TV, Polish Trade House Oy, BIG BRANDS GROUP, Brand Distribution Poland LTD, Cederroth, Foxtel Oy, Procter and Gamble

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- fast consumed product
- big size packages

Examples of brands:

Pantine, L'oreal, Theramed

Vanish, Persil, Serf, Blick, Vicli, Omo, Finish, Ariel, Fairy, Cif, Colgate, Denvit, Waitt, Green Line, Twister, Mrs.Potter's, OnLine Kids, Lilien, Naturalis, Boxer, Normal Clinique, Delia, Axe, Neutral, Colgate, Pepsodent, Amway, Nivea and etc.

Tax free price in euros: 16
-Costs in euros: 10
=Sales margin in euros: 6
Share of overall sales: 30%

Tea/Coffee/Olive oil/other food products

Short description

Tea/Coffee: Atma Trade, Ahmad tee, Unilever, Innex Partners, Kesko, Kauppahuone TV, Kobbs,Valora Trade Finland Ab, Polish Trade House Oy.

Olive oil:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Parillo, Oliobiolevante.

Chocolate:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Mondelez, Fazer, Panda, Unilever.

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- special brands, unique in Finland
- big size packages

Examples of Tea/Coffee brands:

Twinings, Lipton, Nestle, Jacobs, Illy, Lavazza, Lazzarro, Bella Crema, Gevalia, Löffbergs lila, arvidnordquist, Nescafe, Presidentti, Kulta Katriina, Ahmad, Victorian, Menu and etc.

Examples of olive oil trade marks:

Olive oils: Olio, Basso, San Migel, Desantis.

Examples of rest of the products:

- chocolate(Fazer, Panda)
- diary products(Valio, Milbona)
- Pastries(Lu)

Tax free price in euros: 15
-Costs in euros: 10
=Sales margin in euros: 5
Share of overall sales: 25%

Bads, dietary supplement, cod liver oil and vitami

Short description

Atma trade

Vitabalans, Valioravinto, Orion, Axellus Oy, Megavit, Elixioil Oy, Möller's, Kauppahuone Tv.

A more precise description (strengths and argumentation)

- Russian customer make great accent on his/her health and try to maintain it by all possible means
- special brands, unique in Finland
- high quality

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Fish

Short description

Atma Trade, Disas, Åland fishermen, Norway.

A more precise description (strengths and argumentation)

- high quality product, special recipe
- competitive price
- fresh fish

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Other products

Short description

Atma Trade, China suppliers/factories, Thermoform, Luhta, Kuoma, Nokia, Metsa tissue, Tokmanni Tukku, Natura Oy, Fiscars, Ristina, Raan AO, Arla, Grite and others.

A more precise description (strengths and argumentation)

- middle quality products for reasonable price
- well-known Finnish brands

Example of products:

- travel bags, household goods, bathroom accessories
- Thermoform underwear
- WC paper and tissues
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Restaurant

Short description

Supplier and management adviser: Atma Trade

A more precise description (strengths and argumentation)

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 15%

4. Customers and markets

In this section we are going to find out to whom we want to offer our value proposition, so which is our customer segment. Due to position our main customer segment is focused on people who cross Russian-Finnish border in Niirala Cross-border point. As it was shown on best practices only shop with focus on Russian customer will have success. To investigate customer streams of Russian customer we have to estimate from which area he is coming. We consider that main stream customer is coming from Karelia region, which is next to the Finnish border. The population of area(Sortavala, Suojärvi, Pitkäranta, Prääsä, Aunus) is about 105000 people(Demographical situation in Republic of Karelia). Clients from this area used to visit Finland one a week. Customers from Karelia Republic capital Petroskoi with population of 262000 people and nearby regions (Kontupohja, Karhumäki) with population of 69786 people visiting Finland ones a month. Other minor customer stream are going to be from St. Petersburg and Moscow. The new highway A121 St. Peterburg-Sortavala is going to be ready by the end of this year. Clients from above mentioned megapolises choose Niirala, because it is not so busy Cross-Border point as in South of Finland. Rest of the

clients will be local citizens of Tohmajärvi-Kitee-Joensuu region and people crossing the border.

Expected visitors daily:

in the beginning about 100, after 2-4 months 350-750/weekdays, weekend 750-1000 depends from season and day of the week(data is compared to Laplandia Market Imatra, but with considering different amount of border crossing). High season is Christmas period and beginning of January, beginning of May and summer. For example Rajapysäkki Ky with low popularity has today 150-200 clients.

Calculation:

weekdays(WD) is 247

weekend(WED) + holidays 118

Expected purchase amount is 71e/client/daily. We will make all calculations with this mean amount.

Minimum amount of clients: WD 86450, WED 88500, mean is 479/day

Mean amount of clients: WD 135850, WED 103250, mean is 672/day

Maximum amount of clients: WD 185250, WED 88500, mean is 830/day

Marketing will be organized by visibility of the shop locally and by different marketing means. On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other CEO services. Nowadays we have to make great afford for Social Media(vk.com, facebook). Other important information channel is traditional media, newspapers. In Russian side it is Ladoga regional news and other Karelia's local newspapers, last channel could be flyer home delivery. In finish side is could be Kauppatie, Forvater, Koti-Karjala.

In our shop we want client to feel welcomed to share time with us. Service must be personalized.

Entrepreneur presence and visibility is important. CRM system will be based on loyal customer cards and VAT return on it is one of the core inducement of this business. Some of the clients come by private cars, but big segment come with buses, so good relationship with travel agencies (Finnish and Russian) is important. The will be developed special bonuses for companies/bus drivers for bringing customers in the shop. Amount of the bonus will be strictly dependent on amount of passengers.

Customer groups

Russian shopping tourist

A more precise description. Whom and why? Which actions will be taken?

This is people who life usually in nearby regions in Russian Karelia. Most of them are one day visitors. They come by own cars or with tourist buses. If they travel with own car, usually they take friends with them. There are also route buses, which may stop by you shop.

A customer example

Sortavala, Suojärvi, Pitkäranta, Prääsä or Aunus i

Allocation of resources

55%

Russian small business entrepreneur

A more precise description. Whom and why? Which actions will be taken?

In Russian Karelia nearby regions with population of 434786 people, there are only one city capital of Karelia Petroskoi, and 7 town and rest are villages, where at least one shop in each. They usually are run by local entrepreneurs, there are also chains like Magnit. This entrepreneurs buy a lot of products in Finland, because price after VAT return is more competitive. This customers buy in bulk.

A customer example

Russian Karelia entrepreneurs

Allocation of resources

5%

Transit passenger

A more precise description. Whom and why? Which actions will be taken?

Finland became gateway for Russian people into Europe. Finnish visa issued easily than other EU-union countries visas. Russian citizen travel to Finland to use Schengen visa and then to travel somewhere else in Europe, also Russians use Finland as transit country. Most of these customers enter country by road, after the boarder they want to stop, to rest, eat, and drink a cup of coffee and shopping.

A customer example

Petroskoi family going to Spain

Allocation of resources

10%

Summer cottage owners

A more precise description. Whom and why? Which actions will be taken?

It became a trend to by summer cottage or holiday apartment in Finland. If you compare price of summer cottage in Karelian Isthmus and in Finnish side is already cheaper cottages with better facilities. Also in Finland there is better infrastructure.

This

A customer example

Venäläinen pienyrittäjä

Allocation of resources

5%

Family travelers/tourist

A more precise description. Whom and why? Which actions will be taken?

Russian people usually travel with their families. They take also friends with them. Tour in Finland begun to be popular because of Finnish nature and high standard of services.

A customer example

Petroskoi middle-class family

Allocation of resources

15%

Business travelers and others

A more precise description. Whom and why? Which actions will be taken?

There are a lot of business connections between Finland and Russia nowadays. Popularity of Russian language grow among Finnish citizens. Business travelers usually are in hurry but still they need time to rest and to buy some present for hosting party.

A customer example

Kone's local manager

Allocation of resources

5%

5. Markets and competition

This business is planned to be situated by the border of Finland with Russia. Near the Niirala Cross-border point. At the moment there are no direct competitor in the area.

There is huge demand for Cross-border shop, because clients need goods listed in previous part, they even go to Imatra to get goods from Laplandia Market.

By the border there are situated Rajapysäkki Ky and Itähuolinta. Rajapysäkki is a gas station with good Cafeteria/fast food restaurant with small grocery shop. Itähuolinta is Tax-free return point, drag-store and souvenir shop. Bigger shops are in Tohmajärvi municipality, Tavaratori, Säästömestä, K and S-chain. In Kitee there are Tokmaanni and Sportia, bigger shops are in Joensuu.

Our shop will distinguish from competitors by position, offering, pricing policy and opening hours.

Competitors

Säästömesta Oy

Description

Old market player from 1984.

Shop is situated in center of Tohmajärvi municipality. It is specialize in outdoor clouts.

Competitors' strengths

Well-known market player.

Has good capital.

VAT return. Russian speaking staff.

Competitors' weaknesses

Location is not by the border. Offering is not matching Russian client preferences. Pricing policy is not right. Short opening hours. Sunday is holiday.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand. By us, client can pay in rubles.

Tavaratori

Description

company name: Suomen Tavaratorit Oy
2 shops in Joensuu and Tohmajärvi(new)
Revenue 3220 000
Profit 360 000(15%)

Competitors' strengths

Wide offering, old company, there is capital to invest, stable suppliers and management processes

Competitors' weaknesses

Location is not by the border.
Offering is not matching Russian client preferences.
New shop in Tohmajärvi.
Pricing policy is not right.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand.

S- and K-chains

Description

The most strongest Supermarket chains in Finland.
S-and K-chains have efficient

Competitors' strengths

This company can play with pricing, they can keep competitive prices and wide offerings.

Competitors' weaknesses

Location, is not the best one. They can't specialize on offering demanded by Russian client.
This company can't be flexible with opening hours.
No VAT return.

How do you differentiate yourself from your competitor?

Place. Offering, that suits to Russian client demand. We accept payments in Russian rubles.
We have flexible opening hours.

6. Your company

General information

Company name is Jusapit Oy, name of the shop Karelia Market. Name of the shop was chosen by name of the county it is situated in, "Market" is telling, that it's shop for foreign clients - Russians.

Company type is LLC(OY), due to expected revenues and risks this is best chose by now.

Location

Shop will be situated near by Cross-border point Niirala next to Finnish-Russian border.
This is strategic location, because all customer streams go through this place.

This shop will be seen, when people cross the border.

Building

John Nurminen buildings(rent: 1m²=3-4e, price is negotiable,smallest building 750m²)buildings are not isolated-isolation needed.

Rajapysäkki Ky(price 500-600 000e).

Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3month about 750e/monthly, then 1000e/month). Building don't need renovation, maybe doors can be renovated.

Building of own store, price is about 2500m.e.

Rajapysäkki Ky building.

400m²

Price 500-600 000e(real price 200-280 000e)

New building on municipality plot

Surface 2000m²

Cost 2000 000e

Investor build and rent it to company with longterm agreement. Annually is usually 10% of total cost.

Warehouse

Warehouse management system: Suomen Kassa Järjestelmät

Suppliers

We have verbal franchising agreement with Atma Trade. Also we have tentative agreements with suppliers: Ahmad Tea, Kauppahuone T/V, Polish Trade House.

Equipment

We will lease all shop furniture, cashier corners, IT, security system and all other equipment from 3 Step IT.

Security

We will put recording video cameras everywhere in sale area, anti thief gates and general security system fro night time. We will make agreement with local security company.

For all equipment and services, we obligated to purchase will be done competitive bidding.

Ex. pallet movers and some other small equipment.

For this expense we are going to budget 20000e.

HR

Job will be multi-tasked and for each position will be invented job description will be done.

We will need from 20 to 40 employees, depends on the popularity of the shop. At the beginning it should be enough: 6 cashiers, 1 cleaner/ seller, 4 restaurant workers, 1 fish smoker. And entrepreneur, all together 13 people.

Salaries will be payed upon TES, first 3 months salary budget is 2000e x 13 x 3=78000e

Amount of employees is estimated, by comparing revenue(calculated with considering local purchasing power) and amount of employees of Laplandia MArket, Nuijamaa in first 3 years after opening the shop.

Also we will have 3 trainee, which will get their reimbursement from KELA.

Employee management system: Suomen Kassa Järjestelmät

As customer stream will grow, we will hire more people.

Management

Shop will be run by entrepreneur. In the absence of owner, some of cashiers will be in charge.

Sales

Sales process at the first stage of the project will be in shop. Client come inside the shop, chose goods, eat, get needed assistance from staff, get CRM card, pay and leave the shop. At the second stage sales will be at online shop as well.

Website

Our website will be in the beginning informative, but later on it will be online shop as well. We are going to connect our website with Facebook, vk.com, possibly others like Twitter and so on.

Insurances

We got proposals from Varma, Turva, Pohjola insurance companies and we chose Turva proposal, because it include risks of business activities.

7. Financial administration and accounting

We want to outsource bookkeeping to Laskentakonsultit Oy, or other accounting office, depends of competitive bidding. We estimate bookkeeping costs monthly 200e.

We are going to receive plan of business activities from Atma Trade. Plan will be evaluated, and all process descriptions will be adjusted to place and to present situation.

After 3 months of playing in the market. We will review our business concept, and see does strategy need to be added or changed. After this review will be done twice a year.

We are going to have twice a month meetings with workers to see how we succeed in our mission. Also twice a week will be personal appointment for every worker to see how he/she manage and what things can be improved or in which performance were excellent.

Tools, used to assist in work, Suomen Kassajärjestelmät: CRM, HR, warehouse management.

If something goes wrong in our business action, we are going gather meeting first with Atma Trade CEO Muhamad Darwich and then together with KETI and other possible parties. I these meetings we are going to consider possible solutions of work continuing.

We plan to get loan from Finnish Government business angel Finnvera together with local banks OP or Nordea. For the building we are going to use pension funds like Ilmarinen or Varma. Warranty for pension funds will be building. They will own building, and company will rent it. But is has right to buy it one day. If we'll need more funds, we'll use only Finnvera and one of the previously mentioned banks.

Corporate banking we'll arrange naturally in that bank where we'll get credit-line. In the beginning CEO, will be responsible for taking care of payments traffic. We are going to have safe deposit, where during the day we'll take money from the cashiers, CEO or his deputy will take everyday money to the bank. When amount of cash will grow, we will outsource this service to security company. We will have safe in CEO's office, for example for rubles. But we are not going to keep sums more that 5000e in the house.

We estimate that in 2-3 months we will reach proper amount of sales. We will ask investor to let us pay the rent from the first mounts in the end of financial year. In profitability calculation by Company premises we mean rent.

Advice sources: Atma Trade, Keti, Laskentakonsultit

Funding

CAPITAL REQUIREMENTS

INVESTMENTS			
Immaterial goods	Registration costs	330	
	other		
Machinery and equipment	IT		
	Production equipment acquisitions		
	Assets, in kind	0	
	Vehicle		
	Furniture		
	phone/fax/Internet including installation		
	Installation of machinery and equipment		
Movables of the company	Renovation of premises		
	Office supplies	150	
Working capital	Other devices		
	3month Initial advertising/brochures	5000	
	Costs of the premise	Rent and rent deposit	0
	Equipment costs	Equipment rental/leasing costs	2000
	Salaries	Personnel costs	57600
Entrepreneur s personal living costs		0	
Sales and	initial inventory	100000	
Financial assets	Cash reserve	500	
CAPITAL REQUIREMENTS IN TOTAL		165580	

CAPITAL SOURCES		
Equity	Share capital	
	Personal funds invested	2500
	Personal production tools and equipment	0
	other	
Equity loan	Shareholder loan	
	Bank loan	118480
	Finnvera loan	44600
	other	
Other sources of financing	Supplier loan	
Difference		0
SOURCES OF CAPITAL IN TOTAL		165580

Profitability

Comp. form: ▼

Num. of Entrepreneurs: 1

			Per month	Per year
= TARGET NET RESULT			1000	12000
+ Loan amortisements	Years 5 Ammount	113480	1891	22696
= INCOME AFTER TAXES			2891	34696
+ Taxation	community tax	% 20	723	8674
= CAPITAL REQUIREMENTS			3614	43370
+ Company loan Interests		% 4	378	4539
A = OPERATING MARGIN			3992	47909
+ Fixed costs (excl. VAT)	Compare Income levels			
+ YEL %	23.3	Income level 2700 Sale % 20	42	503
+ other insurances			92	1104
+ salaries			19200	230400
+ salary related		% 25	4800	57600
+ entrepreneur salary			1600	19200
+ entrepreneur salary related		% 15	240	2880
+ Company premises			17000	204000
+ leasing payments			1500	18000
+ communication			70	840
+ accounting, tax declaration etc.			150	1800
+ office expenses			50	600
+ travel, vehicle etc.			90	1080
+ marketing			100	1200
+ education, books, magazines				0
+ Fixing and maintenance			1500	18000
+ unemployment fund			10	120
+ other expenses			100	1200
B = TOTAL FIXED COSTS			46544	558527
A+B = SALES MARGIN REQUIREMENT			50536	606432
+ purchases (excluding VAT:)	Margin % 30 or EUR		117917	1415004
= NET REVENUE REQUIREMENT			168453	2021436
- other net income				0
+ VAT		% 24	40429	485148
= TOTAL SALES / INVOICING REQUIREMENT			208882	2506584
By selecting the suitable alternative, you can estimate your minimum target invoicing level, or the ratio between price/quantity.				
			Excluding tax	Including VAT
Monthly invoicing target	months/year	12	168453	208882
<input type="text" value="Daily target invoicing"/> ▼		31	5434	6738
<input type="text" value="-"/> ▼ *			0	0

*Hourly target revenue only if daily invoicing target selected above

Sales

Products' / product group's name	Product/product group 1		Product/product group 2		Product/product group 3		Product/product group 4		Product/product group 5		Product/product group 6		EUR/month Excluding VAT
	Detergents and toiletries		Tea/Cofee/Olive oil/other food products		Bads, dietary supplement, cod liver oil and vitami		Fish		Other products		Restaurant		
	unit price	16	unit price	15	unit price	10	unit price	10	unit price	10	unit price	10	
	- costs	10	- costs	10	- costs	7	- costs	7	- costs	7	- costs	7	
=margin	6	=margin	5	=margin	3	=margin	3	=margin	3	=margin	3		
Customer /customer group	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	Total
Russian shopping tourist	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Russian small business entrepreneur	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Transit passenger	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Summer cottage owners	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Family travelers/tourist	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Business travelers and others	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Locan inhabitants and finns who cross the border	593	3558	593	2965	593	1779	593	1779	593	1779	593	1779	13639
Sales margin total:		24906		20755		12453		12453		12453		12453	95473
Total sales of the product:	4151	66416	4151	62265	4151	41510	4151	41510	4151	41510	4151	41510	294721

	month	per year
Net revenue (excluding VAT):	294721	3536652
Total costs:	-199248	-2390976
Sales margin total:	95473	1145676
Sales margin requirement from the profitability calculation: months/year	12	50536
Difference (possible need of additional sales)	44937	539244
Difference -% (target is to obtain difference -% <80%)	53%	53%

3 years performance plan

Annual growth percent

	Year 2	Year 3
Income	15%	15%
Costs	7%	7%

	Year 1	Year 2	Own estimate	Year 3	Own estimate
Sales proceeds	4385448	5043264		5799754	
- VAT	848796	976115		1122533	
Net revenue (turnover)	3536652	4067149		4677221	
- Total costs (material and supplies costs)	2390976	2558344		2737428	
- Staff costs	310583	332323		355585	
- Company premises /rents	204000	218280		233559	
- Marketing	6200	6634		7098	
- Other operating costs	42744	45736		48937	
Operating margin (profit)	582149	905832		1294614	
- Financing costs	4539.2	3631		2723	
- Taxes	115521	180440		258378	
Financial performance	462088.80000000005	721761		1033513	
- Depreciation	0	0		0	
Profit	462088.80000000005	721761		1033513	

Notes

-Confidential-

Business plan

Jusapit Oy

Date: 27.06.2014

Version: Karelia Market

Created by: Juhani Zaryanov, Finland

Phone: 046-8102490

E-mail: jusapit@gmail.com

1. Summary of the Business Plan

This company will be established by the Finnish-Russian Cross-border point Niirala in Finland. We are going to rent/buy/build shop to sell goods and food mainly for Russian visitors but also for local people. We negotiated franchising agreement with Atma Trade. They provide us to sell their goods, food and fish. They share competence with us, and provide us all information needed for establishment and management of the shop.

Location: as close to Finnish-Russian border as possible. Shop should be seen quite well from the road.

Possible locations:

1. John Nurminen buildings (rent: 1m²=3-4e, price is negotiable, smallest building 750m²) buildings are not isolated-isolation needed.

2. Rajapysäkki Ky (price 500-600 000e).

3. Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3 months about 750e/monthly, then 1000e/month).

4. Building of own store, on municipality plot, price is about 2500m.e.

We want to attract huge amounts of clients in the shop, to sell as much as possible by reasonable price.

We want to make our shop well-known.

On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other SEO services. Nowadays we have to make great effort for Social Media (vk.com, facebook). Other important information channel is Karelia's local newspapers and flyer home delivery. Also flyers can be delivered at popular restaurant "Jänismäki", which is situated by road A130, which leads to Cross-border point Niirala.

SWOT

Strengths	Weaknesses
<p>Place: next to Finnish-Russian border Superb value pricing strategy (low price, high quality of products) Wide assortment range. Different kind of product-lines. Well-known brands. Fresh fish. Atma Trade support. Sell-staff speaks both languages (Finnish and Russian) VAT return on loyal customer card or invoice. Long opening hours, less holidays. Shop has only 4 holidays in year.</p> <p>Wide parking, attractive facilities, fast food restaurant with low pricing (vs. IKEA).</p>	<p>New shop.</p> <p>Attraction of new clients.</p>

Opportunities	Threats
Expand shop and establish ironmonger's, OutLet centre.	Situation in Russia is not stable. Small sell volume. Main competitors are just 8km away. Other competitors possibly coming.

2. Expertise

Entrepreneur Juhani Zarianov is 33 y.o., he has Master of Arts degree from University of Tampere with major Russian-Finnish translation and minor business administration and taxation law. He is finishing MBA as well.

Entrepreneur has large experience in new business establishment and running. He has good psychological skills, so he can chose right people for a team.

He knows russian client preferences and know what they are looking for.

Juhani manage basics of marketing and knows marketing channels in the region.

He is ready to work hard at the beginning for own business.

He has excellent network to business world.

Prospective counselors are:

Atma Trade CEO Mohamad Darwich, and other members of management team of same enterprice.

Juha Lepistö, former CEO of OOO Aurinkomatkat, former CEO of Hartwall Russia

Toni Ihander, CEO Laskentakonsultit Oy (bookkeeping and financial management)

johtaja Asko Harmoinen, Juha Lepistö,

Keti/Sini Hukka, Birgitta Väisänen

3. Products and services

In this part we are going to speak about offering of our Cross-border shop. We are going to plan our offering according Russian client preferences.

There will be several product lines, but they can be roughly divided into food and non-food products.

Food:

-Wide assortment of Tea and Coffee, extra large packages should be present, because they are always cheaper and customer demand it.

-Olive oil in custom but also in large cans, like 3-5liter.

-Pastries

-Sweets and chocolate. Locally produced(Panda, Fazer)and well-known international brands.

-Fish counter: fresh salmon, smoked salmon and other fish, caviar

-Snacks, chips

-Finnish(Valio) and cheap international(like Milbona from Lidl chain) diary products

-Ketchup, mineral water(ex. Borjomi, not allowed to sell in Russia, because its from Georgia)

-Other products

Non food:

- Detergents and toiletries
- Own brands made in China(travel bags, household goods, bathroom accessories, cloths)
- Thermoform underwear
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders
- Bads, dietary supplement, vitamins

Restaurant:

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Margin of the product will be about 10-20% for products, that attracts customer inside the shop, rest of the products are with margin of 30-40%.

1. Example of margin calculation:

Supplier - Kauppahuone TV

Lilien oil shower gel Honey and Propolis 400 ml

Purchase price (VAT 0%) 0,85e

Sell price (VAT 0%) 1,35e

Gross margin $1 - (0,85/1,35) * 100 = 37\%$

2. Example: Polish Trade House Oy

Fairy 1l expert

Purchase price (VAT 0%) 1,5e

Sell price (VAT 0%) 1,8e

Gross margin $1 - (1,5/1,8) * 100 = 16\%$

We believe that we get huge amount of clients because of competitive price, wide assortment of well-known brands with orientation to Russian customer, location, Russian speaking fast food restaurant and VAT return.

Last year through Niirala Cross-border point were crossed by more than 1.6 mil. people, 51% of them were Russians. Growth from 2011 year were 17%, last year 2013 10%(vs. Nuijamaa 9%). It is estimated that by the year 2017 amount of crossings will be double.

Your most important products, prices, and margin structure

Detergents and toiletries

Short description

Atma Trade

Unilever, Kauppahuone TV, Polish Trade House Oy, BIG BRANDS GROUP, Brand Distribution Poland LTD, Cederroth, Foxtel Oy, Procter and Gamble

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- fast consumed product
- big size packages

Examples of brands:

Pantine, L'oreal, Theramed

Vanish, Persil, Serf, Blick, Vicli, Omo, Finish, Ariel, Fairy, Cif, Colgate, Denvit, Waitt, Green Line, Twister, Mrs.Potter's, OnLine Kids, Lilien, Naturalis, Boxer, Normal Clinique, Delia, Axe, Neutral, Colgate, Pepsodent, Amway, Nivea and etc.

Tax free price in euros: 16
-Costs in euros: 10
=Sales margin in euros: 6
Share of overall sales: 30%

Tea/Coffee/Olive oil/other food products

Short description

Tea/Coffee: Atma Trade, Ahmad tee, Unilever, Innex Partners, Kesko, Kauppahuone TV, Kobbs,Valora Trade Finland Ab, Polish Trade House Oy.

Olive oil:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Parillo, Oliobiolevante.

Chocolate:

Atma Trade, Kauppahuone TV, Polish Trade House Oy, Mondelez, Fazer, Panda, Unilever.

A more precise description (strengths and argumentation)

- wide assortment
- low purchase price
- special brands, unique in Finland
- big size packages

Examples of Tea/Coffee brands:

Twinings, Lipton, Nestle, Jacobs, Illy, Lavazza, Lazzarro, Bella Crema, Gevalia, Löffbergs lila, arvidnordquist, Nescafe, Presidentti, Kulta Katriina, Ahmad, Victorian, Menu and etc.

Examples of olive oil trade marks:

Olive oils: Olio, Basso, San Migel, Desantis.

Examples of rest of the products:

- chocolate(Fazer, Panda)
- diary products(Valio, Milbona)
- Pastries(Lu)

Tax free price in euros: 15
-Costs in euros: 10
=Sales margin in euros: 5
Share of overall sales: 25%

Bads, dietary supplement, cod liver oil and vitami

Short description

Atma trade

Vitabalans, Valioravinto, Orion, Axellus Oy, Megavit, Elixioil Oy, Möller's, Kauppahuone Tv.

A more precise description (strengths and argumentation)

- Russian customer make great accent on his/her health and try to maintain it by all possible means
- special brands, unique in Finland
- high quality

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Fish

Short description

Atma Trade, Disas, Åland fishermen, Norway.

A more precise description (strengths and argumentation)

- high quality product, special recipe
- competitive price
- fresh fish

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Other products

Short description

Atma Trade, China suppliers/factories, Thermoform, Luhta, Kuoma, Nokia, Metsa tissue, Tokmanni Tukku, Natura Oy, Fiscars, Ristina, Raan AO, Arla, Grite and others.

A more precise description (strengths and argumentation)

- middle quality products for reasonable price
- well-known Finnish brands

Example of products:

- travel bags, household goods, bathroom accessories
- Thermoform underwear
- WC paper and tissues
- Clothes and shoes made in Finland(Kuoma, Luhta). And Chinese, like special fisherman's equipment, or overall for builders

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 10%

Restaurant

Short description

Supplier and management adviser: Atma Trade

A more precise description (strengths and argumentation)

Self service, nice but not-expensive decoration, affordable prices(Ikea idea)

Tax free price in euros: 10
-Costs in euros: 7
=Sales margin in euros: 3
Share of overall sales: 15%

4. Customers and markets

In this section we are going to find out to whom we want to offer our value proposition, so which is our customer segment. Due to position our main customer segment is focused on people who cross Russian-Finnish border in Niirala Cross-border point. As it was shown on best practices only shop with focus on Russian customer will have success. To investigate customer streams of Russian customer we have to estimate from which area he is coming. We consider that main stream customer is coming from Karelia region, which is next to the Finnish border. The population of area(Sortavala, Suojärvi, Pitkäranta, Prääsä, Aunus) is about 105000 people(Demographical situation in Republic of Karelia). Clients from this area used to visit Finland one a week. Customers from Karelia Republic capital Petroskoi with population of 262000 people and nearby regions (Kontupohja, Karhumäki) with population of 69786 people visiting Finland ones a month. Other minor customer stream are going to be from St. Petersburg and Moscow. The new highway A121 St. Peterburg-Sortavala is going to be ready by the end of this year. Clients from above mentioned megapolises choose Niirala, because it is not so busy Cross-Border point as in South of Finland. Rest of the

clients will be local citizens of Tohmajärvi-Kitee-Joensuu region and people crossing the border.

Expected visitors daily:

in the beginning about 100, after 2-4 months 350-750/weekdays, weekend 750-1000 depends from season and day of the week(data is compared to Laplandia Market Imatra, but with considering different amount of border crossing). High season is Christmas period and beginning of January, beginning of May and summer. For example Rajapysäkki Ky with low popularity has today 150-200 clients.

Calculation:

weekdays(WD) is 247

weekend(WED) + holidays 118

Expected purchase amount is 71e/client/daily. We will make all calculations with this mean amount.

Minimum amount of clients: WD 86450, WED 88500, mean is 479/day

Mean amount of clients: WD 135850, WED 103250, mean is 672/day

Maximum amount of clients: WD 185250, WED 88500, mean is 830/day

Marketing will be organized by visibility of the shop locally and by different marketing means. On the road, on the shop roof we need to put illuminated name of the company in huge letters with light. Website of the company should be simple and include up to date information with relative promotion companies. Website should be promoted in Google or other CEO services. Nowadays we have to make great afford for Social Media(vk.com, facebook). Other important information channel is traditional media, newspapers. In Russian side it is Ladoga regional news and other Karelia's local newspapers, last channel could be flyer home delivery. In finish side is could be Kauppatie, Forvater, Koti-Karjala.

In our shop we want client to feel welcomed to share time with us. Service must be personalized.

Entrepreneur presence and visibility is important. CRM system will be based on loyal customer cards and VAT return on it is one of the core inducement of this business. Some of the clients come by private cars, but big segment come with buses, so good relationship with travel agencies (Finnish and Russian) is important. The will be developed special bonuses for companies/bus drivers for bringing customers in the shop. Amount of the bonus will be strictly dependent on amount of passengers.

Customer groups

Russian shopping tourist

A more precise description. Whom and why? Which actions will be taken?

This is people who life usually in nearby regions in Russian Karelia. Most of them are one day visitors. They come by own cars or with tourist buses. If they travel with own car, usually they take friends with them. There are also route buses, which may stop by you shop.

A customer example

Sortavala, Suojärvi, Pitkäranta, Prääsä or Aunus i

Allocation of resources

55%

Russian small business entrepreneur

A more precise description. Whom and why? Which actions will be taken?

In Russian Karelia nearby regions with population of 434786 people, there are only one city capital of Karelia Petroskoi, and 7 town and rest are villages, where at least one shop in each. They usually are run by local entrepreneurs, there are also chains like Magnit. This entrepreneurs buy a lot of products in Finland, because price after VAT return is more competitive. This customers buy in bulk.

A customer example

Russian Karelia entrepreneurs

Allocation of resources

5%

Transit passenger

A more precise description. Whom and why? Which actions will be taken?

Finland became gateway for Russian people into Europe. Finnish visa issued easily than other EU-union countries visas. Russian citizen travel to Finland to use Schengen visa and then to travel somewhere else in Europe, also Russians use Finland as transit country. Most of these customers enter country by road, after the boarder they want to stop, to rest, eat, and drink a cup of coffee and shopping.

A customer example

Petroskoi family going to Spain

Allocation of resources

10%

Summer cottage owners

A more precise description. Whom and why? Which actions will be taken?

It became a trend to by summer cottage or holiday apartment in Finland. If you compare price of summer cottage in Karelian Isthmus and in Finnish side is already cheaper cottages with better facilities. Also in Finland there is better infrastructure.

This

A customer example

Venäläinen pienyrittäjä

Allocation of resources

5%

Family travelers/tourist

A more precise description. Whom and why? Which actions will be taken?

Russian people usually travel with their families. They take also friends with them. Tour in Finland begun to be popular because of Finnish nature and high standard of services.

A customer example

Petroskoi middle-class family

Allocation of resources

15%

Business travelers and others

A more precise description. Whom and why? Which actions will be taken?

There are a lot of business connections between Finland and Russia nowadays. Popularity of Russian language grow among Finnish citizens. Business travelers usually are in hurry but still they need time to rest and to buy some present for hosting party.

A customer example

Kone's local manager

Allocation of resources

5%

5. Markets and competition

This business is planned to be situated by the border of Finland with Russia. Near the Niirala Cross-border point. At the moment there are no direct competitor in the area.

There is huge demand for Cross-border shop, because clients need goods listed in previous part, they even go to Imatra to get goods from Laplandia Market.

By the border there are situated Rajapysäkki Ky and Itähuolinta. Rajapysäkki is a gas station with good Cafeteria/fast food restaurant with small grocery shop. Itähuolinta is Tax-free return point, drag-store and souvenir shop. Bigger shops are in Tohmajärvi municipality, Tavaratori, Säästömestä, K and S-chain. In Kitee there are Tokmaanni and Sportia, bigger shops are in Joensuu.

Our shop will distinguish from competitors by position, offering, pricing policy and opening hours.

Competitors

Säästömesta Oy

Description

Old market player from 1984.

Shop is situated in center of Tohmajärvi municipality. It is specialize in outdoor clouts.

Competitors' strengths

Well-known market player.

Has good capital.

VAT return. Russian speaking staff.

Competitors' weaknesses

Location is not by the border. Offering is not matching Russian client preferences. Pricing policy is not right. Short opening hours. Sunday is holiday.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand. By us, client can pay in rubles.

Tavaratori

Description

company name: Suomen Tavaratorit Oy
2 shops in Joensuu and Tohmajärvi(new)
Revenue 3220 000
Profit 360 000(15%)

Competitors' strengths

Wide offering, old company, there is capital to invest, stable suppliers and management processes

Competitors' weaknesses

Location is not by the border.
Offering is not matching Russian client preferences.
New shop in Tohmajärvi.
Pricing policy is not right.

How do you differentiate yourself from your competitor?

Location. We know Russian client preferences and demand.

S- and K-chains

Description

The most strongest Supermarket chains in Finland.
S-and K-chains have efficient

Competitors' strengths

This company can play with pricing, they can keep competitive prices and wide offerings.

Competitors' weaknesses

Location, is not the best one. They can't specialize on offering demanded by Russian client.
This company can't be flexible with opening hours.
No VAT return.

How do you differentiate yourself from your competitor?

Place. Offering, that suits to Russian client demand. We accept payments in Russian rubles.
We have flexible opening hours.

6. Your company

General information

Company name is Jusapit Oy, name of the shop Karelia Market. Name of the shop was chosen by name of the county it is situated in, "Market" is telling, that it's shop for foreign clients - Russians.

Company type is LLC(OY), due to expected revenues and risks this is best chose by now.

Location

Shop will be situated near by Cross-border point Niirala next to Finnish-Russian border.
This is strategic location, because all customer streams go through this place.

This shop will be seen, when people cross the border.

Building

John Nurminen buildings(rent: 1m²=3-4e, price is negotiable,smallest building 750m²)buildings are not isolated-isolation needed.

Rajapysäkki Ky(price 500-600 000e).

Former School in Peijaniemi. Situated just next to road 9. There is sport-hall in first floor, with size of 200m² (rent first 1-3month about 750e/monthly, then 1000e/month). Building don't need renovation, maybe doors can be renovated.

Building of own store, price is about 2500m.e.

Rajapysäkki Ky building.

400m²

Price 500-600 000e(real price 200-280 000e)

New building on municipality plot

Surface 2000m²

Cost 2000 000e

Investor build and rent it to company with longterm agreement. Annually is usually 10% of total cost.

Warehouse

Warehouse management system: Suomen Kassa Järjestelmät

Suppliers

We have verbal franchising agreement with Atma Trade. Also we have tentative agreements with suppliers: Ahmad Tea, Kauppahuone T/V, Polish Trade House.

Equipment

We will lease all shop furniture, cashier corners, IT, security system and all other equipment from 3 Step IT.

Security

We will put recording video cameras everywhere in sale area, anti thief gates and general security system fro night time. We will make agreement with local security company.

For all equipment and services, we obligated to purchase will be done competitive bidding.

Ex. pallet movers and some other small equipment.

For this expense we are going to budget 20000e.

HR

Job will be multi-tasked and for each position will be invented job description will be done.

We will need from 20 to 40 employees, depends on the popularity of the shop. At the beginning it should be enough: 5 cashiers, 1 cleaner/ seller, 4 restaurant workers, 1 fish smoker. And entrepreneur, all together 12 people.

Salaries will be payed upon TES, first 3 months salary budget is 2000e x 12 x 3=72000e

Also we will have 3 trainee, which will get their reimbursement from KELA.

Employee management system: Suomen Kassa Järjestelmät

As customer stream will grow, we will hire more people.

Management

Shop will be run by entrepreneur. In the absence of owner, some of cashiers will be in charge.

Sales

Sales process at the first stage of the project will be in shop. Client come inside the shop, chose goods, eat, get needed assistance from staff, get CRM card, pay and leave the shop. At the second stage sales will be at online shop as well.

Website

Our website will be in the beginning informative, but later on it will be online shop as well. We are going to connect our website with Facebook, vk.com, possibly others like Twitter and so on.

Insurances

We got proposals from Varma, Turva, Pohjola insurance companies and we chose Turva proposal, because it include risks of business activities.

7. Financial administration and accounting

We want to outsource bookkeeping to Laskentakonsultit Oy, or other accounting office, depends of competitive bidding. We estimate bookkeeping costs monthly 200e.

We are going to receive plan of business activities from Atma Trade. Plan will be evaluated, and all process descriptions will be adjusted to place and to present situation.

After 3 months of playing in the market. We will review our business concept, and see does strategy need to be added or changed. After this review will be done twice a year.

We are going to have twice a month meetings with workers to see how we succeed in our mission. Also twice a week will be personal appointment for every worker to see how he/she manage and what things can be improved or in which performance were excellent.

Tools, used to assist in work, Suomen Kassajärjestelmät: CRM, HR, warehouse management.

If something goes wrong in our business action, we are going gather meeting first with Atma Trade CEO Muhamad Darwich and then together with KETI and other possible parties. I these meetings we are going to consider possible solutions of work continuing.

We plan to get loan from Finnish Government business angel Finnvera together with local banks OP or Nordea. For the building we are going to use pension funds like Ilmarinen or Varma. Warranty for pension funds will be building. They will own building, and company will rent it. But is has right to buy it one day. If we'll need more funds, we'll use only Finnvera and one of the previously mentioned banks.

Corporate banking we'll arrange naturally in that bank where we'll get credit-line. In the beginning CEO, will be responsible for taking care of payments traffic. We are going to have safe deposit, where during the day we'll take money from the cashiers, CEO or his deputy will take everyday money to the bank. When amount of cash will grow, we will outsource this service to security company. We will have safe in CEO's office, for example for rubles. But we are not going to keep sums more that 5000e in the house.

We estimate that in 2-3 months we will reach proper amount of sales.

Advice sources: Atma Trade, Ketj, Laskentakonsultit

Funding

CAPITAL REQUIREMENTS

INVESTMENTS		
Immaterial goods	Registration costs	330
	other	
Machinery and equipment	IT	
	Production equipment acquisitions	
	Assets, in kind	0
	Vehicle	
	Furniture	
	phone/fax/Internet including installation	
	Installation of machinery and equipment	
	Renovation of premises	
Movables of the company	Office supplies	150
	Other devices	
Working capital	3month Initial advertising/brochures	5000
Costs of the premise	Rent and rent deposit	0
Equipment costs	Equipment rental/leasing costs	2000
Salaries	Personnel costs	48000
Entrepreneur s personal living costs		0
Sales and	initial inventory	100000
Financial assets	Cash reserve	500
CAPITAL REQUIREMENTS IN TOTAL		155980

CAPITAL SOURCES		
Equity	Share capital	
	Personal funds invested	2500
	Personal production tools and equipment	0
	other	
Equity loan	Shareholder loan	
	Bank loan	118480
	Finnvera loan	35000
	other	
	Supplier loan	
Other sources of financing		
Difference		0
SOURCES OF CAPITAL IN TOTAL		155980

Profitability

Comp. form: ▼

Num. of Entrepreneurs: 1

			Per month	Per year
= TARGET NET RESULT			1000	12000
+ Loan amortisements	Years 5 Ammount	113480	1891	22696
= INCOME AFTER TAXES			2891	34696
+ Taxation	community tax	% 20	723	8674
= CAPITAL REQUIREMENTS			3614	43370
+ Company loan Interests		% 4	378	4539
A = OPERATING MARGIN			3992	47909
+ Fixed costs (excl. VAT)	Compare Income levels			
+ YEL %	23.3	Income level 2700 Sale % 20	42	503
+ other insurances			92	1104
+ salaries			16000	192000
+ salary related		% 25	4000	48000
+ entrepreneur salary			1600	19200
+ entrepreneur salary related		% 15	240	2880
+ Company premises			18000	216000
+ leasing payments			1500	18000
+ communication			70	840
+ accounting, tax declaration etc.			150	1800
+ office expenses			50	600
+ travel, vehicle etc.			90	1080
+ marketing			100	1200
+ education, books, magazines				0
+ Fixing and maintenance			100	1200
+ unemployment fund			10	120
+ other expenses			100	1200
B = TOTAL FIXED COSTS			42144	505727
A+B = SALES MARGIN REQUIREMENT			46136	553632
+ purchases (excluding VAT:)	Margin % 30 or EUR		107651	1291812
= NET REVENUE REQUIREMENT			153787	1845444
- other net income				0
+ VAT		% 24	36909	442908
= TOTAL SALES / INVOICING REQUIREMENT			190696	2288352
By selecting the suitable alternative, you can estimate your minimum target invoicing level, or the ratio between price/quantity.				
			Excluding tax	Including VAT
Monthly invoicing target	months/year	12	153787	190696
<input type="text" value="Daily target invoicing"/> ▼		31	4960	6151
<input type="text" value="-"/> ▼ *			0	0

*Hourly target revenue only if daily invoicing target selected above

Sales

	Product/product group 1	Product/product group 2	Product/product group 3	Product/product group 4	Product/product group 5	Product/product group 6	EUR/month Excluding VAT
Products' / product group's name	Detergents and toiletries	Tea/Cofee/Olive oil/other food products	Bads, dietary supplement, cod liver oil and vitami	Fish	Other products	Restaurant	
	unit price 16	unit price 15	unit price 10	unit price 10	unit price 10	unit price 10	
	- costs 10	- costs 10	- costs 7	- costs 7	- costs 7	- costs 7	
	=margin 6	=margin 5	=margin 3	=margin 3	=margin 3	=margin 3	

Customer /customer group	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	pcs	Total	Total
Russian shopping tourist	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Russian small business entrepreneur	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Transit passenger	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Summer cottage owners	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Family travelers/tourist	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Business travelers and others	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Locan inhabitants and finns who cross the border	480	2880	480	2400	480	1440	480	1440	480	1440	480	1440	11040
Sales margin total:		20160		16800		10080		10080		10080		10080	77280
Total sales of the product:	3360	53760	3360	50400	3360	33600	3360	33600	3360	33600	3360	33600	238560

	month	per year
Net revenue (excluding VAT):	238560	2862720
Total costs:	-161280	-1935360
Sales margin total:	77280	927360
Sales margin requirement from the profitability calculation: months/year	12	46136
Difference (possible need of additional sales)	31144	373728
Difference -% (target is to obtain difference -% <80%)	60%	60%

3 years performance plan

Annual growth percent

	Year 2	Year 3
Income	15%	15%
Costs	7%	7%

	Year 1	Year 2	Own estimate	Year 3	Own estimate
Sales proceeds	2514422	2891585		3325322	
- VAT	486662	559661		643610	
Net revenue (turnover)	2027760	2331924		2681712	
- Total costs (material and supplies costs)	1370880	1466841		1569519	
- Staff costs	262583	280963		300630	
- Company premises /rents	216000	231120		247298	
- Marketing	6200	6634		7098	
- Other operating costs	25944	27760		29703	
Operating margin (profit)	146153	318606		527464	
- Financing costs	4539.2	3631		2723	
- Taxes	28322	62995		104948	
Financial performance	113291.79999999999	251980		419793	
- Depreciation	0	0		0	
Profit	113291.79999999999	251980		419793	

Notes



Kysely venäläisille matkailijoille Niiralassa 2011



Pohjois-Karjalan
MAAKUNTALIITTO

Julkaisu 153 2012

Julkaisu 153 2012

Kysely venäläisille matkailijoille Niiralassa 2011



Pohjois-Karjalan maakuntaliitto
Joensuu 2012

Kysely venäläisille matkailijoille Niiralassa 2011

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Painopaikka Kopijyvä Oy, Jyväskylä 2012

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1 Johdanto

Venäläiset ovat Suomen suurin ulkomainen matkailijaryhmä. Venäläisten osuus Suomen kokonaismatkustajamäärästä on yli 40 prosenttia. Vuonna 2010 Suomessa vieraili 2,6 miljoonaa venäläistä¹. Venäläiset kuluttivat kaikista matkustajista eniten päivää kohti, 107 euroa (keskiarvo oli 61 euroa). Valtakunnan tasolla venäläisten rahankäyttö päivää kohti vuonna 2010 kasvoi 13 prosenttia vuodesta 2009².

Pohjois-Karjalassa sijaitsevan Niiralan kansainvälisen rajanylityspaikan kautta Suomen ja Venäjän rajan ylitti lähes 1,3 miljoonaa henkilöä vuonna 2011. Rajanylitysten määrä kasvoi 25 prosenttia vuodesta 2010. Rajanylittäjistä lähes 44 prosenttia oli venäläisiä ja lähes 56 prosenttia suomalaisia³. Joensuun Tax-free myynnin arvo oli reilut 9,6 miljoonaa euroa vuonna 2011. Tax-free myynti kasvoi vuoteen 2010 verrattuna 67 prosenttia. Vastaavasti Kiteen alueen sekä Nurmes - Tohmajärvi - Lieksa alueen Tax-free myynnit kasvoivat 52 prosenttia vuonna 2011. Koko maata koskevien tilastojen mukaan venäläisten matkailijoiden osuus Suomen Tax-free myynnistä on lähes 92 prosenttia⁴.

Venäläiset asiakkaat ovat kaupan ja matkailun kannalta erittäin merkittävä asiakasryhmä Pohjois-Karjalan maakunnalle. Tämän vuoksi Pohjois-Karjalan maakuntaliitto toteutti marraskuussa 2011 venäläismatkailijoiden mielipiteitä, tarpeita ja odotuksia selvittävän kyselytutkimuksen Niiralan Itähuolinnassa⁵. Kyselyn vähimmäisotannaksi suunniteltiin 100 henkilöä. Kyselyyn vastasi 122 venäläistä.

Kyselyn tarkoituksena oli selvittää, mistä venäläiset matkailijat tulevat maakuntaamme, missä he käyvät matkansa aikana sekä kuinka usein ja minkä tyyppisillä matkoilla he Suomessa käyvät. Kyselyssä kartoitettiin, tulisiko viisumivapaus ja julkinen liikenne Pohjois-Karjalan ja Karjalan tasavallan välillä venäläisten matkustamista Suomeen. Vastaajilta kysyttiin myös rajanylitykseen liittyviä mahdollisia ongelmia.

Kyselyn avulla selvitettiin lisäksi, millaiseksi venäläismatkailijat kokevat Pohjois-Karjalassa tarjottavien palvelujen laadun ja tason sekä pyydettiin ehdotuksia palvelujen parantamiseksi ja palvelutarjonnan laajentamiseksi. Markkinointiin liittyen kysyttiin, millaisista asioista/teemoista venäläiset haluavat tietoa Pohjois-Karjalasta ja mistä eri tietolähteistä he toivoisivat tietoa löytyvän. Lisäksi kartoitettiin, kuinka paljon venäläiset keskimäärin kuluttavat Suomen matkoillaan.

¹ Rajahaastattelututkimus: osa 24: ulkomaiset matkailijat Suomessa vuonna 2010: 1.1.- 31.12.2010, MEK - Matkailun edistämiskeskus

² Venäläiset kuluttajat Suomessa - Pietarin alueen kuluttajakysely, kesä-syyskuu 2011, Kaupan liitto

³ Pohjois-Karjalan rajavartiosto

⁴ Global Blue Finland Oy

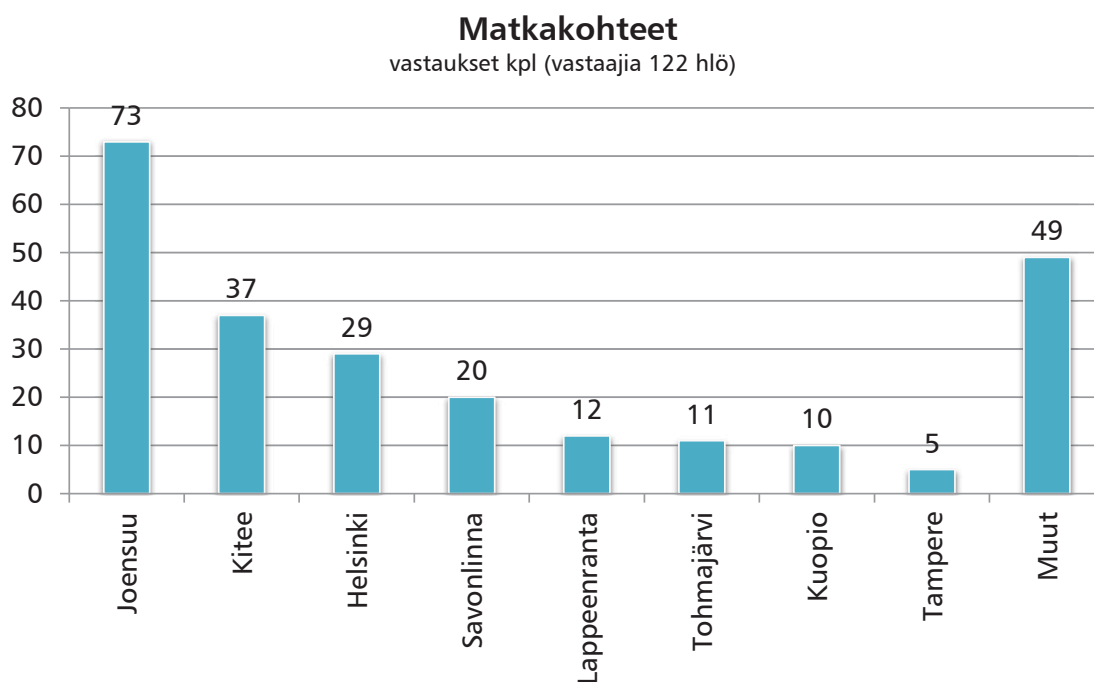
⁵ Tax Free palautuspiste

2 Vastaajien kotipaikat

Yli 95 prosenttia kyselyyn vastanneista oli kotoisin Karjalan tasavallasta. Kotipaikoikseen he mainitsivat mm. Petroskoin, Sortavalan, Pitkärannan, Lahdenpohjan ja Värtsilän. Moskovalaisia vastaajista oli 2 prosenttia samoin kuin pietarilaisia.

3 Matkakohteet

Kyselyyn vastanneista yli puolella oli useampi kuin yksi matkakohde⁶. Lähes 60 prosenttia vastaajista kertoi matkansa kohteeksi tai yhdeksi niistä Joensuun, 30 prosenttia Kiteen ja 9 prosenttia Tohmajärven. Helsingin matkakohteeksi mainitsi noin 24 prosenttia vastaajista, Savonlinnan noin 16 prosenttia, Lappeenrannan vajaat 10 prosenttia ja Kuopion 8 prosenttia. Tampere matkakohteena oli 4 prosentilla (kuva 1).

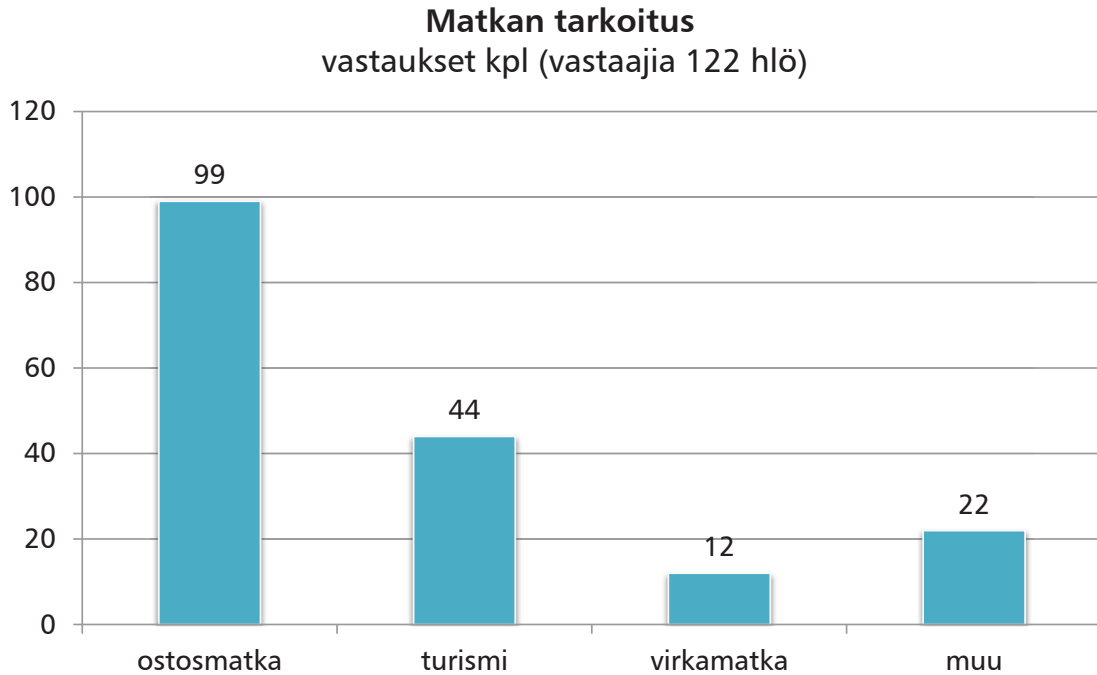


Kuva 1. **Matkakohteet**

Muita vastaajien mainitsemia matkakohteita olivat: Espoo, Hämeenlinna, Imatra, Jyväskylä, Kaajaani, Kesälahti, Koli, Kotka, Kuhmo, Lahti, Levi, Lieksa, Liperi, Mikkeli, Niirala, Nokia, Nurmes, Oulu, Porvoo, Rovaniemi, Taavetti, Tahko, Turku, Vaasa, Varkaus, Vesanto ja Värtsilä.

4 Matkan tarkoitus

Suurin osa kyselyyn vastanneista kertoi matkansa tarkoitukseksi ostosmatkan⁷. Yli kolmannes ilmoitti tarkoitukseksi turismin. Reilut 10 prosenttia vastaajista oli työmatkalla (kuva 2). Muu matkan tarkoitus vastanneista yli puolet oli vieraillessa ystävien tai sukulaisten luona. Lisäksi muutama henkilö kertoi matkansa syyksi uimahallissa käymisen, auton huollon, luostarissa käymisen, urheilun tai työllistymisen.



Kuva 2. **Matkan tarkoitus**

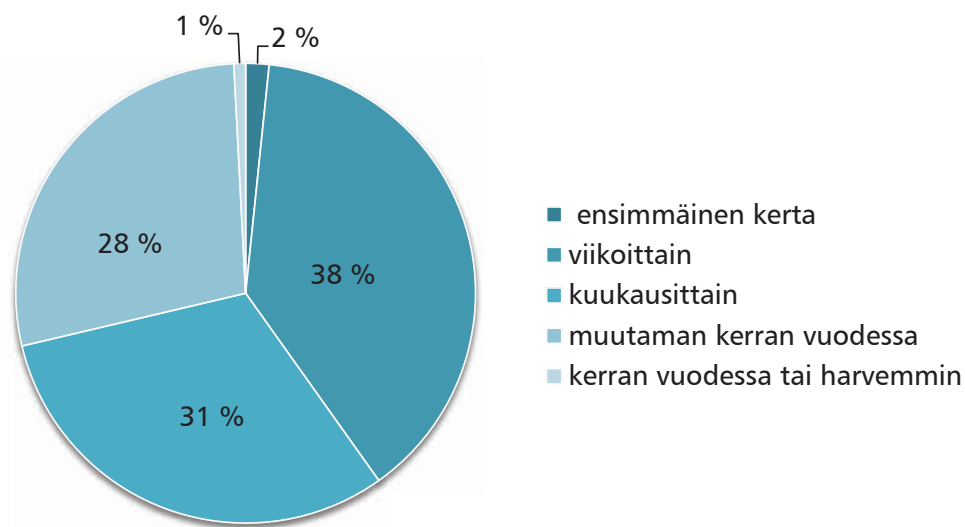
5 Kuinka usein käynte Suomessa?

Lähes 70 prosenttia kyselyyn vastanneista käy Suomessa viikoittain tai kuukausittain. Muutaman kerran vuodessa Suomessa käy reilu neljännes vastaajista. Kerran vuodessa tai harvemmin kävijöitä oli vähiten, vain yksi prosentti vastaajista (kuva 3). Vastaajien matkan tarkoitus ei merkittävästi vaikuttanut Suomessa käyntien määriin. Poikkeuksena työ-/virkamatkalaiset, joista lähes 60 prosenttia ilmoitti käyvänsä Suomessa viikoittain (koko vastaajajoukosta vastaava luku oli 38 prosenttia) sekä turismimatkaajat, joista keskimääräistä useampi (40 prosenttia) käy Suomessa muutaman kerran vuodessa.

⁷ Kysymykseen vastattaessa oli mahdollista valita yksi tai useampi vaihtoehto.

Kuinka usein käynte Suomessa?

% vastaajista (N=122)



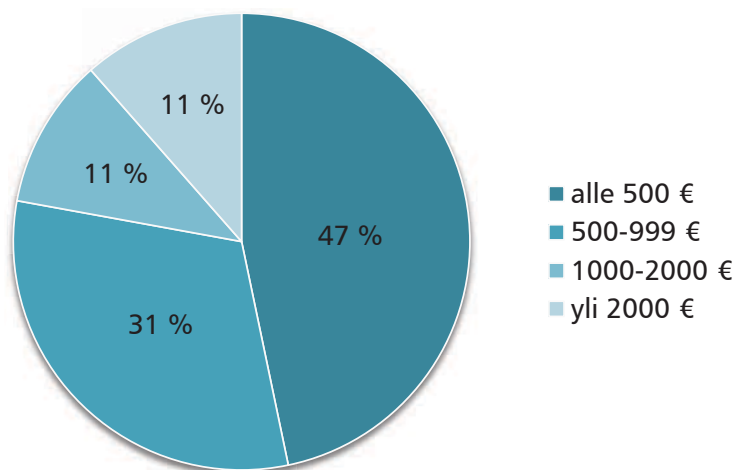
Kuva 3. Kuinka usein käynte Suomessa?

6 Rahan kuluttaminen matkan aikana Suomessa

Lähes puolet vastaajista ilmoitti kuluttavansa matkansa aikana alle 500 euroa ja vajaa kolmannes 500–999 euroa. Yli tuhat euroa kuluttavia vastaajia oli 22 prosenttia; näistä puolet ilmoitti käyttävänsä yli 2000 euroa (kuva 4).

Kuinka paljon kulutatte rahaa Suomen matkanne aikana?

% vastaajista (N=122)

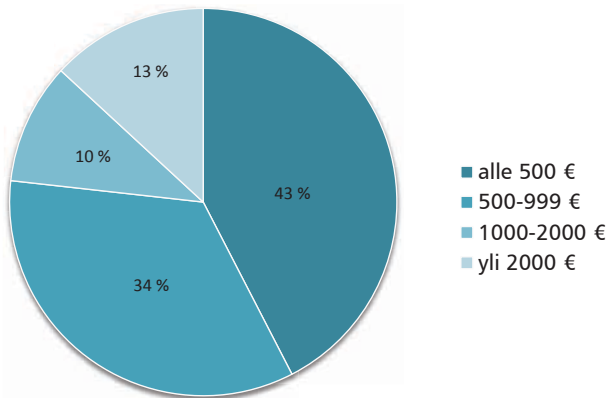


Kuva 4. Kuinka paljon rahaa kulutatte matkanne aikana Suomessa?

Kun tarkastellaan kulutusta matkan tarkoituksen mukaan⁸ (kuvat 5-8), huomataan, että yli 2000 euroa kuluttaneita on eniten työ-/virkamatkalla olleiden joukossa. Toisaalta nähdään myös, että yli 1000 euroa kuluttaneita on kolmannes kaikissa muissa vastaajaryhmissä paitsi ostosmatkailijoissa, joiden joukossa heitä on vain vajaa neljännes. Alle 500 euroa kuluttavia on eniten ”muu matkan tarkoitus” vastaajaryhmässä.

Ostosmatkailijoiden kuluttaminen

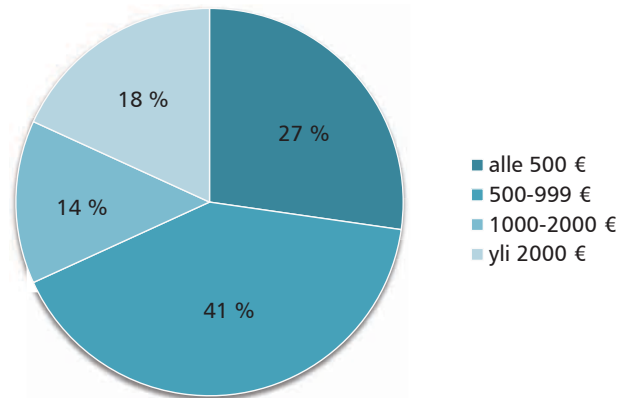
% vastauksista (N=99)



Kuva 5. Ostosmatkailijoiden kuluttaminen

Turismimatkailijoiden kuluttaminen

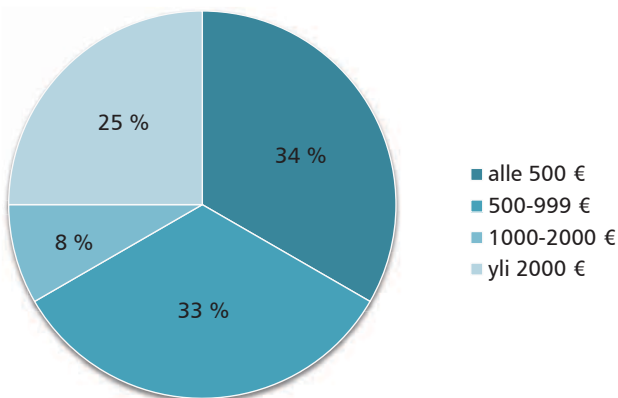
% vastauksista (N=44)



Kuva 6. Turismimatkailijoiden kuluttaminen

Työ-/virkamatkailijoiden kuluttaminen

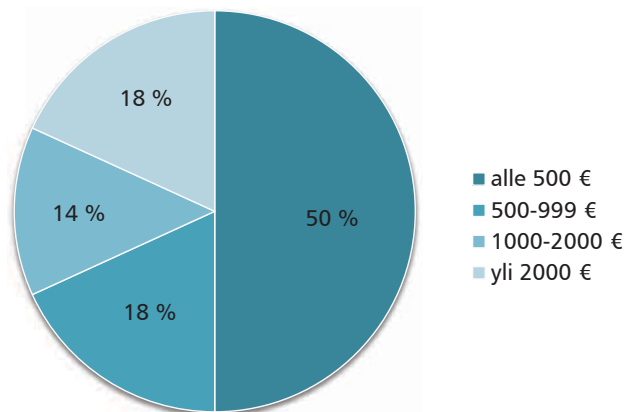
% vastauksista (N=12)



Kuva 7. Työ-/virkamatkailijoiden kuluttaminen

Muut matkailijat, kuluttaminen

% vastauksista (N=22)



Kuva 8. Muut matkailijat, kuluttaminen

⁸ Matkan tarkoitus kysymykseen vastattaessa oli mahdollista valinta yksi tai useampi vaihtoehto.

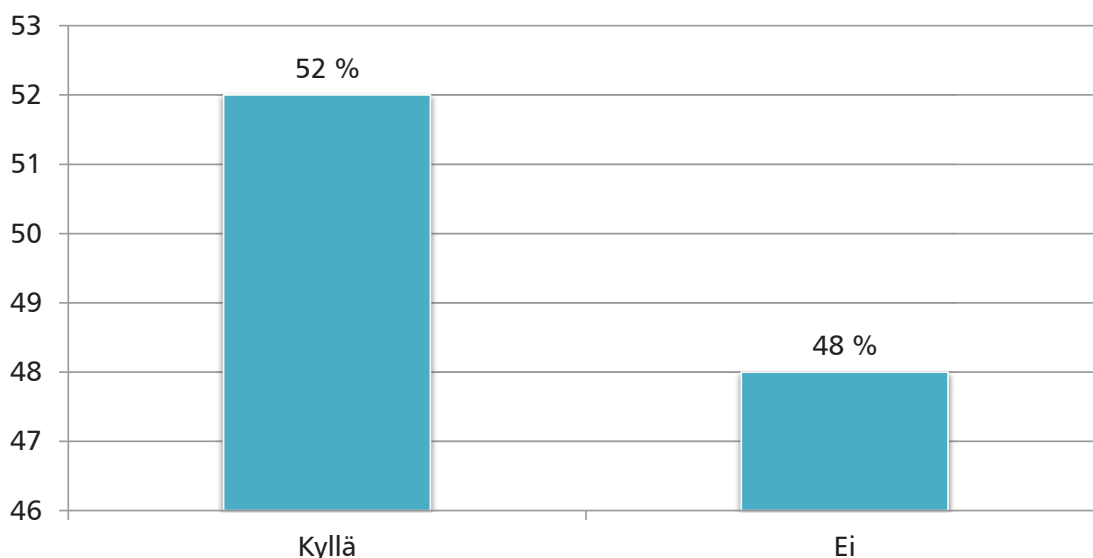
7 Lisäisikö julkinen liikenneyhteys Karjalan tasavallan ja Pohjois-Karjalan välillä Suomessa käyntien määrää?

Yli puolet vastaajista arvioi, että julkinen liikenneyhteys (juna tai bussi) Karjalan tasavallan ja Pohjois-Karjalan välillä lisäisi heidän käyntejään Suomessa (kuva 9). Heistä lähes puolet tarkensi, kuinka usein he kävisivät Suomessa julkisen liikenneyhteyden myötä: 27 prosenttia kävisi kuukausittain ja 73 prosenttia viikoittain.

Vastaajien matkan tarkoituksella ei ollut merkittävää vaikutusta vastauksiin. Kulutuksen mukaan asiaa tarkasteltaessa huomataan, että merkittävin positiivinen vaikutus julkisella liikenneyhteydellä olisi 1000–2000 euroa kuluttaville vastaajille, joista 69 prosenttia lisäisi käyntejään Suomessa. Vastaavasti pienin merkitys liikenneyhteydellä olisi yli 2000 euroa kuluttaville, joista 43 prosenttia lisäisi käyntejään Suomessa.

Lisäisikö julkinen liikenneyhteys Karjalan tasavallan ja Pohjois-Karjalan välillä Suomessa käyntien määrää?

% vastaajista (N=122)

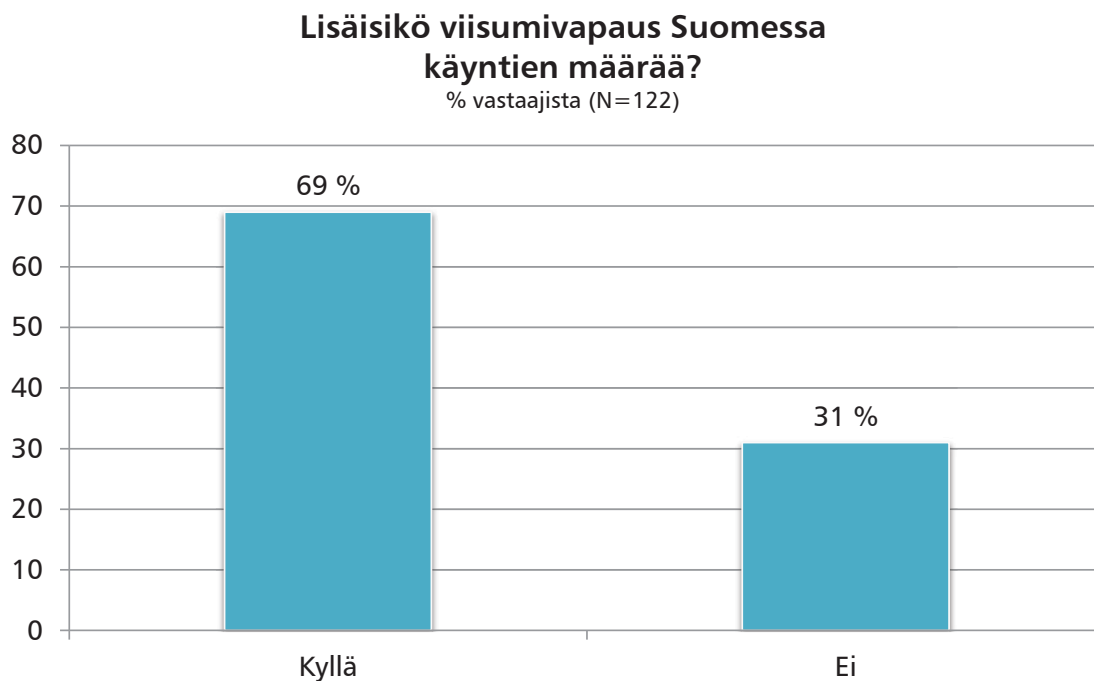


Kuva 9. Lisäisikö julkinen liikenneyhteys Karjalan tasavallan ja Pohjois-Karjalan välillä Suomessa käyntien määrää?

8 Lisäisikö viisumivapaus Suomessa käyntien määrää?

Kyselyyn vastanneista lähes 70 prosenttia kertoi, että viisumivapaus lisäisi heidän käyntejään Suomessa (kuva 10). Matkan tarkoituksen mukaan suurin positiivinen vaikutus viisumivapaudella olisi turismimatkailejoille, joista 77 prosenttia lisäisi käyntejään Suomessa. Vastaavasti käyntitiheyden perusteella tarkasteltaessa merkittävin muutos viisumivapaudella olisi vastaajille, jotka nyt käyvät Suomessa muutaman kerran vuodessa; heistä lähes 80 prosenttia lisäisi matkojaan Suomeen.

Kulutuksen mukaan suurin vaikutus viisumivapaudella olisi yli 2000 euroa sekä 500-999 euroa kuluttaville vastaajille. Heistä 71 prosenttia kävisi viisumivapauden myötä Suomessa useammin. Vastaajista 45 prosenttia arvioi, että sekä viisumivapaus että liikenneyhteys lisäisi heidän käyntjään Suomessa.



Kuva 10. Lisäisikö viisumivapaus Suomessa käyntien määrää?

9 Rajanylityspaikan keskeiset ongelmat

Hieman vajaa puolet vastaajista oli sitä mieltä, että rajanylityspaikalla oli joitakin ongelmia. Vastaavasti vähän reilut puolet vastaajista koki, että rajanylitys oli sujunut ongelmitta. Lähes 40 prosenttia vastaajista kertoi ongelmaksi **jonot ja/tai liikenneruuhkat rajanylityspaikalla**. Reilu kymmenes oli maininnut ongelmaksi **erityisesti Venäjän puolella olevat jonot, hitaan palvelun tai ruuhkat**. Lisäksi vastaajat olivat maininneet seuraavat ongelmat (sanasta sanaan):

- ”epäkohtelias kohtelu ajoittain”
- ”järjestys rajanylityspaikoilla”
- ”tulliselvitykseen on mennyt paljon aikaa”
- ”rajanylittämiseen on mennyt paljon aikaa”
- ”odotusaika”
- ”hidas palvelu”
- ”tulisi olla mahdollisuus viedä enemmän rahaa ja tavaroita/kg yli rajan”

Rajanylityspaikan ongelmien ratkaisuksi vastaajat olivat ehdottaneet (sanasta sanaan):

- ”voisi olla enemmän rajanylityspaikkoja”
- ”viikonloppuisin sekä pyhäpäivinä on oltava pari kaistaa enemmän rajanylityspaikalla (eikä pelkästään yksi)”

10 Kuinka nykyisiä palveluja tulisi parantaa esim. hotelleissa, kaupoissa, rajanylityspaikalla?

Reilu kolmannes kysymykseen vastanneista oli sitä mieltä, että nykyisiä palveluja tulisi parantaa lisäämällä **venäjänkielistä palvelua / henkilökuntaa ja venäjän kielen osaamista**. Lisäksi lähes 10 prosenttia vastaajista toivoi **venäjänkielistä opastusta ja tietoa** mm. seuraavanlaisesti:

- lisää informaatiota venäjänkielellä supermarketeissa
- venäjänkielinen opastus parkkipaikoille (mittareihin)
- venäjänkieliset tuoteselosteet tavaroihin

Lähes viidesosa vastaajista toivoi, että **rajanylitys sujuisi nopeammin**. Suurin osa heistä mainitsi ongelmaksi rajanylityspaikan jonot. Kehitysehdotuksena nostettiin esille toive lasten kanssa matkustavien etuoikeudesta rajanylityspaikan jonoissa. Vastaajat eivät täsmentäneet, koskivatko heidän vastauksensa Suomen vai Venäjän puoleista raja-asemaa vai molempia.

Useat vastaajat toivoivat **lisää kauppoja, joissa voi tehdä Tax-free ostoksia**. Lisäksi toivottiin, että Tax-free-palautuspisteet olisivat avoinna ympäri vuorokauden tai niiden aukioloajat olisivat nykyistä pidemmät. Myös **kauppojen aukioloaikoja** toivottiin pidemmiksi erityisesti viikonloppuisin.

Yksittäiset vastaajat toivoivat:

- edullisempia hotellihintoja
- hotelleihin kenkälusikoita, kenkien puhdistussieniä ja liinoja pöytien pyyhkimiseen
- lisää urheiluhalleja
- nopeampaa palvelua
- laajempaa tavaravalikoimaa
- alhaisempia hintoja

11 Mitä palveluja kaipaatte nykyisten palvelujen lisäksi?

Suurin osa vastaajista ei osannut eritellä, mitä palveluja he toivovat nykyisten palveluiden lisäksi, sillä vain reilu viidennes vastasi tähän kysymykseen. Vastanneet kertoivat kaipaavansa mm. seuraavanlaisia asioita:

- lääkehoitoa
- venäjänkielisiä ohjeita tavaroihin
- lisää venäjänkielisiä myyjiä / asiakasneuvojia, venäjänkielistä palvelua
- ilmaisia tutustumisopastuksia
- pidempiä ravintoloiden aukioloaikoja
- nopeampaa palvelua Tax-free palautuspisteisiin
- tietoja sekä Suomen että Ruotsin matkailukohteista ja matkailupalveluista
- hyviä hotelleja rajan lähelle
- enemmän informaatiota käytettyjen tavaroiden myyntipaikoista
- Stockmann Joensuuhun
- kuntoilulaitteita (-paikkoja)
- auton huoltoa
- informaatiota kaupoista ja niiden tavaravalikoimasta
- opastusta kaupoissa
- venäjänkielisiä myyjiä supermarketeissa
- ilmaisia tutustumisretkiä kaupunkeihin
- tutustumisretkiä erilaisiin kohteisiin
- terveydenhoitopalveluja
- eläintarhaa, nähtävyyksiä
- enemmän huomaavaista ja kohteliasta palvelua
- lääkäreiden palveluja (erityisesti silmälääkärin palvelua)

Kuten luettelosta huomataan, vastaajat mainitsivat kaipaavansa myös sellaisia palveluja, joita Pohjois-Karjalassa jo on kuten eläintarha, auton huolto, kuntoilupaikat, lääkäri- ja lääkepalvelut. Tästä voidaan päätellä, että markkinointi ei ole kohdannut venäläisiä ja sitä voisi olla tarpeellista tehostaa. Myös tämän kysymyksen kohdalla nousi esille tarve lisätä venäjänkielistä palvelua ja opastetta. Vastaajat kaipasivat myös tietoa matkailukohteista ja matkailupalveluista, kaupoista sekä käytettyjen tavaroiden kaupoista. Lisäksi vastaajat olivat kiinnostuneita erilaisista tutustumisretkistä.

12 Mihin nykyisiin palveluihin olette erityisen tyytyväinen?

Reilusti yli puolet vastanneista oli erityisen tyytyväisiä saamansa **palvelun tasoon ja laatuun**. Vastanneiden kehuja palvelun tasosta ja laadusta saivat mm. **asiakaspalvelun nopeus, venäjänkielinen palvelu, palvelun ystävällisyys, iloisuus, rehellisyys sekä kohteliaisuus**. Vastaaajat kehuivat myös **tavaroiden laatua, saatavuutta ja hinnoittelua**. Useat vastaajat mainitsivat erikseen **elintarvikkeiden laadun**. Myös **teiden kunto** oli monien vastaajien erityistyytyväisyyden kohteena. Muita asioita, joihin vastaajat olivat erityisen tyytyväisiä, ovat:

- järjestys
- virkistyspalvelut
- auton huolto
- urheilumahdollisuudet
- siisteys
- ympäristön puhtaus
- lääkehoito
- Internet-varaukset
- matkailupalvelut
- Tax-free palautusjärjestelmä
- kaupat ja ostosmahdollisuudet
- suhtautuminen vieraisiin (avoin, ystävällinen)
- mikro ja vedenkeitin hotellissa

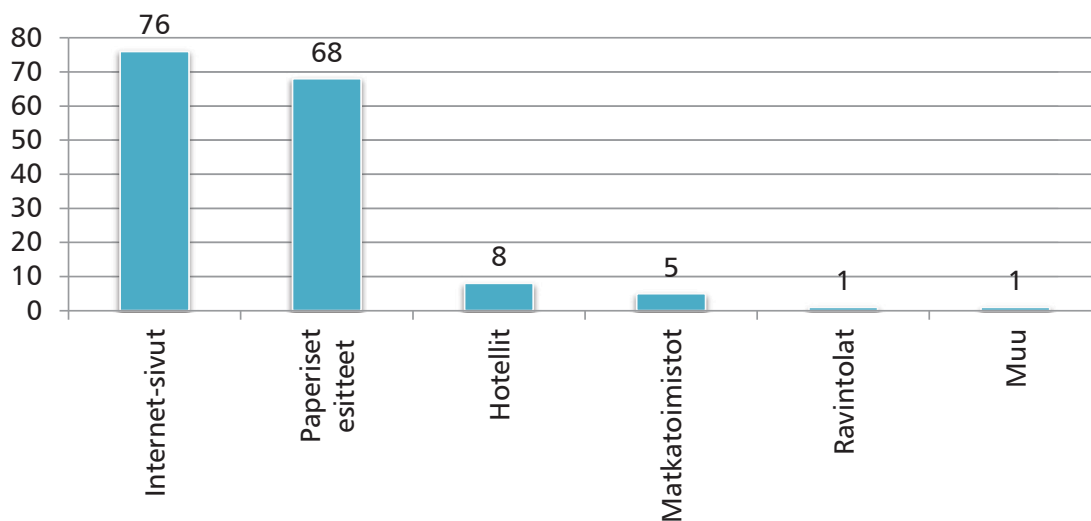
13 Mistä tietolähteistä haluatte löytää tietoa Pohjois-Karjalasta?

Internet-sivut ja paperiset esitteet nousivat selkeiksi ykkösiksi, kun kysyttiin, mistä tietolähteistä vastaajat haluavat löytää tietoa Pohjois-Karjalasta (kuva 11). Internetistä halusi löytää tietoa 62 prosenttia vastaajista ja paperisista esitteistä 56 prosenttia⁹. Hotelleista tietoa Pohjois-Karjalasta halusi saada 7 prosenttia ja matkatoimistoista 4 prosenttia.

⁹ Kysymykseen vastattaessa oli mahdollista mainita yksi tai useampi vaihtoehto.

Tietolähteet

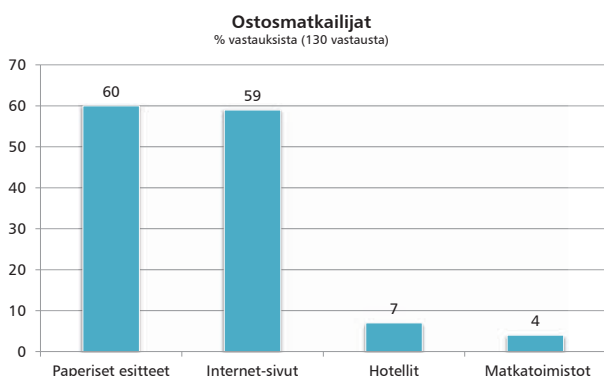
vastaukset kpl (vastaajia 122 hlö)



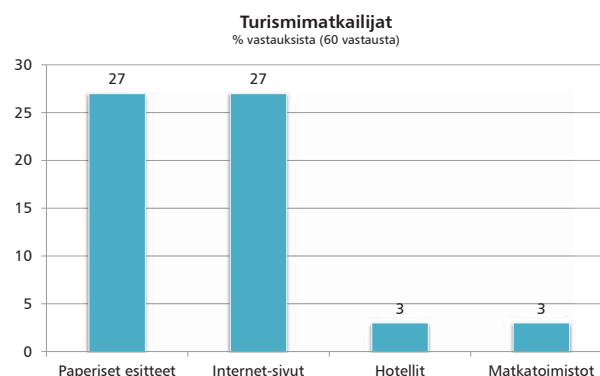
Kuva 11. Mistä tietolähteistä haluatte löytää tietoa Pohjois-Karjalasta?

Kun tarkastellaan kysymystä vastaajien matkan tarkoituksen mukaan¹⁰ (kuvat 12-15) huomataan, että työ-/virkamatkalla olevat haluavat etsiä tietoa Pohjois-Karjalasta useimmiten internetin kautta samoin kuin vastaajat, joilla oli muu matkan tarkoitus. Ostos- ja turismimatkaillijat sen sijaan haluavat löytää tietoa yhtäläillä internetistä kuin paperisista esitteistä. **Matkailumarkkinointia ajatellen paperisten esitteiden ja Internet-sivustojen voidaan näin ollen katsoa olevan yhtä tärkeitä markkinointikanavia.**

Huomionarvoista on myös vastaajien toive löytää tietoa Pohjois-Karjalasta hotelleista. Matkatoimistojen merkitys tiedonlähteenä on selvityksen mukaan varsin vähäinen.

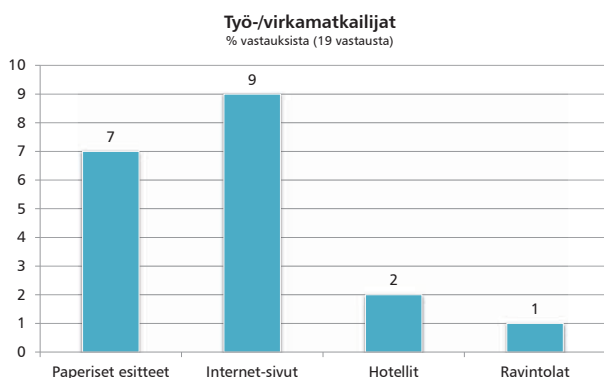


Kuva 12. Ostosmatkailijoiden toivomat tietolähteet

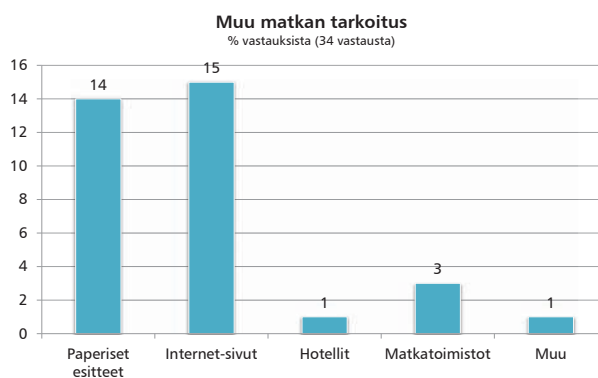


Kuva 13. Turismimatkailijoiden toivomat tietolähteet

¹⁰ Matkan tarkoitukseksi oli mahdollista mainita yksi tai useampi vaihtoehto.

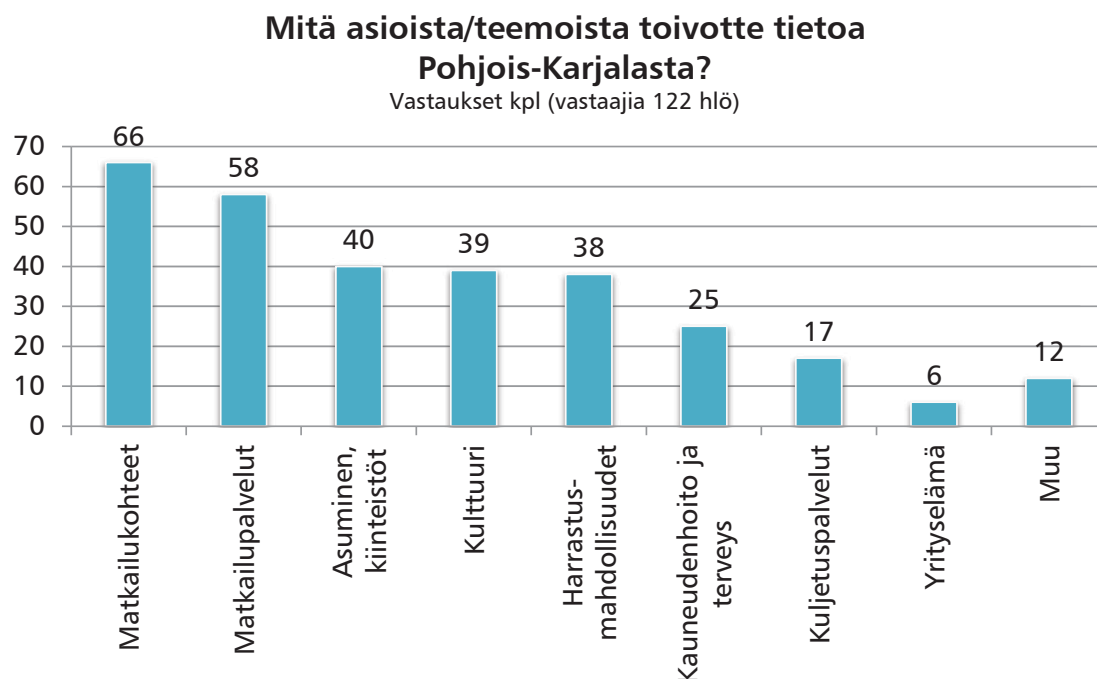


Kuva 14. Työ-/virkamatkailijoiden toivotut tietolähteet



Kuva 15. Muu matkan tarkoitus, toivotut tietolähteet¹¹

14 Mistä asioista/teemoista toivotte tietoa Pohjois-Karjalasta?



Kuva 16. Mistä asioista/teemoista toivotte tietoa Pohjois-Karjalasta?

Kuten kuvasta 16 nähdään, yli puolet vastaajista haluaisi saada tietoa Pohjois-Karjalan matkailukohteista¹². Lähes puolet vastaajista oli kiinnostuneita matkailupalveluista ja noin kolmannes asumisesta ja kiinteistöistä, kulttuurista sekä harrastusmahdollisuuksista. Lisäksi viidennes halusi tietoa kauneushoidosta ja terveystoimista. Yrityselämää koskevasta tiedosta oli kiinnostunut noin 5 prosenttia ja kuljetuspalveluista 14 prosenttia vastaajista.

¹¹ Muuna matkan tarkoituksena oli mainittu mm. vierailu sukulaisten/ystävien luona, auton huolto, urheilu, luostarissa vierailu, uimahallissa käyminen lasten kanssa.

¹² Kysymykseen vastattaessa oli mahdollista mainita yksi tai useampi vaihtoehto.

Ostosmatkailijoiden kiinnostuksen kohteet ovat hyvin yhteneväiset koko vastaajajoukon kanssa (kuva 17). Muita ostosmatkailijoiden mainitsemia kiinnostavia asioita olivat museot, kaupat, urheilutapahtumat, ostokset, koulutusmahdollisuudet, työllistyminen sekä urheilu.



Kuva 17. Ostosmatkailijoita kiinnostavat teemat

Turismimatkailijoita kiinnostivat eniten matkailukohteet, joista tietoa halusi 70 prosenttia vastaajista (kuva 18). Matkailukohteiden jälkeen kiinnostavimpia teemoja olivat kulttuuri, asuminen (ym. kiinteistöt), matkailupalvelut sekä harrastusmahdollisuudet. Useat vastaajat halusivat tietoa myös kauneudenhoidosta ja terveydestä. Muihin turismimatkailijoita kiinnostaviin asioihin kuuluivat kaupat, urheilutapahtumat ja lapsille mielenkiintoiset asiat.



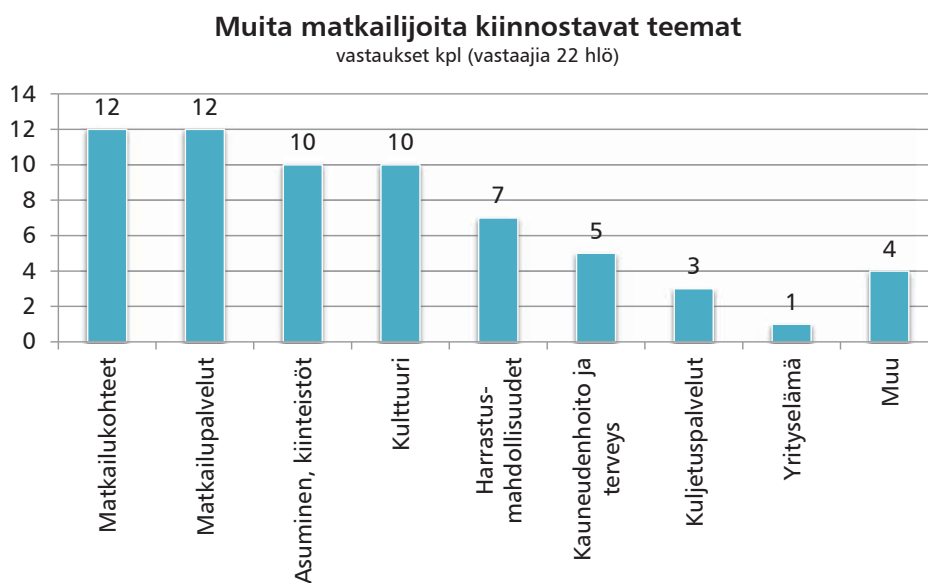
Kuva 18. Turismimatkailijoita kiinnostavat teemat

Työ-/virkamatkailijoita kiinnostivat muita vastaajia enemmän harrastusmahdollisuudet ja kuljetuspalvelut sekä asuminen ja kiinteistöt, joista kiinnostuneita oli noin puolet vastaajista. Vastaavasti heitä kiinnosti hieman keskimääräistä vähemmän tieto matkailupalveluista ja kulttuurista (kuva 19). Muina kiinnostavina teemoina työmatkalla olleet mainitsivat urheilutapahtumat sekä logistiikan.



Kuva 19. Työmatkailijoita kiinnostavat teemat

Vastaajista, joiden **matkan tarkoituksena** oli joku **muu** kuin ostokset, turismi tai työ, yli puolet toivoi tietoa matkailukohteista sekä matkailupalveluista (kuva 20). Seuraavaksi eniten heitä kiinnosti kulttuuri ja asuminen. Useat vastaajat toivoivat tietoa myös harrastusmahdollisuuksista, kauneenhoidosta ja terveydestä sekä kuljetuspalveluista.



Kuva 20. Muita matkailijoita kiinnostavat teemat



15 Yhteenveto

Kyselyn avulla selvitettiin venäläisten matkakohteita, matkustustiheyttä, kuluttamista, rajanylitykseen liittyviä ongelmia, mahdollisen viisumivapauden ja julkisen liikenneyhteyden vaikutuksia venäläisten käyntiaktiivisuuteen sekä palveluihin ja markkinointiin liittyviä asioita. Kysely toteutettiin Niiralan Itähuolinnassa marraskuussa 2011. Kyselyyn vastasi 122 venäläistä matkailijaa.

Suurin osa kyselyyn vastanneista oli kotoisin Karjalan tasavallasta, mutta otokseen mahtui myös pari prosenttia sekä moskovalaisia että pietarilaisia. Yli puolella vastaajista oli useampi kuin yksi matkakohde. Suosituin matkakohde oli Joensuu ja suurimmalla osalla vastaajista matkan tarkoituksena oli ostosmatkailu.

Noin puolet vastaajista kulutti matkansa aikana alle 500 euroa. Yli tuhat euroa kuluttavia oli reilu viidennes vastaajista ja yli 2000 euroa kuluttavia kymmenesosa vastaajista. Matkan kestoa kuluksen määrään ei voitu arvioida, sillä sitä ei kysytty selvityksessä.

Vastaajat kävivät Suomessa pääasiassa joko viikoittain, kuukausittain tai muutaman kerran vuodessa. Yli puolet vastaajista arvioi, että julkinen liikenneyhteys Karjalan tasavallan ja Pohjois-Karjalan välillä lisäisi heidän käyntejään Suomessa. Viisumivapaudella olisi vielä merkittävämpi vaikutus: lähes 70 prosenttia vastaajista kävisi Suomessa useammin. Suurin positiivinen vaikutus viisumivapaudella olisi turismimatkailijoille, joista 77 prosenttia lisäisi käyntejään Suomessa. Vastaavasti käyntitiheyden perusteella tarkasteltaessa merkittävin muutos viisumivapaudella olisi vastaajille, jotka nyt käyvät Suomessa muutaman kerran vuodessa; heistä lähes 80 prosenttia lisäisi matkojaan Suomeen.

Reilu kolmannes vastaajista oli sitä mieltä, että Pohjois-Karjalan palveluita voitaisiin parantaa lisäämällä venäjänkielistä palvelua / henkilökuntaa ja venäjän kielen osaamista. Lisäksi vastaajat toivoivat enemmän venäjänkielisiä opasteita esim. kauppoihin ja parkkipaikoille sekä venäjänkielisiä tuoteselosteita. Kauppojen aukioloaikoja toivottiin pidemmiksi erityisesti viikonloppuisin. Useat vastaajat toivoivat lisää kauppiaita, joissa voisi tehdä Tax-free ostoksia.

Nykyisten palveluiden lisäksi vastaajat mainitsivat kaipaavansa mm. erilaisia tutustumisretkiä, tietoa matkailupalveluista ja matkakohteista, hyviä hotelleja rajan lähelle, informaatiota kaupoista ja niiden tavaravalikoimasta, informaatiota käytettyjen tavaroiden myyntipaikoista, terveyspalveluita, auton huoltoa, eläintarhaa ja kuntoilupaikkoja. Kuten luettelosta huomataan, vastaajat mainitsivat kaipaavansa pitkälti sellaisia asioita, joita Pohjois-Karjalassa jo on. Tästä voidaan päätellä, ettei markkinointi ole kohdannut venäläisiä ja sitä voisi olla tarpeellista tehostaa.

Nykyisistä palveluista vastaajat olivat erityisen tyytyväisiä saamansa palvelun tasoon ja laatuun. He kehuivat asiakaspalvelun nopeutta, venäjänkielistä palvelua, palvelun ystävällisyyttä, iloisuutta, rehellisyyttä ja kohteliaisuutta. Myös tavaroiden laatu (erityisesti elintarvikkeiden), saatavuus ja hinnoittelu koettiin hyväksi. Myös mm. teiden kunto, ympäristön puhtaus ja siisteys sekä virkistys- ja urheilupalvelut saivat kiitosta vastaajilta.

Internet-sivut ja paperiset esitteet olivat selkeät ykköset, kun kysyttiin, mistä tietolähteistä vastaajat haluavat löytää tietoa Pohjois-Karjalasta. Paperisten esitteiden ja Internet-sivustojen tasainen merkitys korostui erityisesti ostos- ja turismimatkailijaryhmissä. Useat vastaajista toivoivat, että tietoa Pohjois-Karjalasta löytyisi myös hotelleista. Matkatoimistojen merkitys tiedonlähteenä oli kyselyn mukaan varsin vähäinen.

Yli puolet vastaajista toivoi saavansa tietoa erityisesti matkailukohteista ja matkailupalveluista. Kolmannes vastaajista oli kiinnostunut asumisesta ja kiinteistöistä, kulttuurista sekä harrastusmahdollisuuksista. Viidennes kaipasi tietoa kauneenhoidosta ja terveydestä. Useat vastaajat olivat kiinnostuneita myös kuljetuspalveluista ja yrityselämästä. Muita asioita, joista vastaajat olivat kiinnostuneita, olivat mm. urheilutapahtumat, ostosmahdollisuudet, koulutusmahdollisuudet sekä lapsille mielenkiintoiset asiat.

Rajanylitykseen liittyen suurimmaksi ongelmaksi mainittiin ruuhkat ja jonot rajanylityspaikalla. Vastaajat olivat tyytymättömiä myös mm. ajoittain epäkohteliaaseen palveluun, tulliselvitykseen kuluneeseen aikaan sekä järjestykseen rajanylityspaikalla. Kehitysehdotuksena nostettiin esille toive lasten kanssa matkustavien etuoikeudesta rajanylityspaikan jonossa. Rajan yli vietävän tavaran ja rahan määrää toivottiin suuremmaksi. Vastaajat eivät täsmentäneet, koskivatko heidän vastauksensa Suomen vai Venäjän puoleista raja-asemaa vai molempia.



Liitteet Kyselylomakkeet suomeksi ja venäjäksi

Arvoisa kyselyyn vastaaja!

Pohjois-Karjalan maakuntaliitto on viranomainen, joka aluekehityslain antaman tehtävän mukaisesti vastaa alueensa kehittämistä ja kansainvälisistä tehtävistä. Hyvä yhteistyö Venäjän/Karjalan tasavallan kanssa on maakunnallemme erityisen tärkeää. Jotta voimme palvella Teitä, arvoisat vieraamme, entistä paremmin haluaisimme tietää Teidän näkemyksiänne mm. palvelujen parantamistoiveistanne. Kaikki vastaukset käsitellään luottamuksellisesti!

Kiitos vaivannäöstänne!

Kunnioittavasti,

Pentti Hyttinen, maakuntajohtaja

1. Miltä paikkakunnalta olette Venäjältä Suomeen tulleet?

2. Minne matkanne Suomessa suuntautui?

3. Matkanne tarkoitus? (valitkaa yksi tai useampi)

- Ostosmatka
- Turismi
- Virkamatka
- Muu, mikä? _____

4a) Miten nykyisiä palveluja tulisi parantaa esim. hotelleissa, kaupoissa, rajanylityspaikalla?

4b) Mitä palveluja kaipaatte nykyisten palveluiden lisäksi?

4c) Mihin nykyisiin palveluihin olette erityisen tyytyväinen?

5. Jos rajanylitysliikenteessä rajanylityspaikalla on ongelmia, mitkä ovat keskeisiä?

6a) Mistä tietolähteistä toivotte löytyvän tietoa Pohjois-Karjalasta? (valitkaa yksi tai useampi)

- Paperiset esitteet
- Internetsivut
- Hotellit
- Matkatoimistot
- Ravintolat
- Muu, mikä? _____

6b) Mistä asioista/teemoista toivotte tietoa Pohjois-Karjalasta? (valitkaa yksi tai useampi)

- Matkailukohteet
- Matkailupalvelut
- Yrityselämä
- Kulttuuri
- Asuminen, kiinteistöt
- Harrastusmahdollisuudet
- Kauneudenhoito ja terveys
- Kuljetuspalvelut
- Muu, mikä? _____

7. Kuinka usein käytte Suomessa?

- ensimmäinen kerta
- viikoittain
- kuukausittain
- muutaman kerran vuodessa
- kerran vuodessa tai harvemmin

8. Jos Karjalan tasavallan ja Pohjois-Karjalan välillä toimisi julkinen liikenne (bussi, juna), lisäisikö se käyntienne määrää?

- Ei
- Kyllä, kuinka usein kävisitte? _____

9. Jos viisumivapaus toteutuisi, lisäisikö se käyntienne määrää?

- Ei
- Kyllä, kuinka usein kävisitte? _____

10. Paljonko arvioitte käyttäneenne rahaa matkan aikana Suomessa

- alle 500 €
- 500-1000 €
- 1000-2000 €
- yli 2000 €

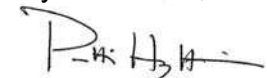
Mikäli haluatte osallistua herkkukorin arvontaan, pyydämme Teitä ilmoittamaan puhelinnumeronne tai sähköpostiosoitteenne (HUOM. palkinnon nouto Itähuolinnasta)

Уважаемый участник опроса!

Региональный союз Северной Карелии – это орган власти, который в соответствии с полномочиями, данными ему законом о развитии регионов, отвечает за общее развитие провинции и выполнение различных международных задач. Хорошее сотрудничество с Россией/Республикой Карелия чрезвычайно важно для нашей провинции. Для того чтобы мы смогли предоставлять вам, уважаемые гости, свои услуги на еще более высоком уровне, мы хотели бы узнать ваше мнение о качестве этих услуг и ваши пожелания касательно его улучшения.

Благодарим вас за затраченные усилия!

С уважением,



Пентти Хюттинен, глава провинции

1. Из какого региона России Вы прибыли в Финляндию?

2. В какие пункты Финляндии Вы направлялись/ где побывали?

3. Цель Вашей поездки? (выберите один или несколько вариантов)

- Шоппинг
- Туризм
- Деловая поездка
- Иные вопросы, какие именно? _____

4а) Каким образом нынешний уровень обслуживания необходимо улучшить, например, в гостиницах, магазинах, пограничных пунктах?

4б) Какие виды услуг Вы хотели бы получить помимо имеющихся в настоящее время?

4в) Чем Вы особенно удовлетворены в нынешних услугах?

5. Если в транспортном движении при пересечении границы через пограничный пункт имеются проблемы, то какие из них Вы считаете основными?

6а) Из какого источника информации Вы хотели бы получать информацию о Северной Карелии? (выберите один или несколько вариантов)

- Бумажные проспекты
- Сайты в интернете
- Гостиницы
- Бюро путешествий
- Рестораны
- Иные вопросы, какие именно? _____

6б) По каким вопросам/темам Вы хотели бы получить информацию о Северной Карелии? (выберите один или несколько вариантов)

- Туристические объекты
 - Туристические услуги
 - Корпоративная жизнь
 - Культура
 - Проживание, недвижимость
 - Возможности для занятий увлечениями
 - Косметический уход и здоровье
 - Транспортные услуги
 - Иные вопросы, какие именно? _____
-

7. Как часто Вы посещаете Финляндию?

- Был/ была впервые
- Еженедельно
- Ежемесячно
- Несколько раз в год
- Раз в год или реже

8. Если бы между Республикой Карелия и Северной Карелией курсировал общественный транспорт (автобус, поезд), увеличило ли бы это число Ваших посещений Финляндии?

- Нет
- Да. Как часто Вы посещали бы Финляндию? _____

9. Если бы существовал безвизовый режим, увеличило ли бы это число Ваших посещений?

- Нет
- Да. Как часто Вы посещали бы Финляндию? _____

10. По Вашей оценке, сколько денег Вы потратили во время поездки в Финляндию?

- менее 500 €
- 500 - 1000 €
- 1000 - 2000 €
- более 2000 €

Если Вы хотите принять участие в розыгрыше корзины с деликатесами, просим Вас сообщить свой номер телефона или адрес электронной почты. (Внимание! Выигранный приз необходимо забрать из «Итяхуолинта»).

Pohjois-Karjalan maakuntaliiton julkaisuja

Pohjois-Karjalan liiton nimi muuttui 1.1.2005
Pohjois-Karjalan maakuntaliitoksi

1993

- 1 Toimintasuunnitelma ja talousarvio 1.6.–31.12.1993
- 2 Kuntayhtymäsuunnitelma vuosiksi 1994–1998, toimintasuunnitelma ja talousarvio vuodeksi 1994
- 3 Joensuun seudun seutukaava

1994

- 4 Toimintakertomus 1.6.–31.12.1993
- 5 Selvitys Tanskan maaseutualueille kohdistetuista EY:n rakennerahastojen tuista
- 6 Kuntayhtymäsuunnitelma 1995–1999, toimintasuunnitelma ja talousarvio 1995
- 7 Pohjois-Karjalan kehittämissuunnitelma vuosille 1995–1999
- 8 Pohjois-Karjalan maaseutuohjelma vuosille 1995–1999
- 9 Pohjois-Karjalan saaristo-ohjelma
- 10 Pohjois-Karjalan jätehuollon alueellinen yhteistyö sekä uudet käsittelymenetelmät
- 11 Pohjois-Karjalan EU-ohjelma vuosille 1995–1999
- 2. korjattu painos 1995
- 3. osittain korjattu painos 1996
- 12 Joensuun seudun kansainvälinen asema ja sen vaikutus seudun kehittämissuunnitelmaan

1995

- 13 Kylät ja kunnat kehittäjinä Itäavallassa
- esimerkkinä syrjäinen Waldviertel
- 14 Maakunnan kehittämissuunnitelman seurantaraportti vuodelta 1994
- 15 Raja-alueen kehittämissuunnitelma: Itä-Suomi ja Karjalan tasavalta
- 16 Asumisen tulevaisuus ja yhteistyö Joensuun seudulla
- 17 Toimintakertomus 1994
- 18 Pohjois-Karjalan kehittämissuunnitelma vuosille 1996–2000
- 19 Kuntayhtymäsuunnitelma 1996–2000, toimintasuunnitelma ja talousarvio 1996

1996

- 20 Pohjois-Karjalan kansainvälistymisstrategia
- 21 Maakunnan kehittämissuunnitelman seurantaraportti vuodelta 1995
- 22 Toimintakertomus vuodelta 1995
- 23 Asunto-ohjelmointi Joensuun seudun kuntayhteyksissä
- 24 Pohjois-Karjalan matkailustrategia 1996–2000
- 25 Pohjois-Karjalan matkailufakta 1994
- 26 Pohjois-Karjalan maankäytön ja aluerakenteen periaatteet

- 27 Toiminta- ja taloussuunnitelma 1997–1999 sekä tulostavoitteet ja talousarvio 1997

1997

- 28 Pohjois-Karjalan maakunnallinen tietostrategia, oppiva maakunta – luova periferia
- 29 Maakunnan kehittämissuunnitelman seurantaraportti vuodelta 1996
- 30 Maakunnan kehittämissuunnitelma ja EU-raha Pohjois-Karjalassa vuosina 1995–1996
- 31 Toimintakertomus 1996
- 32 Toiminta- ja taloussuunnitelma 1998–2000 sekä tulostavoitteet ja talousarvio 1998

1998

- 33 POKAT 2006: Pohjois-Karjalan maakunnan kehittämisen puitteet vuoteen 2006
- 34 Maakunnan kehittämissuunnitelman seurantaraportti vuodelta 1997
- 35 POKAT 2006: Pohjois-Karjala uudelle vuosikymmenelle
- 36 Toimintakertomus 1997 ja tilinpäätös 31.12.1997
- 37 Euroopan metsämaakunta 2010
- Pohjois-Karjalan metsästrategia vuosiksi 1998–2010
- 38 Kauneimmat Karjalasta – Karjalasta parhaimmat
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- 39 Pohjois-Karjalan yritys- ja toimipaikkaselvitys vuosilta 1990–1997
- 40 Toiminta- ja taloussuunnitelma 1999–2001 sekä tulostavoitteet ja talousarvio 1999

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- 41 Talkoilla tietoyhteiskuntaan
- Pohjois-Karjalan tietoyhteiskuntastrategia ja toimenpideohjelma 1999–2006
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- 43 Hyvinvointiklusteri Pohjois-Karjalassa
- realismia vai idealismia
- 44 Maakunnan kehittämissuunnitelman seurantaraportti vuodelta 1998
- 45 Toimintakertomus 1998
- 46 Pohjois-Karjala – Osaamisen maakunta
- Maakunnan koulutusta koskevia kehittämissuunnitelmia

2000

- 47 Toiminta- ja taloussuunnitelma 2000–2002 sekä tulostavoitteet ja talousarvio 2000

- 48 Maakunnan kehittämisrahan seurantaraportti vuodelta 1999
- 49 Tilinpäätös 31.12.1999
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2002

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- Pohjois-Karjalan kulttuuristrategia 2003–2006
- 72 Maakuntaohjelma POKAT 2006
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- 73 Pohjois-Karjalan matkailun nousu vuoteen 2006
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9- tien kaupallisen ja matkailualan palvelutarvekysely Venäläisille asiakkaille

9- tien yritystoiminnan kehittäminen – hanke 2012 - 2014

Kyselyssä selvitettiin Niiralasta maahan saapuvien Venäläisten palvelutarpeita, kaupan ja matkailun aloilla. Kyselyn tuloksia peilataan yritysten kehittämistarpeisiin ja uuden yritystoiminnan kehittämiseen 9- tien Niirala- Onkamo vaikutusalueella.

Birgitta Väisänen, projektipäällikkö



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Johdanto

Liikenne ja asiakasvirrat 9-tiellä kasvavat jatkuvasti: sekä rajanylitykset että taxfree-myynti lisääntyvät vuosittain merkittävästi. Niiralan raja-aseamalla oli vuonna 2011 liki 1,3 miljoonaa rajanylityttäjää, joista lähes puolet on venäläisiä. Vuoteen 2010 verrattuna ylityksiä oli 25 % enemmän. Taxfree-myynti kasvoi Kiteellä ja Tohmajärvellä lähes 58 %. Kasvavan rajaliikenteen myötä on mahdollista saada lisää asiakkaita ja liikevaihtoa 9-tien vaikutusalueen yrityksiin.

Venäläiset ovat kaupan ja matkailun kannalta erittäin merkittävä asiakasryhmä. Polttoainehintojen kallistuessa ns. bensaostomatkat kasvaa jatkuvasti, joten myös suomalaisille asiakkaille on luotavissa uusia palveluja.

Keski-Karjala on äkillisen rakennemuutoksen aluetta, kun perinteisesti vahva tuotannollinen teollisuus on joutunut rakennemuutoksen kouriin. Palvelut ja kauppa pystyvät edelleen työllistämään ja lisäämään kannattavuutta, jos asiakkaita löydetään.

Seudulla on meneillään laajempi rakenteellinen muutos työpaikkojen osalta, kun työpaikat siirtyvät tuotannollisesta teollisuudesta palvelualoille. Uusia työpaikkoja tarvitaan, sillä Tohmajärven työttömyysaste oli joulukuussa 2011 yli 17 %.

Projektissa selvitetään, miten 9-tien tuntumassa toimivat yritykset pystyisivät paremmin hyödyntämään kasvavat potentiaaliset asiakasvirrat ja lisäämään kassavirtaansa ja kannattavuuttaan. Myös uusien, kannattavien liiketoimintamahdollisuuksien edellytykset 9-tien tuntumassa selvitetään.

Taustaa

Niiralan kansainvälisellä rajanylityspaikalla vuonna 2012 rajanylittäjiä oli 1,5 miljoonaa, joista 48 % oli venäläisiä. Rajavartiolaitoksen ennusteiden mukaan rajanylittäjien määrä tulee nousemaan n. 20 % vuosivauhtia. Ennusteiden mukaan vuonna 2017 rajanylittäjien määrä voi nousta jopa kolmeen miljoonaan. Tätä edesauttaa mahdollinen viisumivapaus.

Alueen vetovoimaisuuden lisäämiseksi, alueella toimivien yrittäjien tulisi panostaa entistä enemmän Venäjältä saapuvaan ostosmatkailuun. Tällä hetkellä alueella ei ole tarpeeksi vetovoimaisia toimijoita ja tuotevalikoimat ovat suhteellisen vaatimattomat. Tästä johtuen matkailijavirrat pääosin kulkevat Tohmajärven ohitse Joensuuun tai muihin lähialueen vetovoimaisempiin kaupunkeihin.

9- tien yritystoiminnan kehittäminen- hanke edesauttaa yritystoiminnan kehittämisessä ja tuottaa tietoa kaupan- matkailun- ja hyvinvointipalveluiden kehittämiseksi.

Hankkeen tavoitteena on parantaa venäläisille suunnattua tarjontaa ja näin saada matkailijat pysähtymään 9- tien tuntumassa oleviin liikkeisiin. Tavoitteena on selvittää kauppakeskuksen toimintaedellytykset ja sijainti sekä löytää toimijoita perustettavaan kauppakeskukseen. Toisaalta halutaan myös kehittää jo olemassa olevaa liiketoimintaa, niin että se vastaa myös paikkakunnan tarpeisiin ja on seutukunnalle vetovoimainen paikka asioida.

Kauppa-keskus tuo vetovoimaisuutta alueelle sekä luo uskoa paikallisiin yrittäjiin toiminnan kehittämisen tarpeellisuudesta. Uuden liiketoiminnan ja uusien palveluiden tarjonta sekä tuotevalikoiman laajentaminen luo paikkakunnalle uusia työpaikkoja.

Niiralan alueella ollaan myöhässä rajakaupansuunnittelussa ja toteutuksessa, verrattuna muihin rajanylityspaikkoihin.

Kauppalvelut

Lähtökohta

Pohjois- Karjalan Maakuntaliitto on tehnyt Kyselyn venäläisille matkailijoille Niiralassa 2011.

Kyselyn tarkoituksena oli selvittää, mistä venäläiset matkailijat tulevat maakuntaamme, missä he käyvät matkansa aikana sekä kuinka usein ja minkä tyyppisillä matkoilla he Suomessa käyvät.

Kyselyssä kartoitettiin, tulisiko viisumivapaus ja julkinen liikenne Pohjois-Karjalan ja Karjalan tasavallan välillä venäläisten matkustamista Suomeen. Vastaajilta kysyttiin myös rajanylitykseen liittyviä mahdollisia ongelmia.

Kyselyn avulla selvitettiin lisäksi, millaiseksi venäläismatkailijat kokevat Pohjois-Karjalassa tarjottavien palvelujen laadun ja tason sekä pyydettiin ehdotuksia palvelujen parantamiseksi ja palvelutarjonnan laajentamiseksi.

Markkinointiin liittyen kysyttiin, millaisista asioista/teemoista venäläiset haluavat tietoa Pohjois-Karjalasta ja mistä eri tietolähteistä he toivoisivat tietoa löytyvän.

Lisäksi kartoitettiin, kuinka paljon venäläiset keskimäärin kuluttavat Suomen matkoillaan.

- [Kysely venäläisille matkailijoille Niiralassa 2011.pdf](#)

Hankkeen kyselyt tehtiin haastattelukyselynä Niiralassa, Tohmajärven keskustassa, Kiteellä ja Puhoksessa elo- syyskuussa 2012. Tavoitteena oli 120 kyselyä, toteutuneita kyselyitä oli 162 kpl. Haastattelijana toimi Zinaida Lipaeva, hän oli hankkeessa harjoittelijana.

Tavoitteena oli saada tietoa mitä palveluita käytetään, mistä saadaan tietoa alueen palveluista, mikä on matkan tarkoitus, ostokäyttäytyminen ja mitä palveluita haluttaisiin lisää sekä muut kehittämistoiveet.

Kysely venäläisille matkailijoille Niiralassa 2011 antaa vastaukset mm. rahankäyttöön.

Taxfree- myynnin keskiostot vuonna 2012

Vaalimaa	116
Lappeenranta/ Nuijamaa	122
Joensuu	121
Kitee	107
Tohmajärvi	71

Invoice- kauppa(0 vero)on arvioiden mukaan samansuuruinen kuin taxfree- kauppa

Kaupalanalan kyselyn tuloksia:

Mitä palveluita käytetään?

Kaupanpalveluita käyttää 50 % asiakkaista, matkailunpalveluita 21 % ja hyvinvointipalveluita 29 %.

Kiteellä ja Puhoksessa käytettiin kaikkia osioita ja Tohmajärven alueella muutamaa poikkeusta lukuun ottamatta vain kaupanpalveluita.

Mistä saatiin tietoa alueesta?

50 % tutuilta ja muilta alueella vierailevilta, 22 % internetistä, 19 % sukulaisilta, 7 % mainoksista, 2 % televisiosta.

Markkinoinnissa tulisi ottaa entistä enemmän huomioon sosiaalinen media ja nettimarkkinointi. Tuttavat ja alueella vierailevat ovat potentiaalisin ja kustannustehokkain markkinointi kanava venäjälle.

Mikä on matkan tarkoitus?

48 % ostosmatka, 29 % virkistys, 14 % vierailu sukulaisten luona, 9 % vierailu tuttavien luona.

Ostosmatkat ja päivämatkat tehdään Sortavalasta ja Petroskoista. Virkistysmatkoja tehdään myös Moskova ja Pietari.

Vierailu sukulaisten ja tuttavien luona osuutta kannattaa harkita markkinointitoimenpiteiden kohderyhmänä.

Tuotteet joita ostetaan?

56 % ruokatarvikkeita, 36 % tekstiilejä, 6 % autotarvikkeita ja 2 % elektroniikkaa

Alueen ykkös- matkailuartikkeli on ostosmatkat, päivämatkat jolloin ostetaan paikallisista elintarvikeliikkeistä, elintarvikkeita ja muuta päivittäistavaraa. Tuotteet mielletään turvallisiksi ja ”oikeiksi”, tuote sisältää sitä mitä siihen on kirjoitettu. Hinta/ laatusuhde on tyydyttävä.

Tekstiilejä myyviä myymälöitä on muutama alueella, lukuun ottamatta Market-vaatteita. Tekstiilien myynnistä huomattava osa menee venäjälle. Halutaan merkituotteita, mutta samalla edullista hintatasoa.

Tohmajärven osalta tuotevalikoimaan kuuluu elintarvikkeet, tekstiilit ja rakennustarvikkeet. Kiteen osalta tuotevalikoima on suurempi, tekstiilin ja autotarvikkeiden sekä elektroniikan osalta.

Mitä ostetaan vähiten?

34 % polttoaine, 22 % kosmetiikka, 17 % kalastusvälineitä, 17 % elektroniikkaa, 10 % rakennustarvikkeita

Tästä suoraan voidaan katsoa mille tuoteryhmälle olisi tarvetta, kosmetiikkaa ei ole tarjolla kuin marketeissa. kalastusvälineitä myydään Kiteellä mutta ei muualla, elektroniikkaa myydään Kiteellä ja rakennustarvikkeiden vientiä rajoittavat painorajoitukset.

Mitä tarjontaa tarvitaan enemmän?

25 % suurempi valikoima tekstiilejä, 29 % enemmän infoa alueesta, 15 % palvelua venäjäksi
kenkäkauppa 1 %, kalastustarvikkeita 7 %, uimahalli 3 %, Kiteen uimahalli myös kesäisin auki
20 %

Matkailullista toimintaa tulee kehittää samassa suhteessa kun kaupallinen tarjonta lisääntyy,
paikkakunnalla vietetty aika pitenee ja käytetään enemmän kaikkien sektoreitten palveluita.

Mitä muuta voisi kehittää?

Palveluita lapsille 21 %, matkailua, majoitusta ja aktiviteettejä 29 %, kaupoissa palvelua
venäjäksi 17 %, Kalastusmatkoja 17 %, Uimahalli 9 %, edullisia ruokapaikkoja 7 %,

Majoitus ja matkailutarjontaa tulisi lisätä, hyvätasoista majoitusta lähelle rajaa, aktiviteettejä
ja nimenomaan lapsille suunnattua toimintaa kaivataan alueelle.

Venäjänkielinen palvelu on hyvässä mallissa Tohmajärvellä, mutta nimenomaan Kiteen
pisteisiin kaivataan lisää kielitaitoista palveluhenkilökuntaa.

Kauppaliikkeissä olevat opasteet ja hintalaput toivotaan myös olevan venäjänkielisiä.

Kaupan aukioloaikoja toivotaan muutettavan, asiakaslähtöisemmäksi. turistit ovat suomessa
aikaisin aamulla ja lähtevät takaisin n. klo 17- 18, Taxfree- palautuspisteen aukioloajat
muokkaavat tällä hetkellä matkustajavirtojen paluuta.

Muuta kehittämiseen liittyvää toivetta?

Toivotaan muutakin kuin ns. Market-kosmetiikkaa

Kalastusvälineet, asusteet, luvat kaikki siihen liittyvä+ matkailu / ohjelmalvelutuotteita ja
paketteja

Lisätarjontaa Tohmajärvelle kodinpienkoneissa ja elektroniikassa

Erikoisliikkeitä, kenkäkauppaa, merkkituotteita vaatteisiin, lasten vaatteet ja harrastuksiin
liittyvä välineet

Käytetyntavaran myymälöitä, kierrätys, kirpputori

Edullisia ruokapaikkoja

Matkaparkki

Huvipuisto, uimahalli tai muuta lapsille suunnattua toimintaa

Matkailupalvelut

Lähtökohta

Kyselyyn vastasi 111 henkilöä 2012 joulukuun viimeisellä ja 2013 tammikuun ensimmäisellä viikolla

Kyselyt tehtiin Niiralassa haastatteluilla, haastattelun toteutti Zinaida Lipaeva

Tavoitteena oli saada tietoa matkailijoiden lomalla käyttämästä majoituksesta, rahankäytöstä ja lomanpituudesta sekä selvittää mitä palveluita he käyttävät Keski-Karjalassa.

Tai mitä he odottavat saavansa lomalla Keski- Karjalassa, tiedon saannista ja loman varauskäytännöstä

Tohmajärveltä puuttuu hotellitasoinen majoitusmahdollisuus, lähin hotelli on Kiteellä. Alueella toimii muutamia ohjelmapalvelutuottajia, joiden tuotevalikoima olisi sopiva kehitettäväksi venäläisten turistien käyttöön.

Nettinäkyvyys on heikko, tietoa ei saada alueen toimijoista.

Matkailukyselyn tuloksia:

Mistä matkailijat saapuvat alueelle?

Petroskoi 52 %, Pietari 16 %, Moskova 4 %, muut paikkakunnat ovat Venäjän- Karjalan alueelta 3- 4 % arvoilla

Missä paikkakunnalla lomailtiin?

Kesälahti 14 %, Ruka ja Puhos kumpikin 12 %, Koli 11 %, Kontiolahti 8 %, Rantasalmi 7 %, Kuopio ja Joensuu 6 %, Jyväskylä, Nurmes, Katinkulta 4 %, Rääkkylä 3 %, Kitee 2 %

Kesälahdella on paljon venäläisomistuksessa olevia mökkejä ja lomakeskus, Puhoksessa vesipuisto ja mökki- jahotellimajoitusta, Rantasalmella samoin mökki- ja hotellimajoitus ja kalastusaktiviteetit.

Niiralan kautta menään hiihtokeksuksiin ja Lappiin.

Kuinka kauan viivyttiin alueella?

1 päivän ostosmatka 19 %, 7 pvä 18 %, 3 pvä 17 %, 5 pvä 14 %, 6 pvä 13 %, 2 pvä 6 % ja 2 % 30 pvä

Ostosmatkat ovat tässäkin osiossa suurin matkailijaryhmä. Lomanvietäjille tarjottava aktiviteetteja, joita voidaan tarjota ja ostaa suoraan majoitusliikkeestä tarpeen mukaan.

Venäläiset eivät tee varauksia aktiviteeteista etukäteen.

Missä majoituttiin loman aikana?

Hotelli majoitus 57 %, mökkimajoitus 36 %, sukulaiset 4 % ja ystävät 3 %

Missä majoitutaan yleensä Suomessa käydessä?

Mökkimajoitus 48 %, hotelli 37 %, sukulaiset 5 %, ystävät 10 %

Kuinka usein vieraillaan Suomessa?

Ensikertalaisia yllättävän suuri määrä, nuoria perheitä, lomailu ympäri suomea ja hakevat lomallaan aktiviteetteja, Kuopio ja Pohjoisen lomapaikat kiinnostavat. Niiralasta hyvä tie ajaa omalla autolla Lappiin.

Ensimmäistä kertaa 59 %, 2-3 kertaan kuukaudessa 37 %, kerran kolmessa kuukaudessa 4 %

Mitä palveluita käytettiin?

Kylpylä, Laskettelu ja moottorikelkkailu kaikki 17 %, kalastus, vesipuisto ja ampumahiihto 8 %
rauhallinen perheen kanssa vietetty aika 9 %, autosafarit 7 %, ulkomaille Suomen kautta menevät 5 %, hiihto 4 %

Kuinka paljon rahaa käytettiin loman aikana?

62 % 500- 100 €, 33 % 1000 € tai enemmän, 5 % 3000 € tai enemmän

Mistä saatiin tietoa?

Tiedot matkailukohteesta saatiin 98 % netinkautta, muita tiedon saanti kanavia olivat ystävät ja Carelicum Joensuu

Mitä arvostetaan matkaillessa Pohjois- Karjalaan?

Arvostettiin shoppailua, alennusmyyntejä, rauhallista lomailua perheen kanssa, kylpyläpalveluita, vietetään paljon aikaa lasten kanssa

Vähemmän venäläisiä kuin esim. Lappeenrannassa

Halutaan levätä ja osallistua aktiviteetteihin päivittäin

Halutaan enemmän aktiviteettejä koko perheelle, oheispalveluita, ohjelmallisia paketteja, autosafari / kilpa- autokisat, rinteiden lähellä olevia majoitusta

Muuta huomioitavaa:

Matkat varataan 1 kk ennen loma, viimeingassa otetaan se mikä on vapaana.

Ei löydetä tietoa alueesta netistä, halutaan tietoa enemmän netin kautta

Majoitusliikkeiden markkinointia on tehostettava ja lisättävä majoituskapasiteettiä rajan tuntumassa.

Aktiviteetteihin ja niiden saantiin tulisi kiinnittää entistä enemmän huomiota, tarjontaa tuotava enemmän ja tiedottamista tehostettava myös sähköisessä mediassa.

Joulun ja uudenvuoden ajan sesonkiin, ei ole varauduttu tarpeeksi hyvin. Vapaita mökkejä ei markkinoida esim. Visit Karelian kautta.

Liikkeiden aukioloaikoihin tulisi kiinnittää huomiota, joulun aikaan maatilamajoitusta ja joulupaketteja ei ole tarpeeksi Keski- Karjalassa.

Venäläiset matkailijoina Suomessa

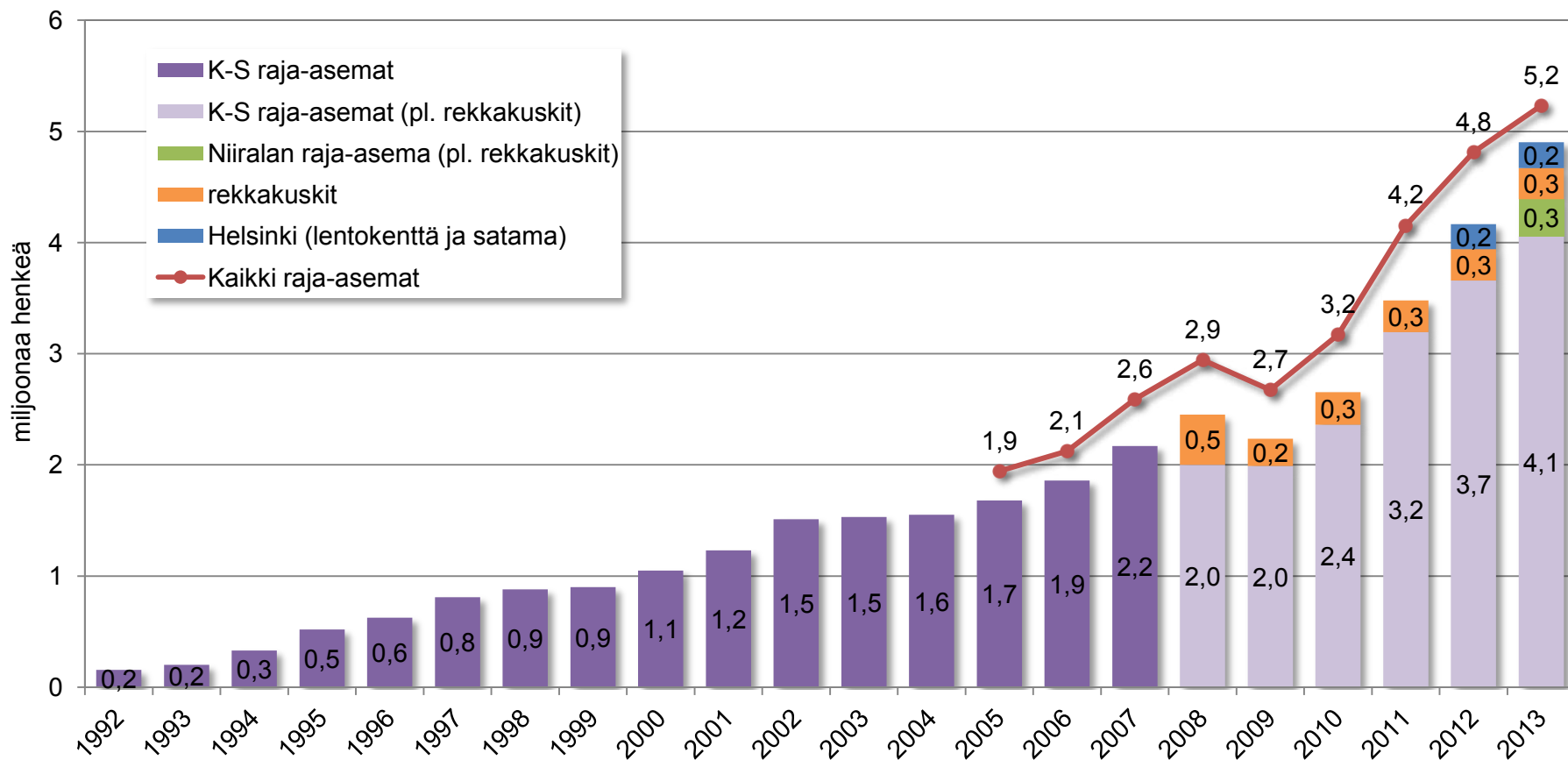
TAK Rajatutkimus 2013 tuloksia

huhtikuu 2014



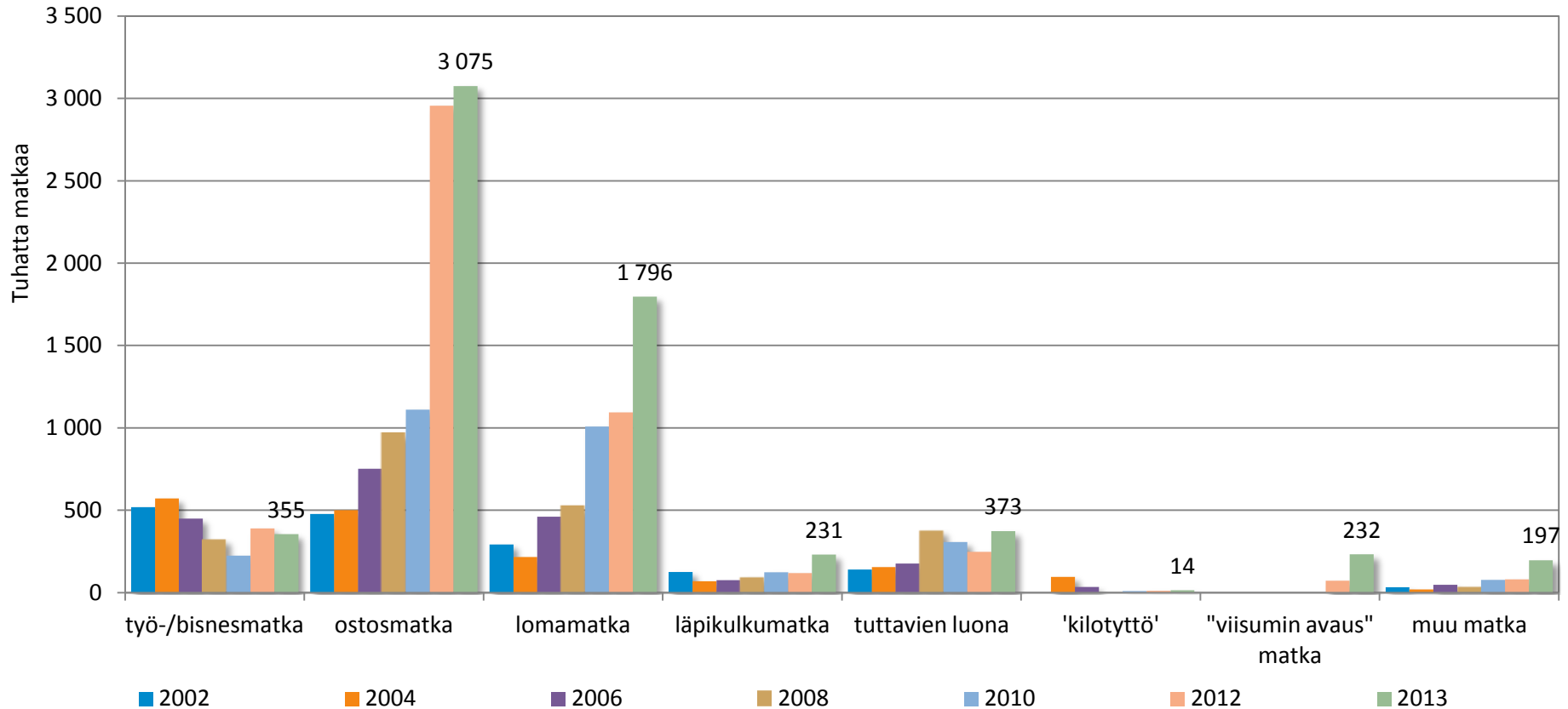


Venäläisten matkat Suomeen vuosittain Kaakkois-Suomen raja-asemien kautta



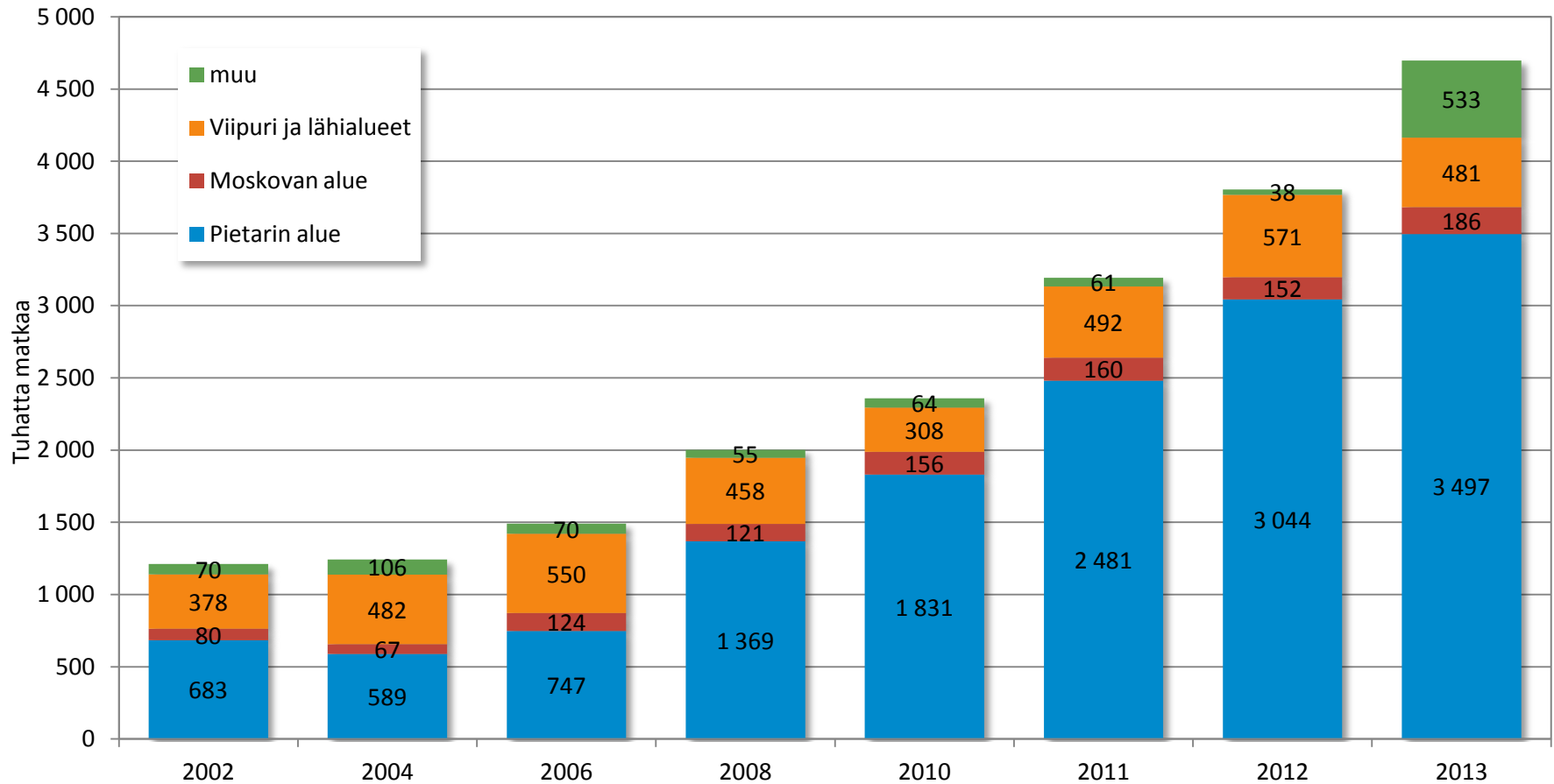


Matkan tarkoitus - matkoja



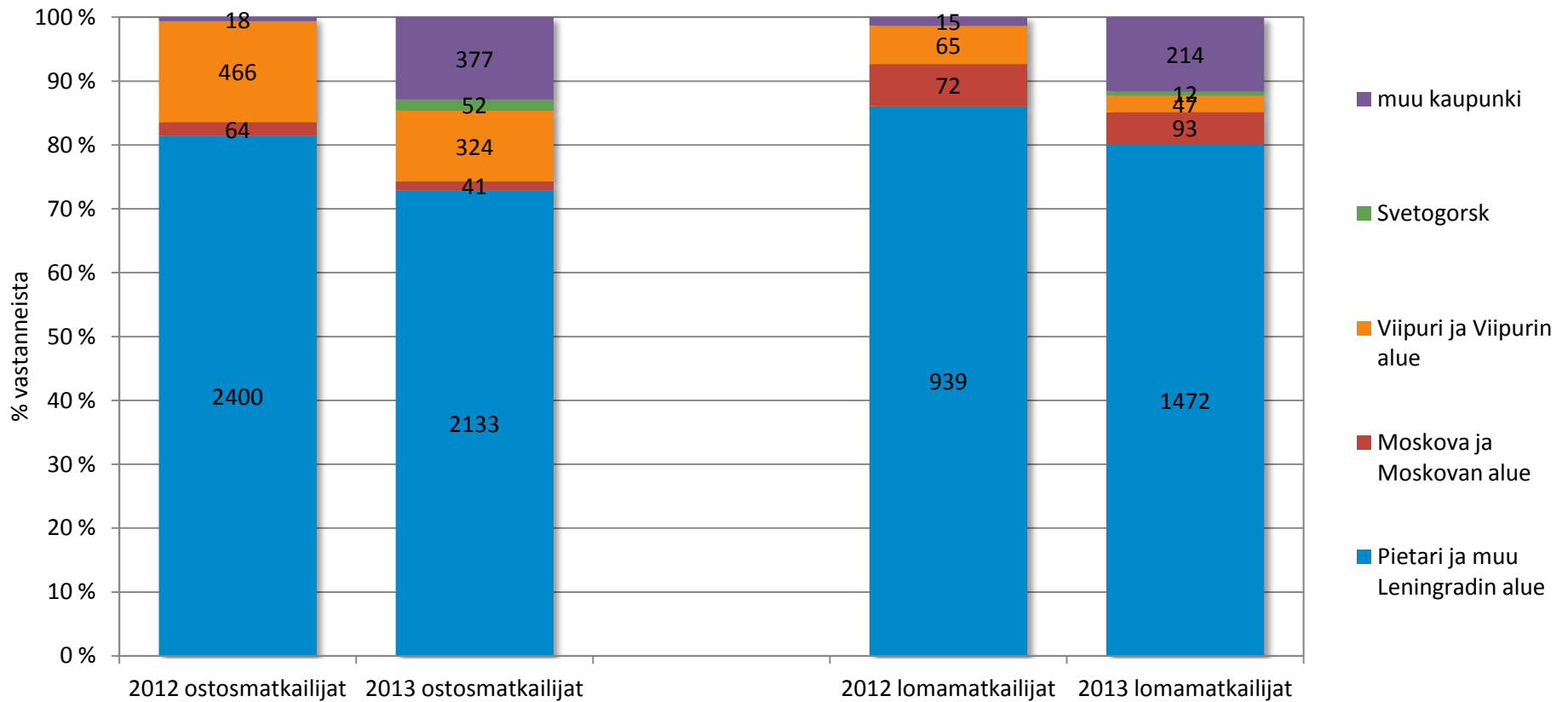


Asuinpaikkakunta – matkojen määrä



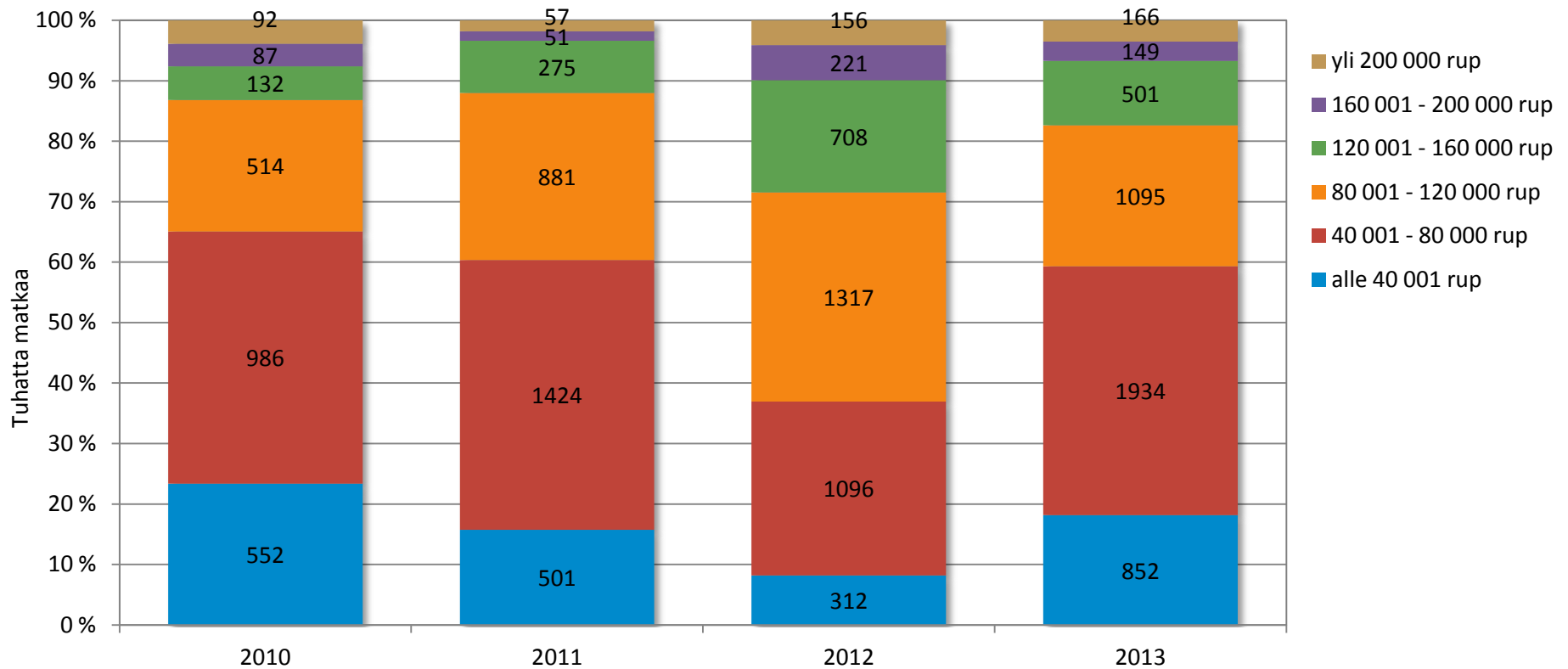


Asuinpaikkakunta – matkojen määrä



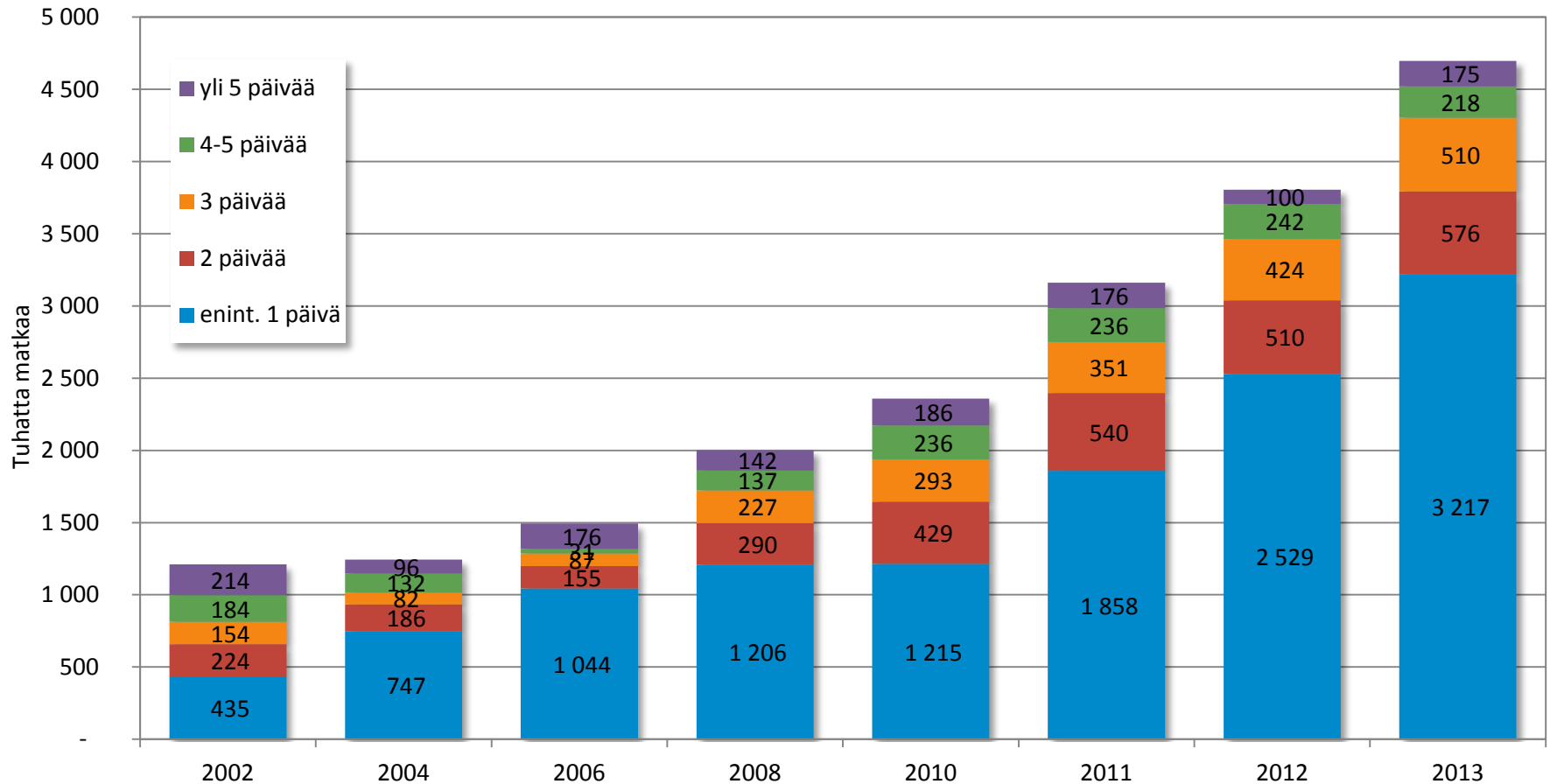


Matkustajien tulot (perheen yhteenlasketut tulot kuukaudessa)



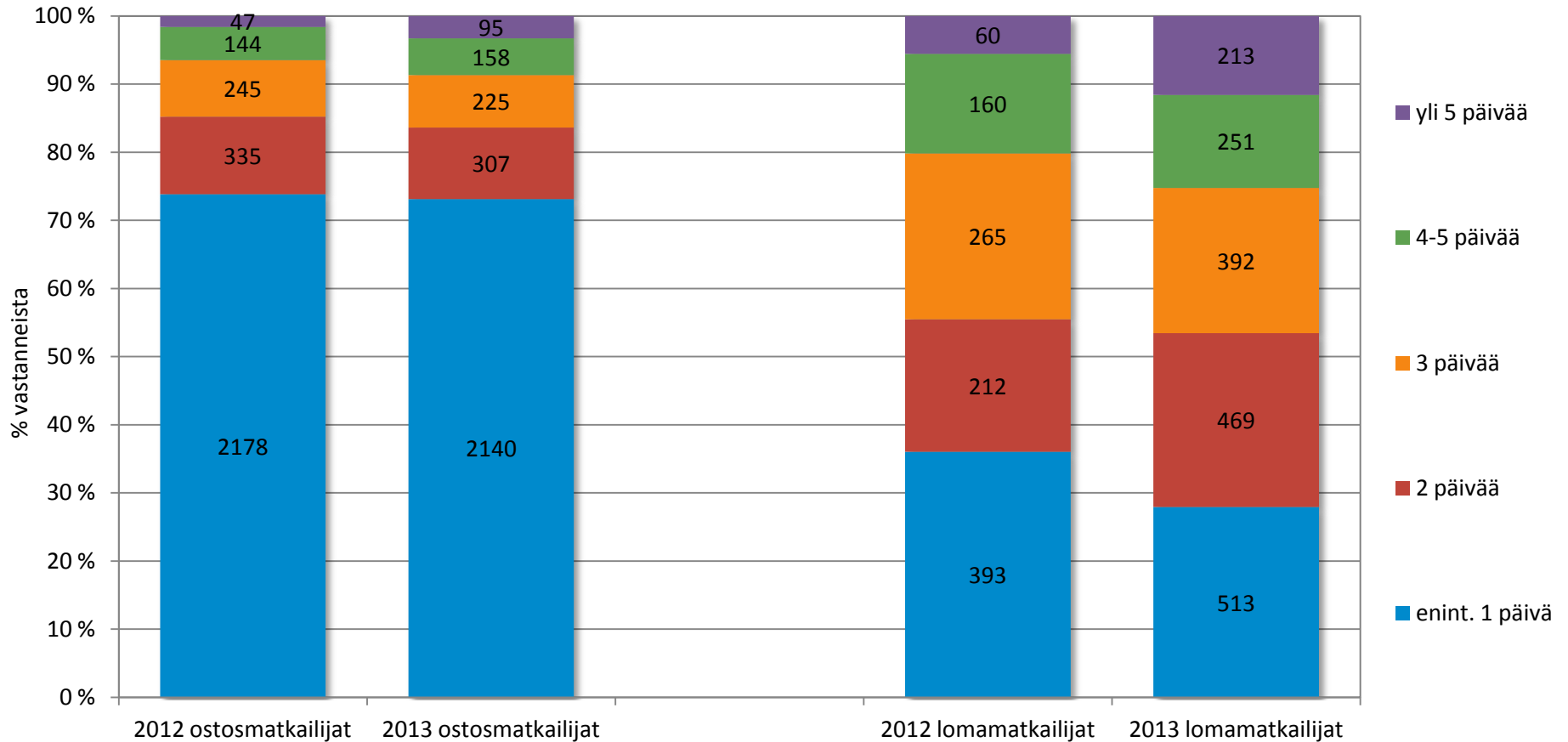


Kuinka pitkään Suomessa?





Kuinka pitkään Suomessa?





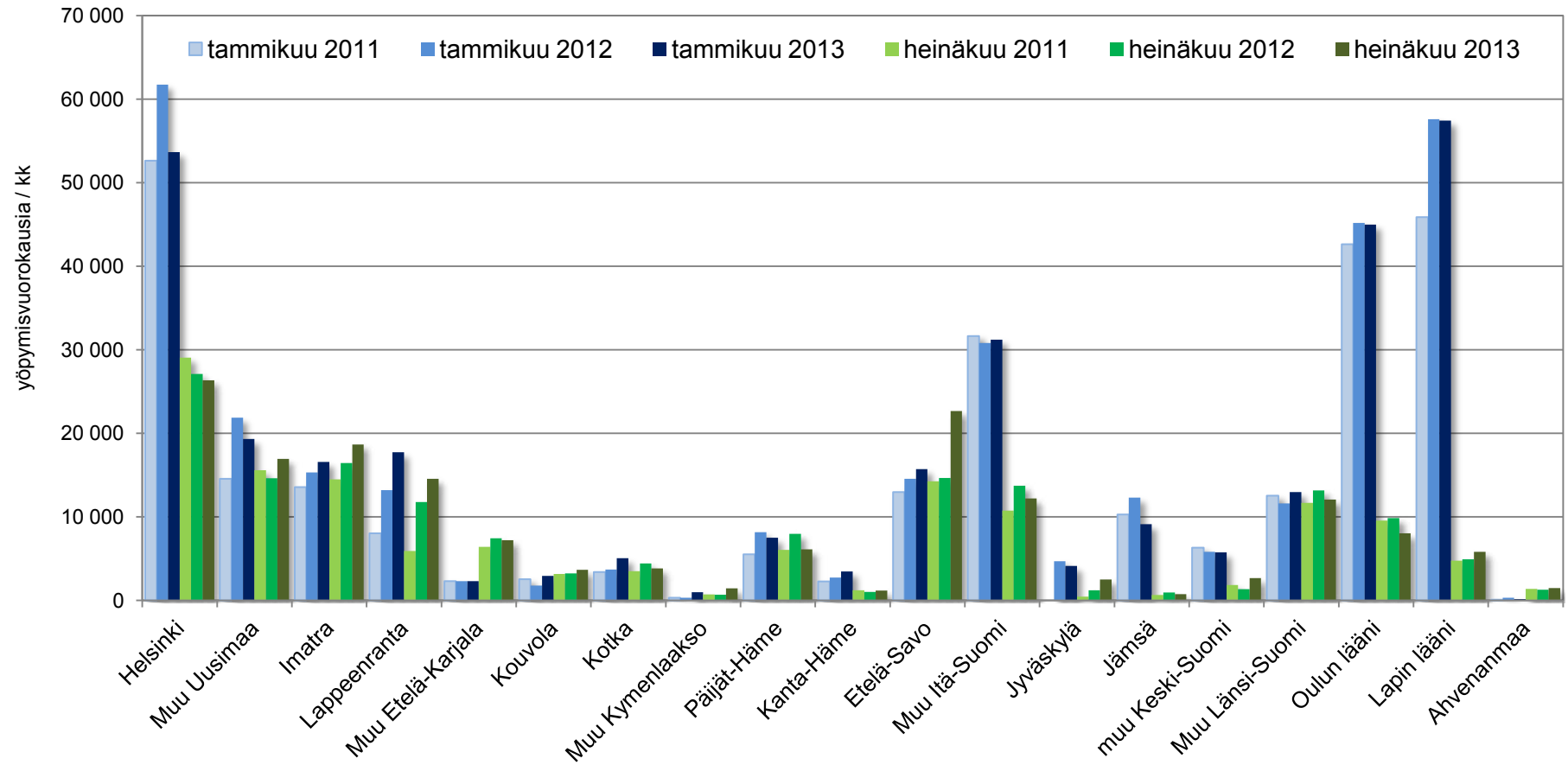
Venäläisten yöpymiset Suomessa

TILASTOKESKUKSEN MAJOITUSTILASTO	2012	2013
yöpyneiden määrä	731 261	778 110
yöpymiset yhteensä	1 506 900	1 618 949
TAK RAJATUTKIMUS (yöpymiset)	2012	2013
- vuokramökki	336 000	813 000
- oma mökki tai asunto	246 000	351 000
- tuttavän luona	546 000	870 000
KAIKKI YÖPYMISET YHTEENSÄ	2 634 000	3 553 000
KAIKKI YÖPYNEET YHTEENSÄ	1 176 000	1 261 000



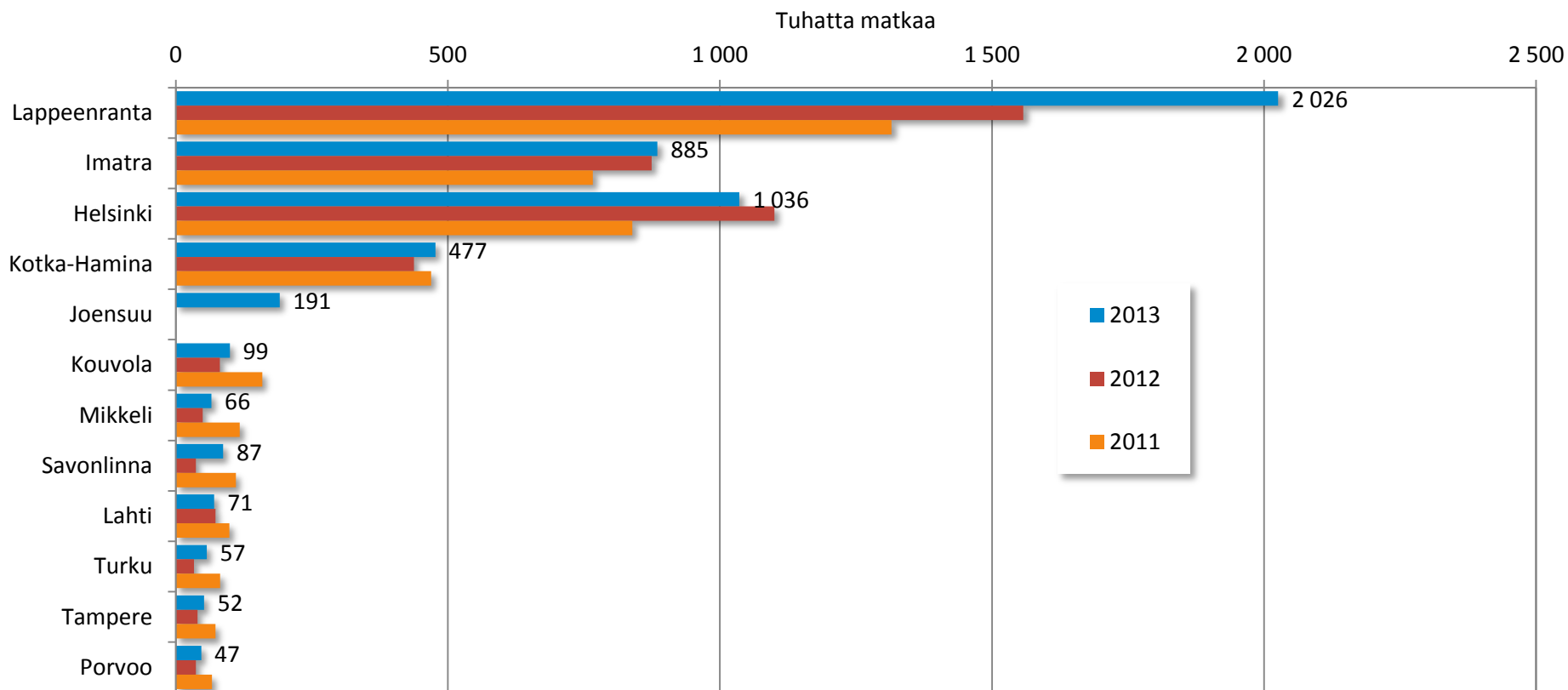


Venäläisten yöpymiset alueittain



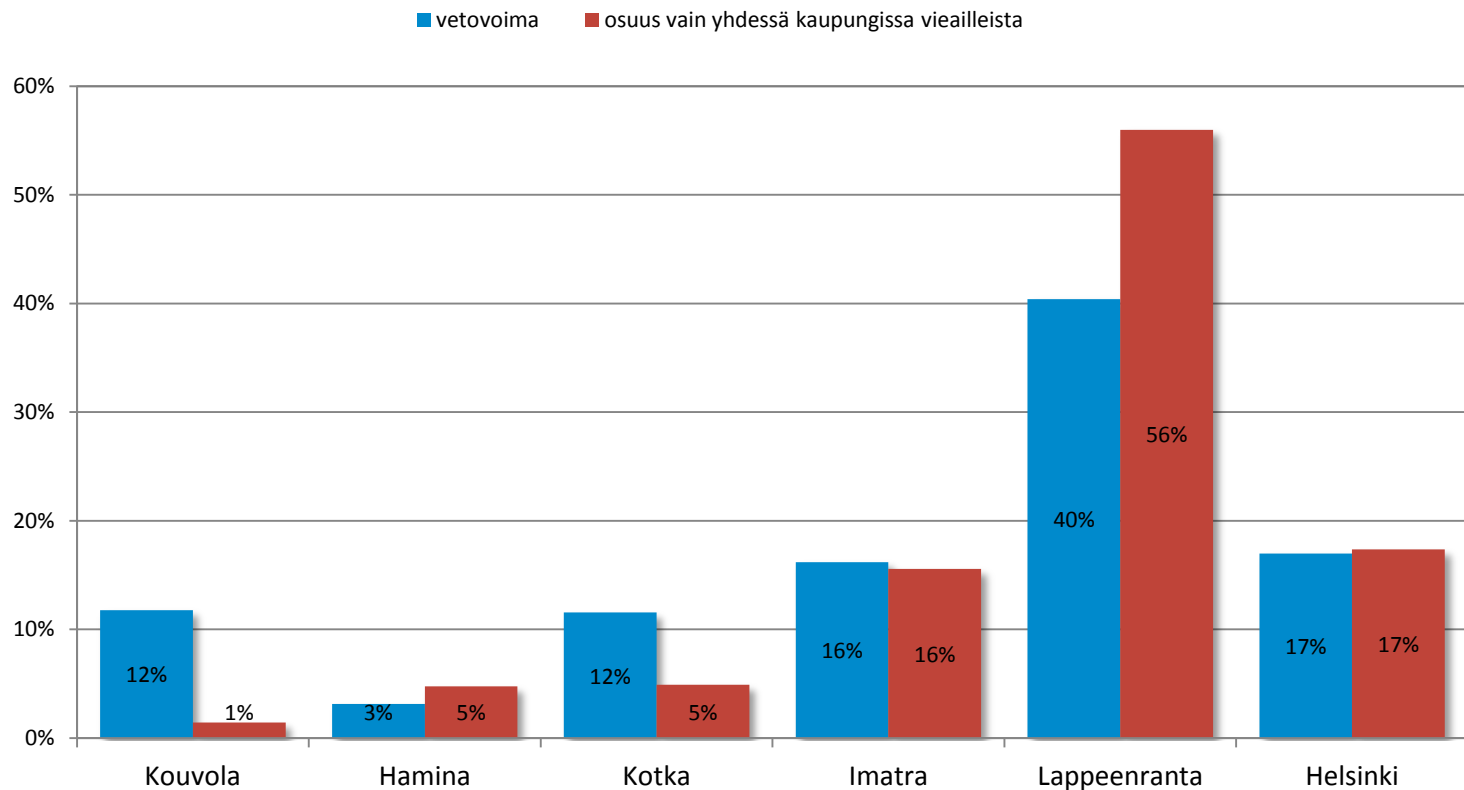


Paikkakunnat, joissa on vietetty aikaa matkan aikana (vuonna 2013 Niirala mukana)



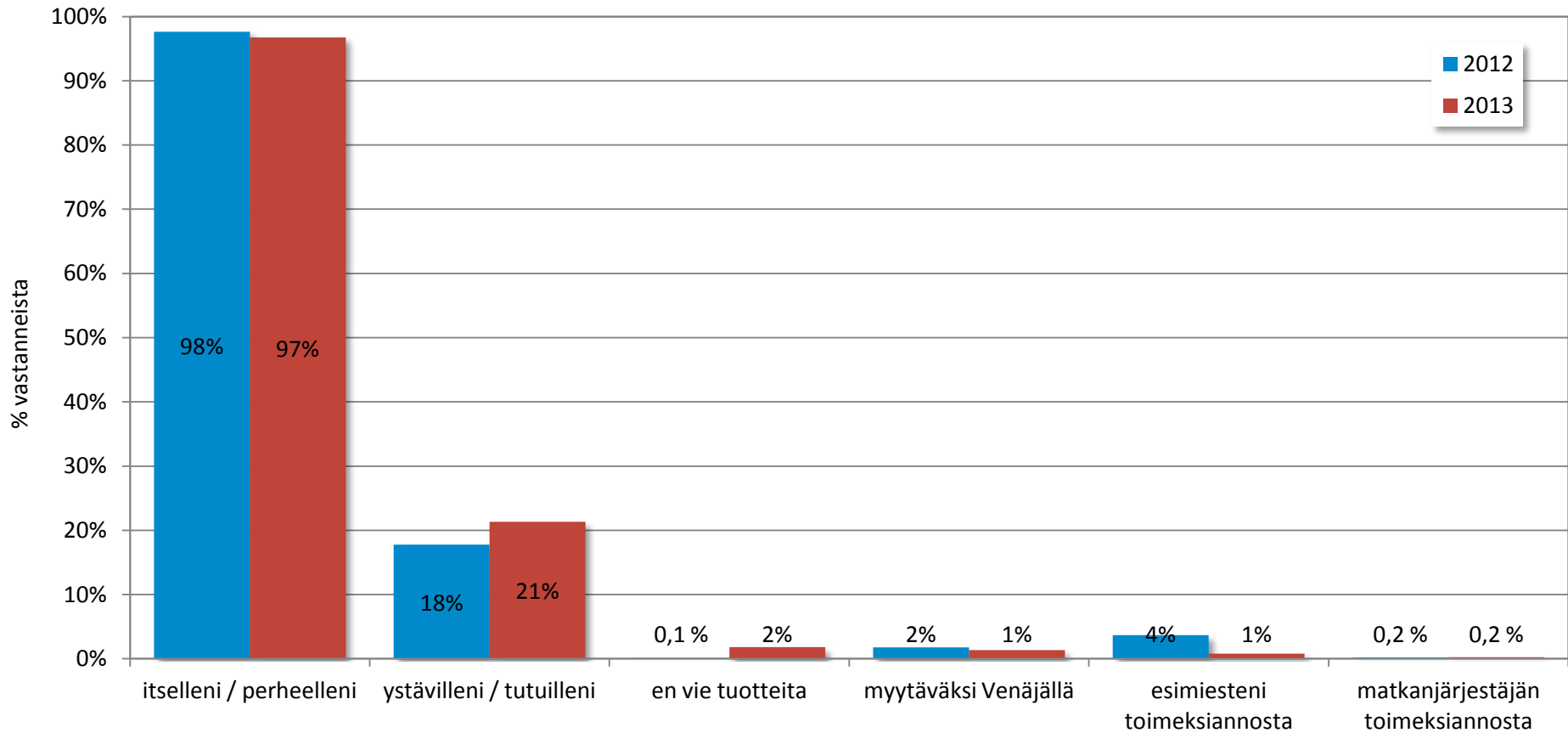


Kuinka kaupallinen vetovoima ja etäisyys Pietarista selittää ostosmatkakohteen valintaa



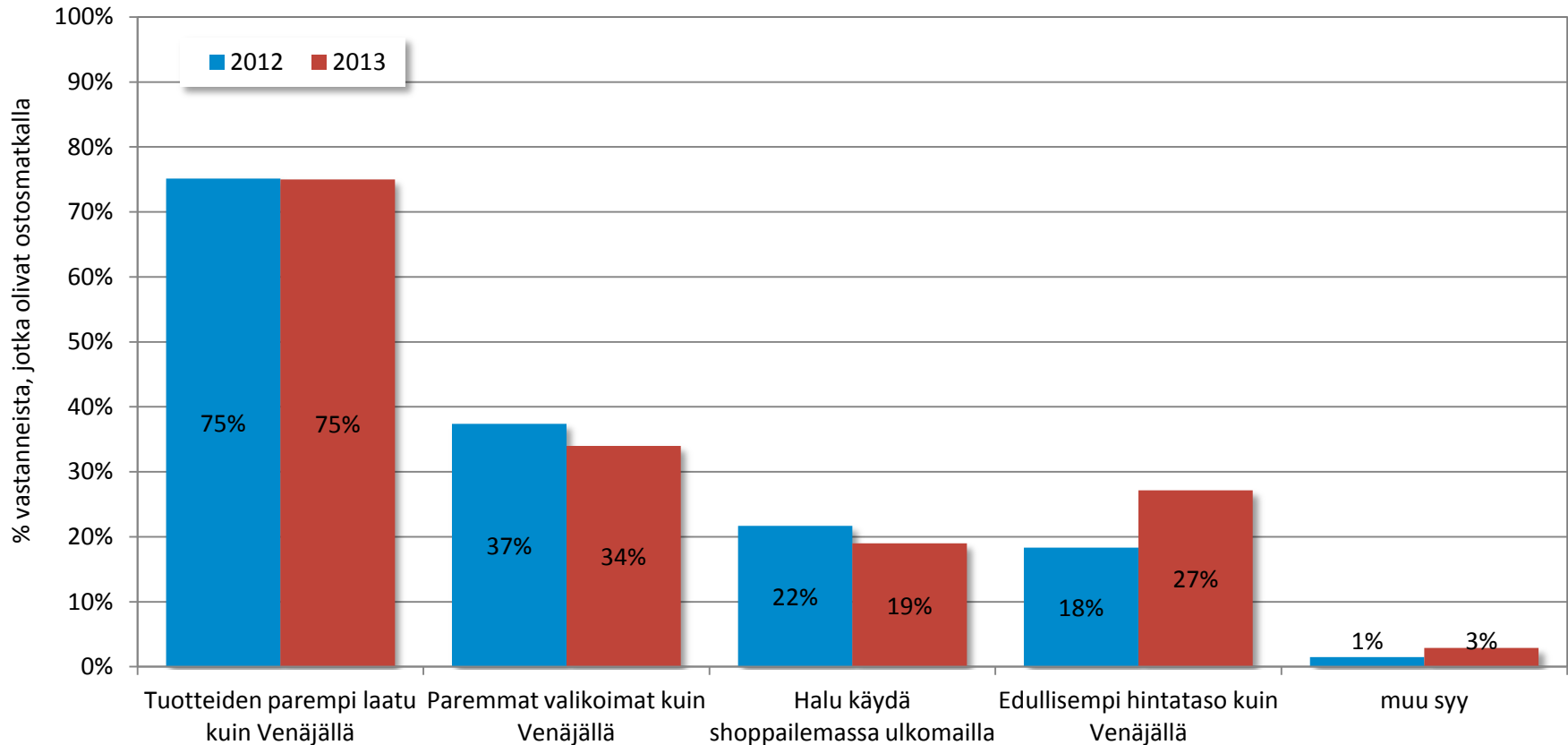


Mihin tarkoitukseen vie tuotteita



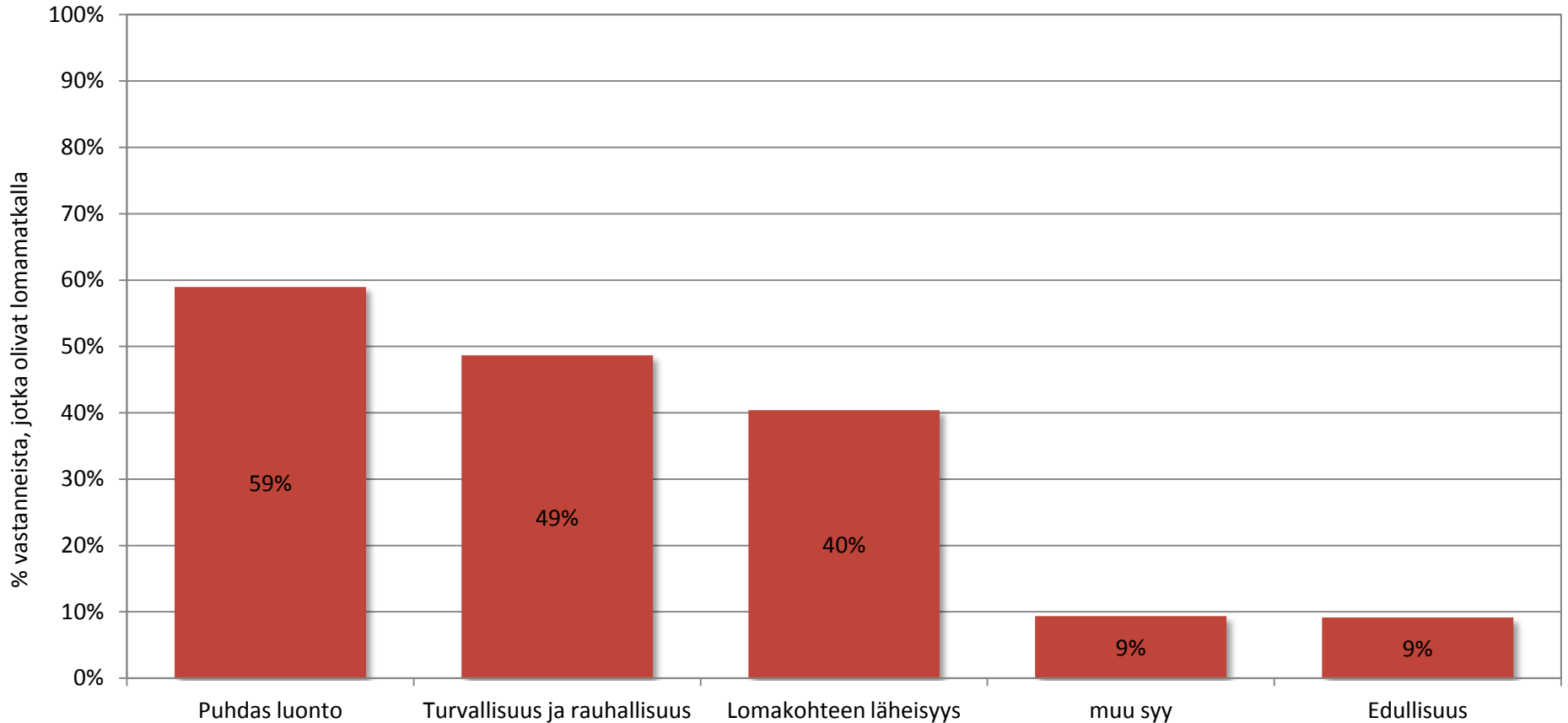


TÄRKEIN SYY TULLA TEKEMÄÄN OSTOKSIA SUOMESTA



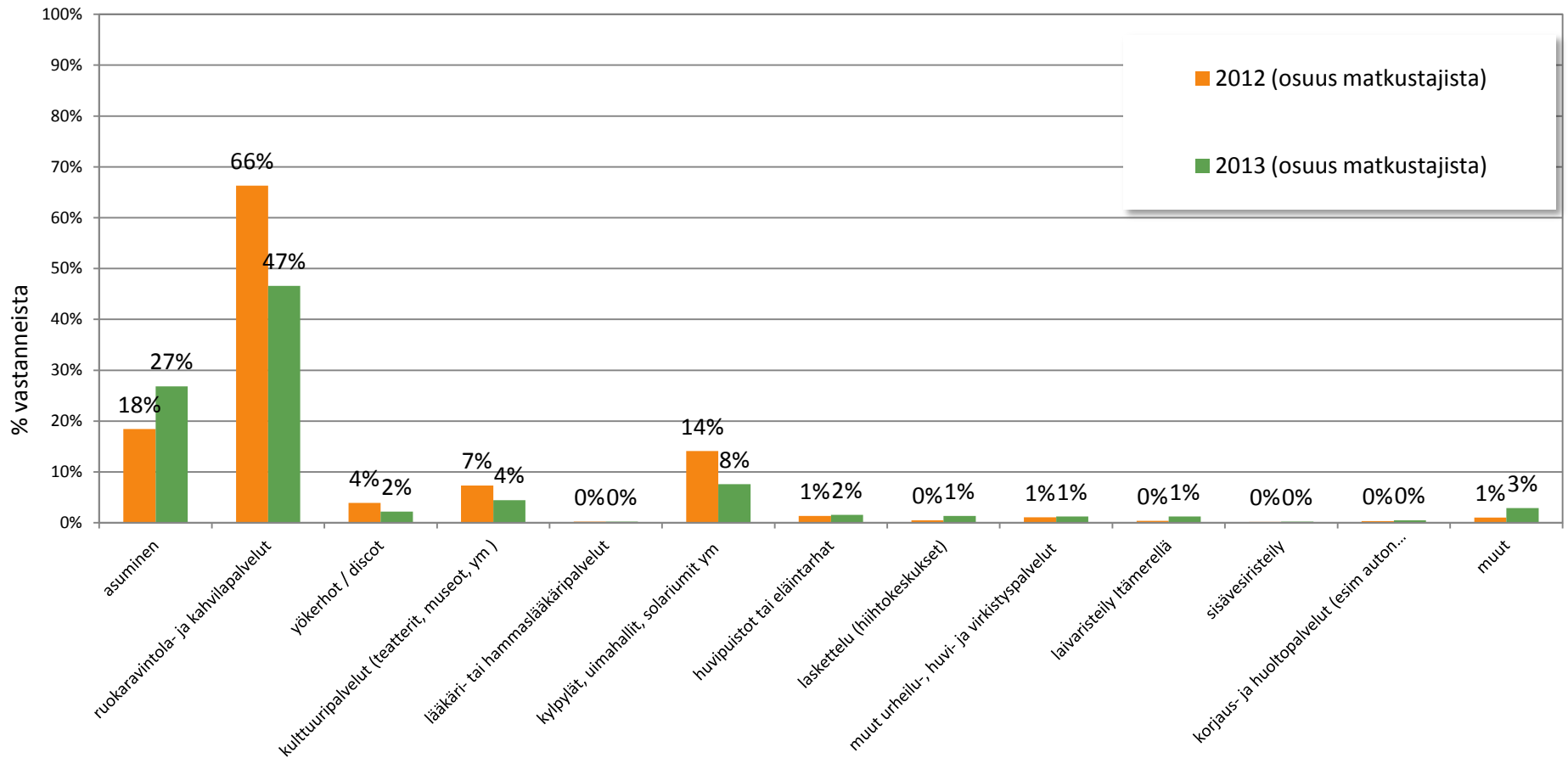


TÄRKEIN SYY TULLA LOMAMATKALLE SUOMEEN



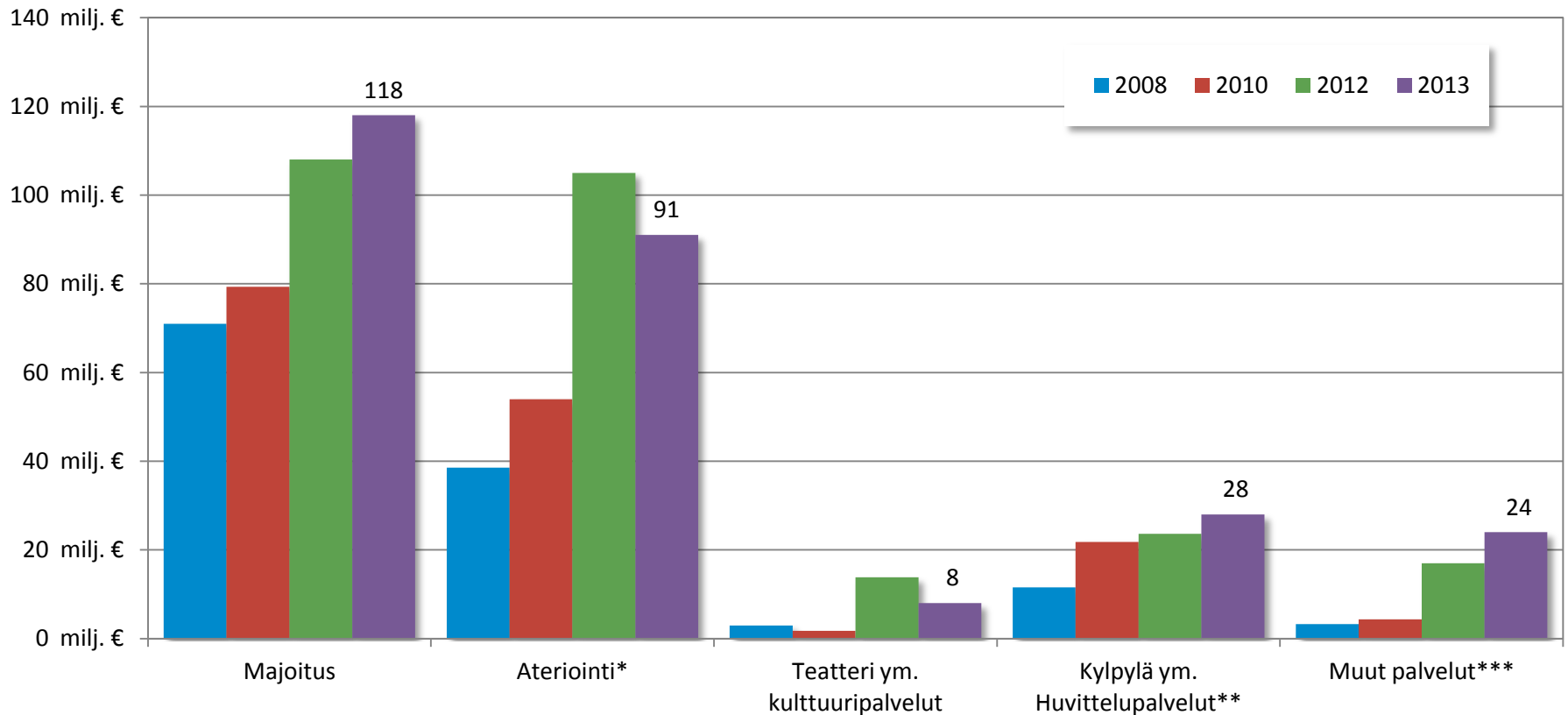


Venäläisten palveluiden käyttö Suomessa



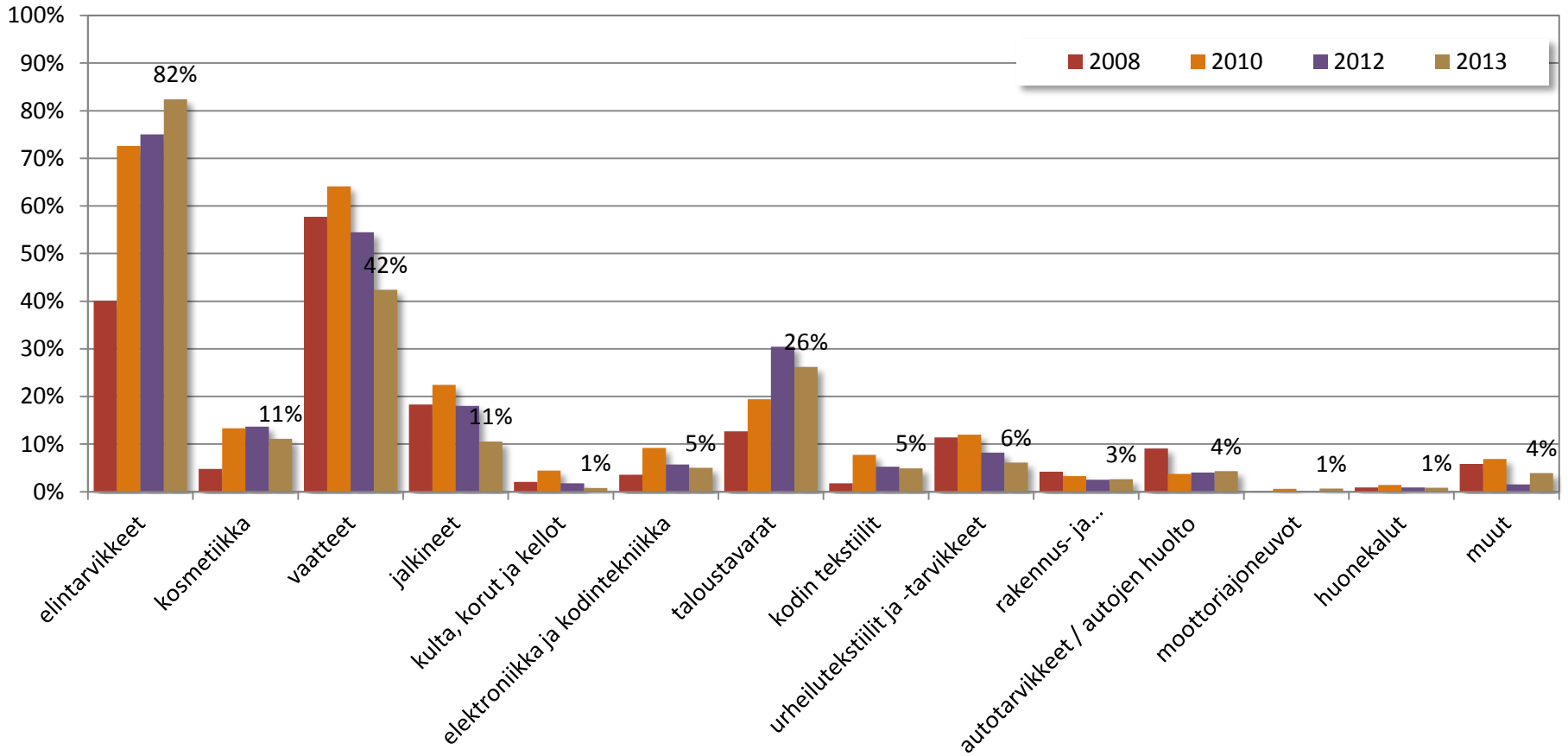


Venäläisten palveluihin käyttämä rahamäärä Suomessa



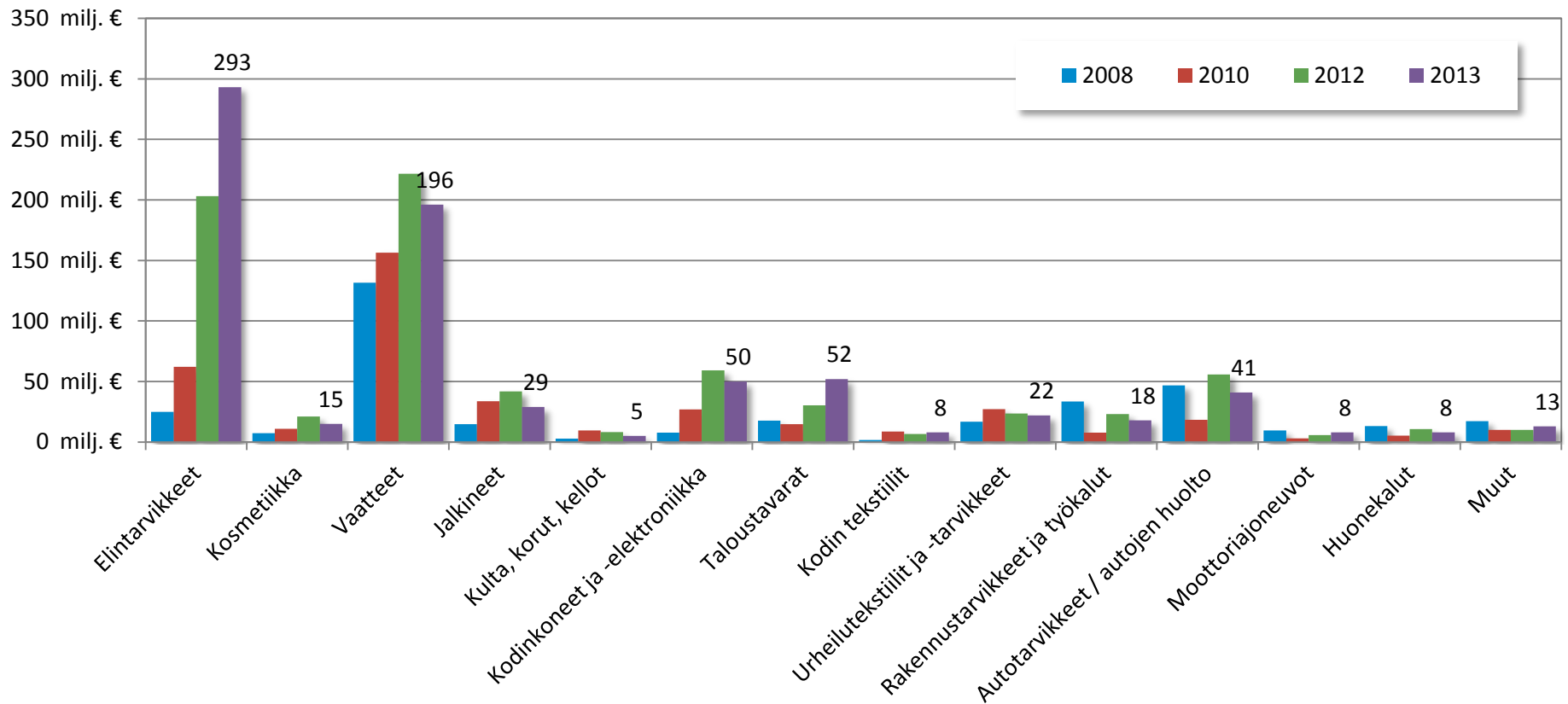


Venäläisten tuoteostokset Suomessa



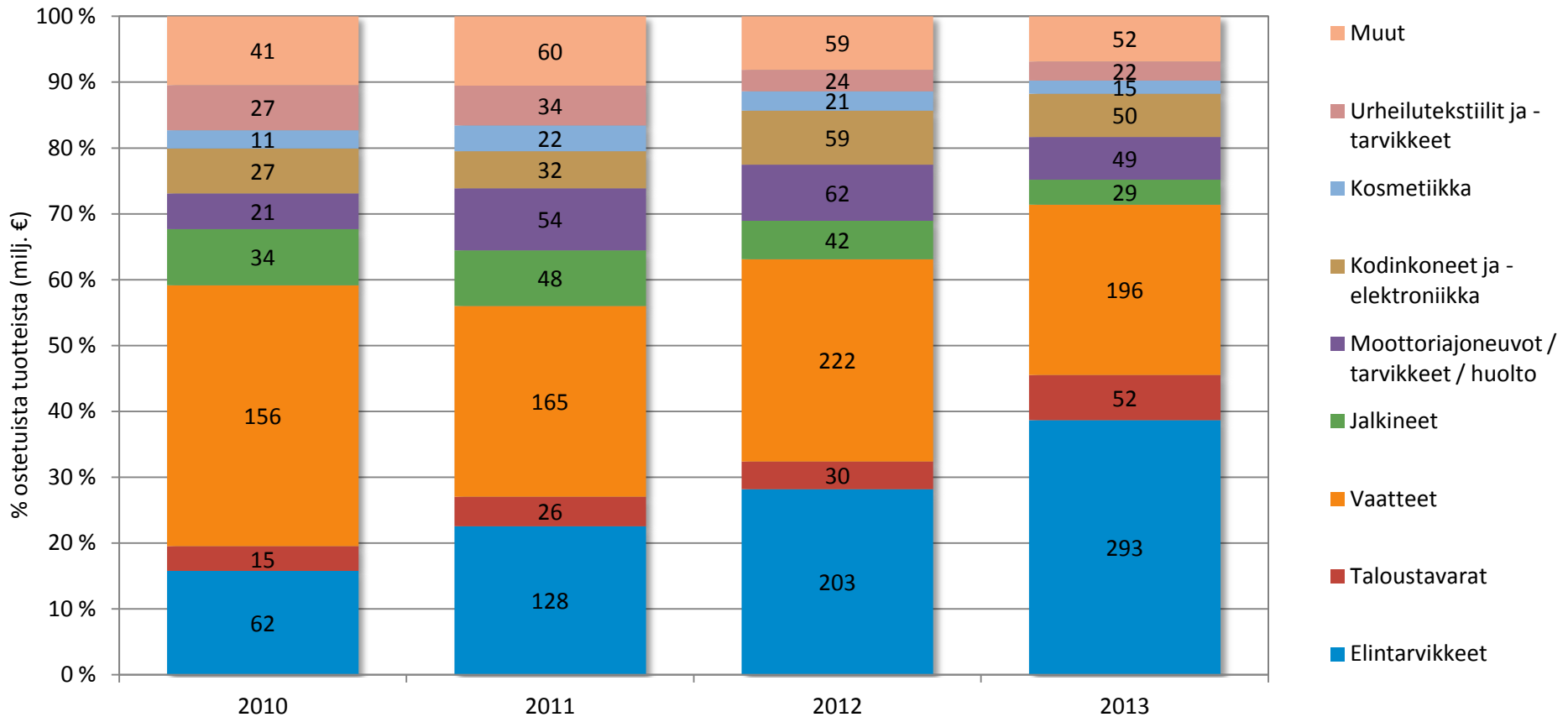


Venäläisten tuoteostoksiin käyttämä rahamäärä Suomessa



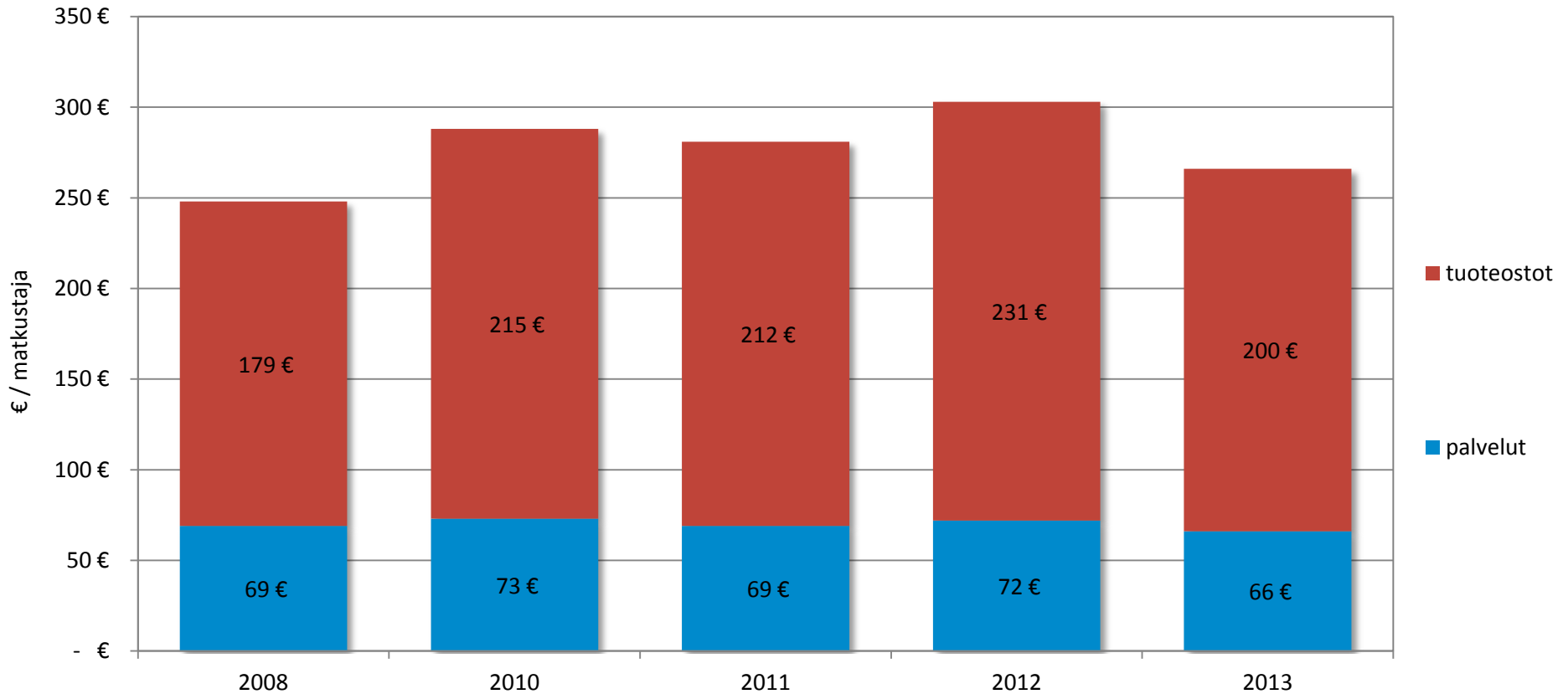


Venäläisten tuoteostoksiin käyttämä rahamäärä Suomessa





Rahan käyttö palveluihin ja tuoteostoihin – rahaa käytetty matkustajaa kohden





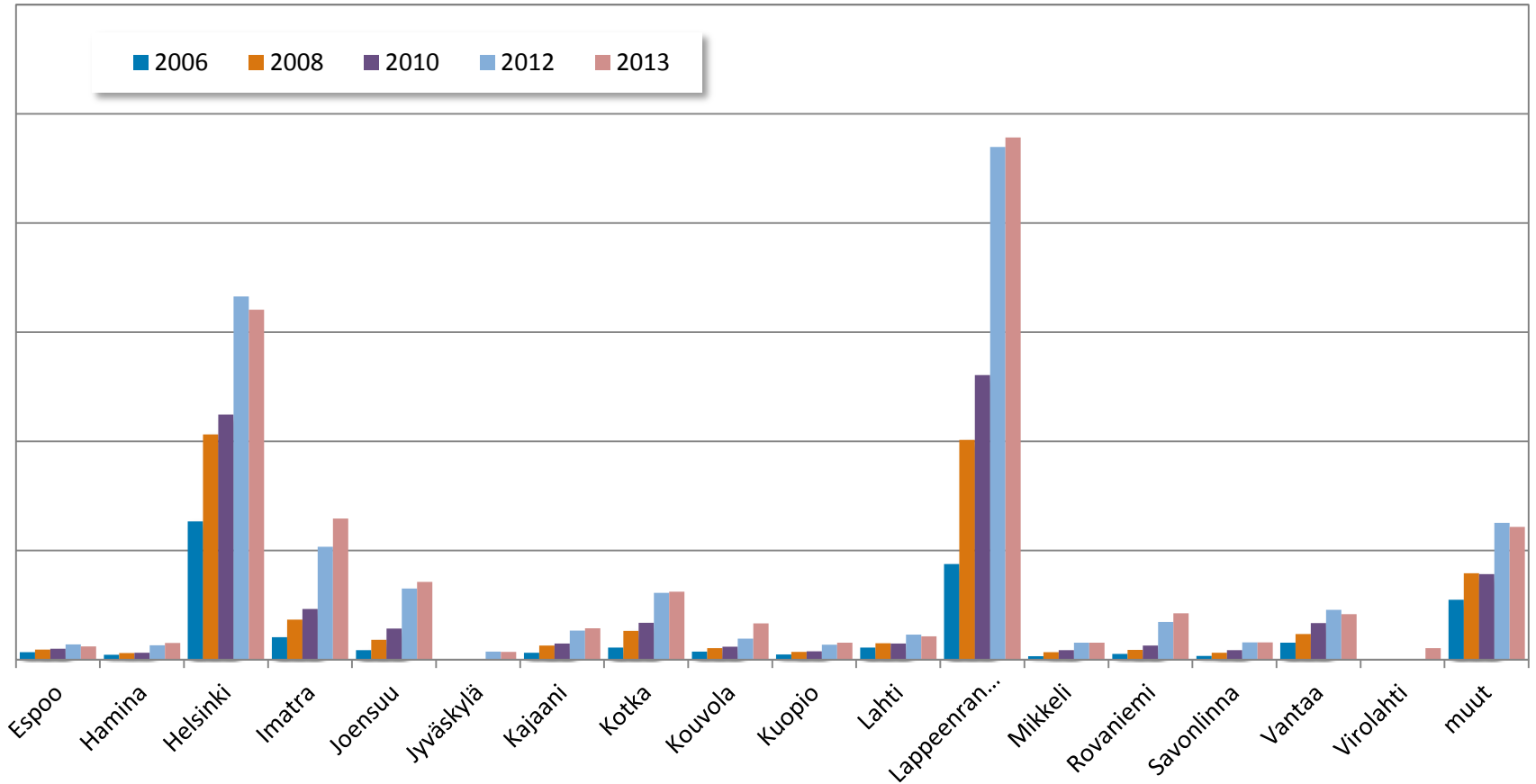
Venäläisten rahankäyttö Suomessa 2013

RAHAN KÄYTTÖ 2013	palveluihin	tuoteostoihin	yhteensä
<i>matkustajaa kohden (€)</i>	66 €	200 €	266 €
<i>päivää ja matkustajaa kohden (€)</i>	24 €	135 €	159 €
Suomessa yhteensä (milj. €)	301 milj. €	908 milj. €	1 210 milj. €
Etelä-Karjalassa	84 milj. €	322 milj. €	361 milj. €
Lappeenrannassa	18 milj. €	259 milj. €	278 milj. €
Imatralla	20 milj. €	63 milj. €	82 milj. €
Kymenlaakso	11 milj. €	63 milj. €	74 milj. €
Kotkan-Haminan seudulla	7 milj. €	50 milj. €	57 milj. €
Kouvola	4 milj. €	14 milj. €	17 milj. €



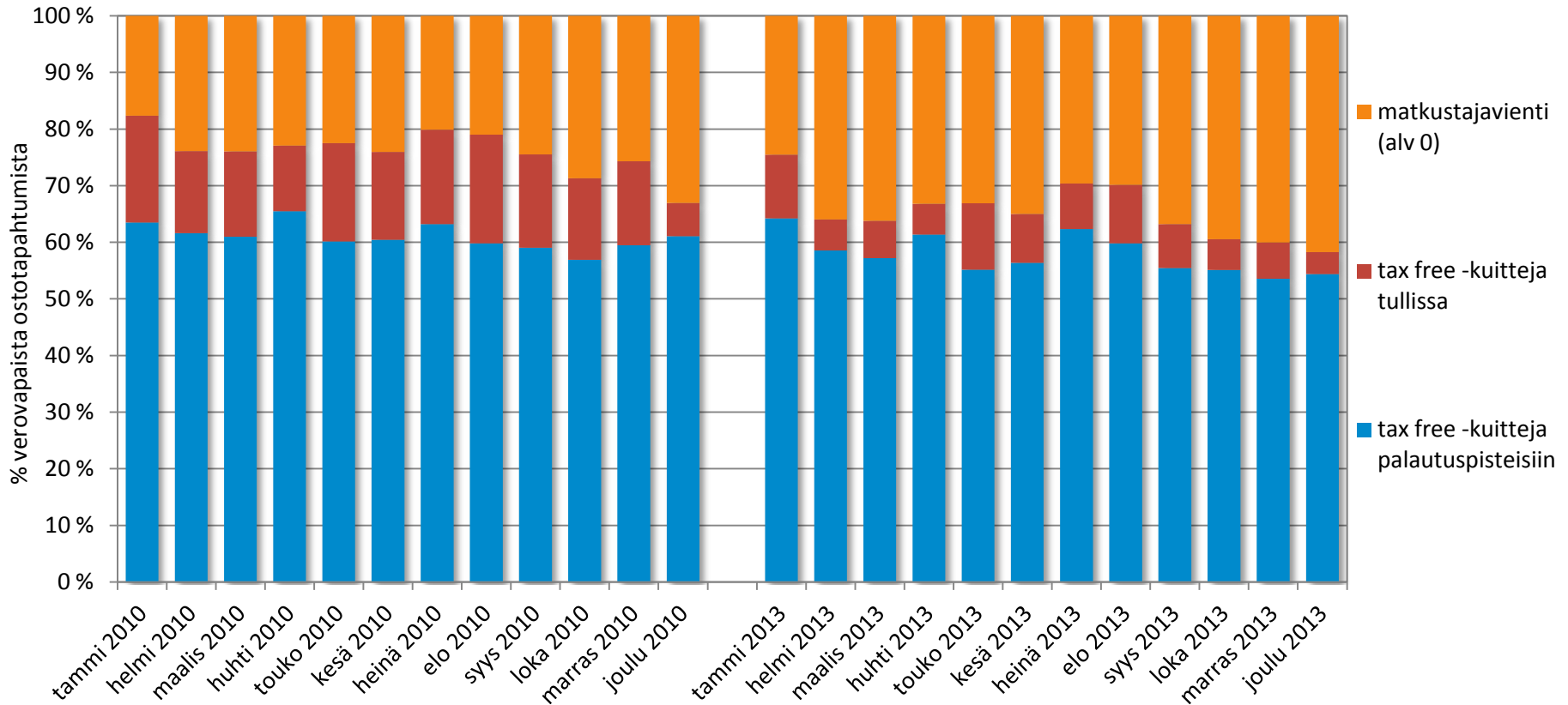


Tax free -myynti venäläisille paikkakunnittain



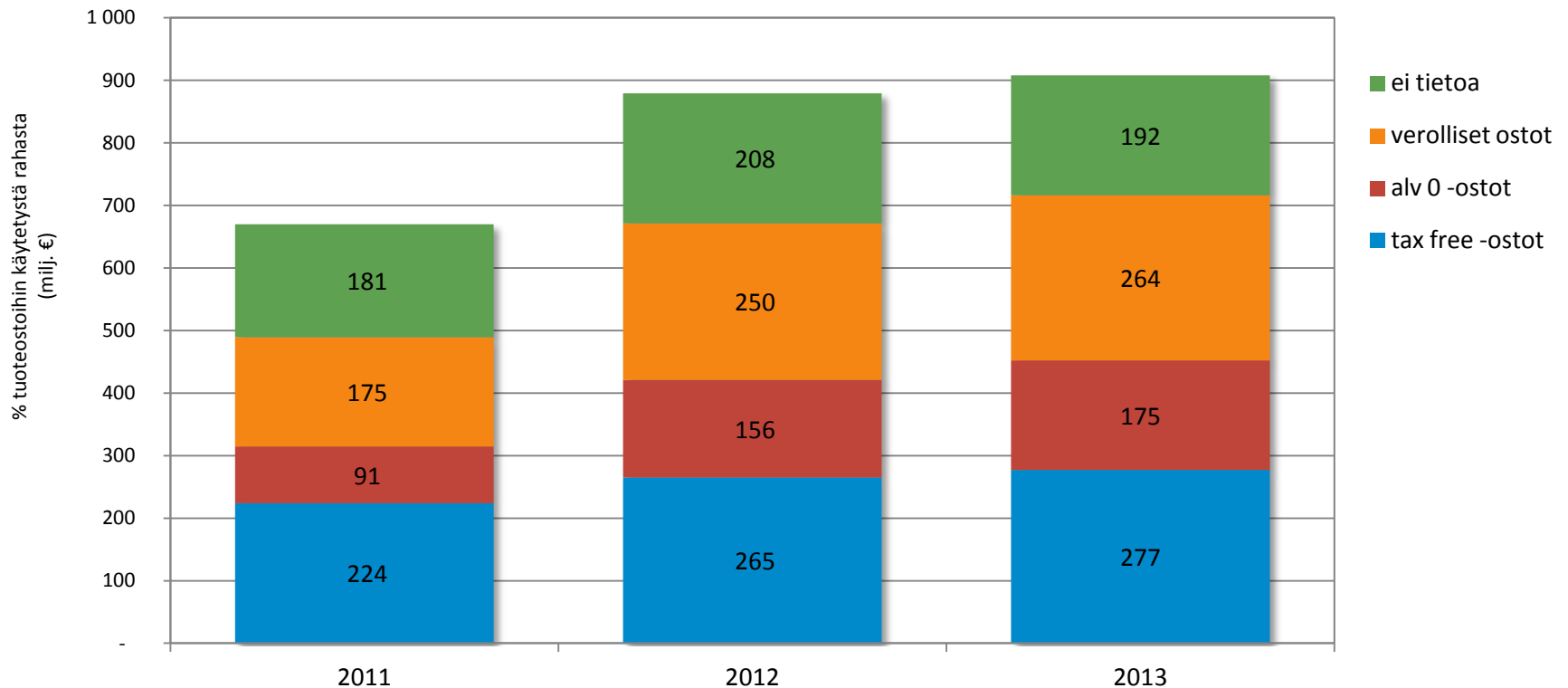


Venäläisten verolliset, tax-free ja verottomat ostokset Suomessa



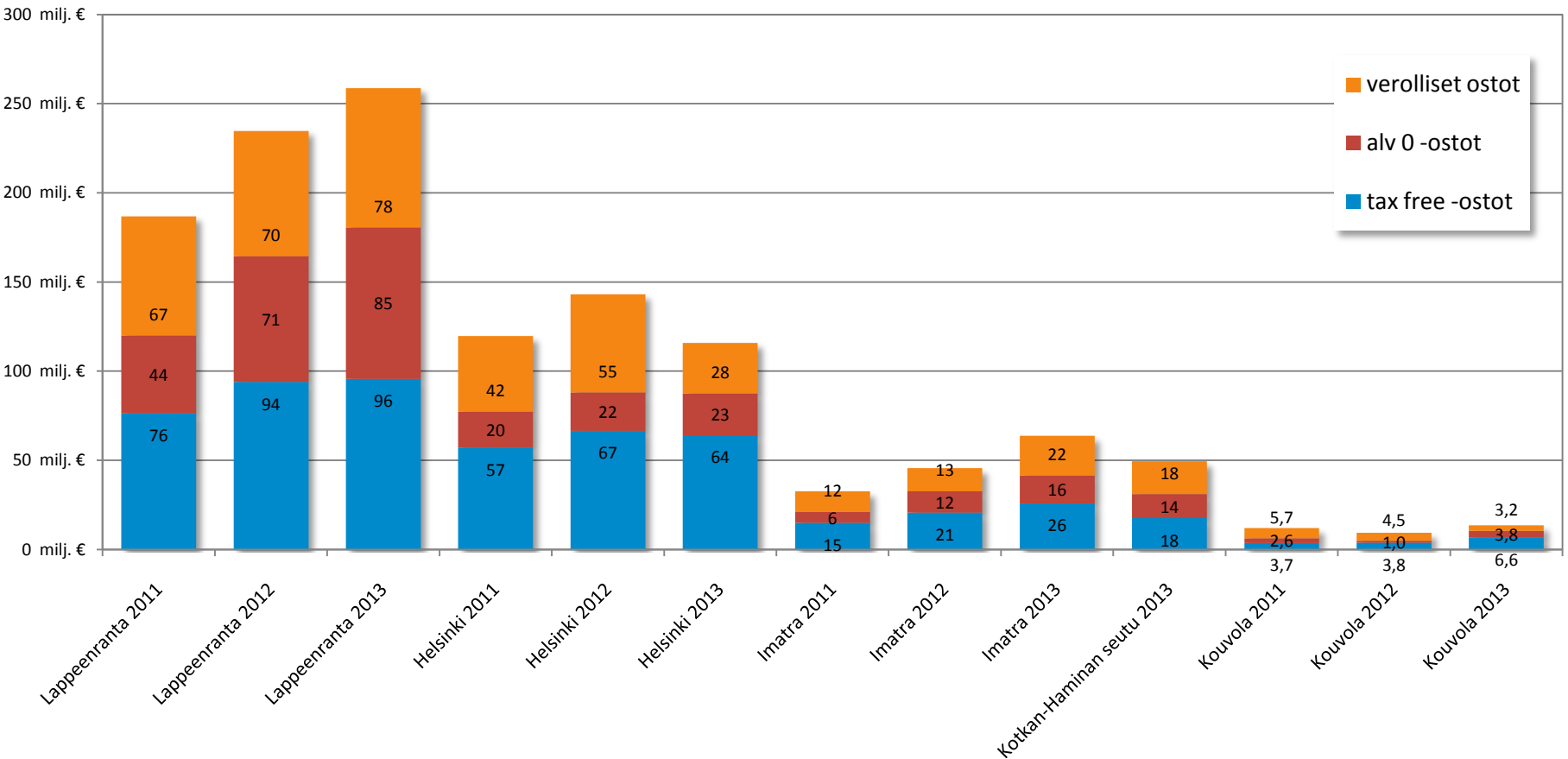


Venäläisten verolliset, tax-free ja verottomat ostokset Suomessa



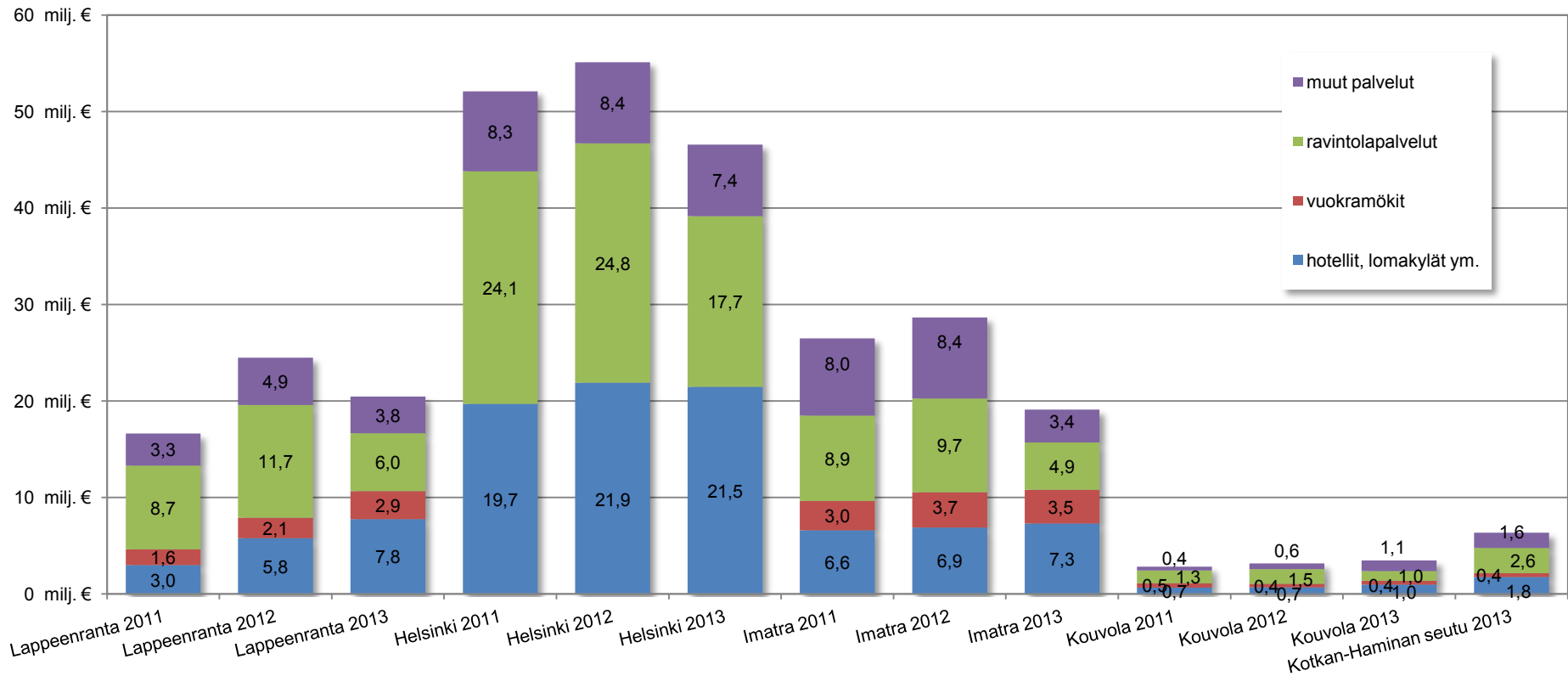


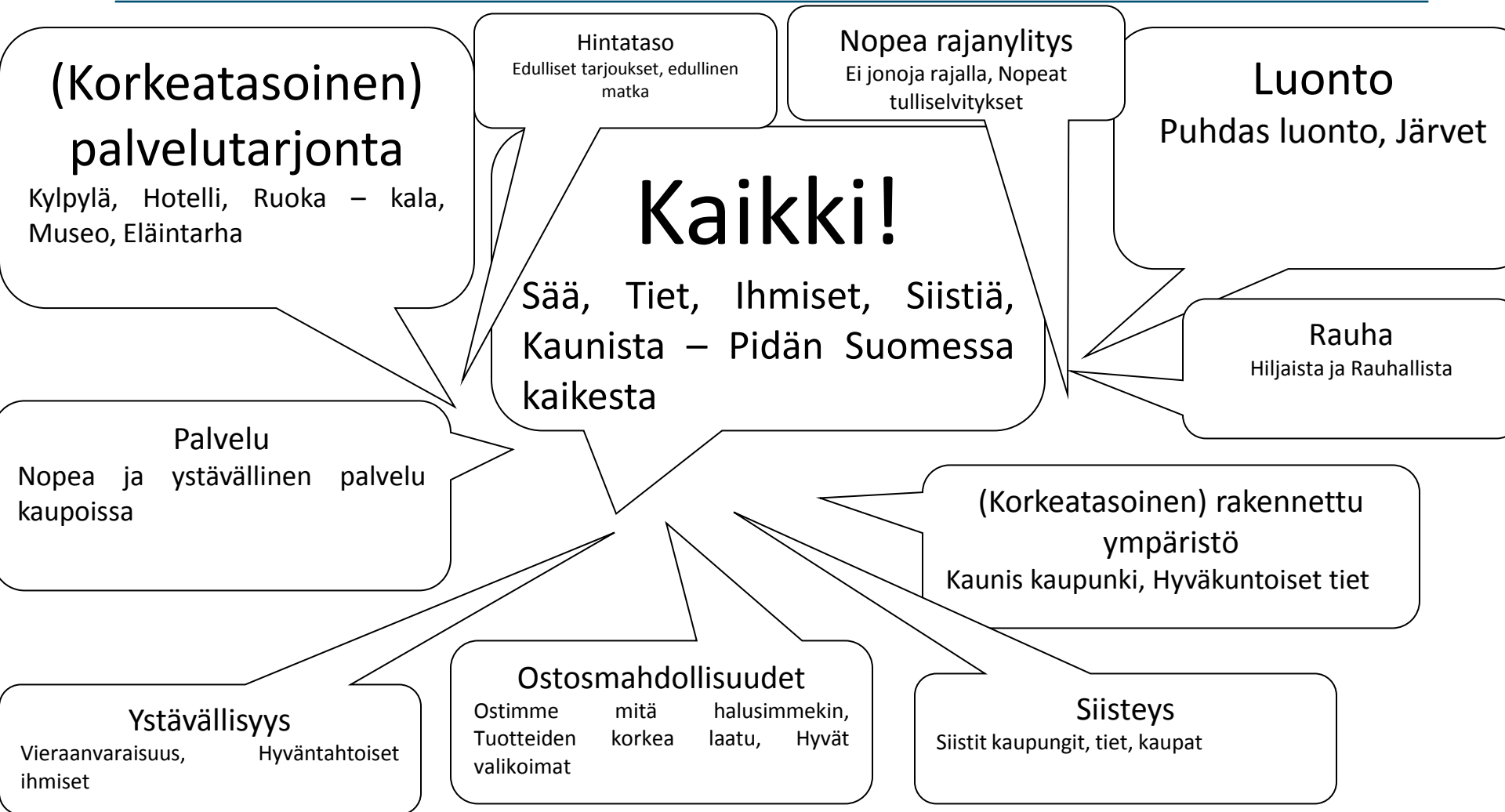
Tuoteostot (paikkakunnittain)





Palveluostot (paikkakunnittain)





Korkeat hinnat

Ruoan, vaatteiden ja bensiinin kalliit hinnat. Ravintoloiden hinnat. Hintataso kallistunut. Ei ollut alennuksia kaupoissa.

Rajajonot

Jonot Nuijamaan rajalla. Sen takia piti ajaa Imatran rajan kautta. Pitkät Rajajonot Suomen puolella. Pitkät tulliselvitykset Nuijamaan rajalla (1,5 tuntia). Todella pitkät tulliselvitykset Suomen rajalla. Virossa ne kestävät 20-30 minuuttia. On parempi mennä Viroon, koska siellä laatu ja hinnat ovat parempia.

Aukioloajat

Sunnuntaina on kaikki suljettu. Ravintolat kiinni juhlapyhänä. Matkustimme turhaan koska kaupat olivat kiinni. Kauppojen aukioloajat viikonloppuisin! Kaupat ei auki juhlapäivinä.

Puutteita palvelutarjonnassa

Ei ole viihdettä lapsille! Ei ollut mitään opastettua kierrosta. Liian vähän mielenkiintoisia museoita. Missään ei ole julkisia vessoja. Vähän tekemistä kaupungissa. Pienet valikoimat.

Pysäköintiongelmat

Ei ole selvää, miten pysäköidä (mistä saadaan pysäköintilippuja). Pysäköinti, kaikki automaattit eivät hyväksy maksukortteja.

Puutteita siisteydessä

Likaiset vessat, ei saippuaa. Viikonloppuna paljon roskia keskustassa.

Palvelutaso

Huono palvelu Hotellissa. Hidas Tax free dokumenttien täyttö. Palvelun taso ravintoloissa. Suomen tullin hidas toiminta.

Nopeusrajoitukset
Liian vähän informaatiota
(kaupoista, palveluista)

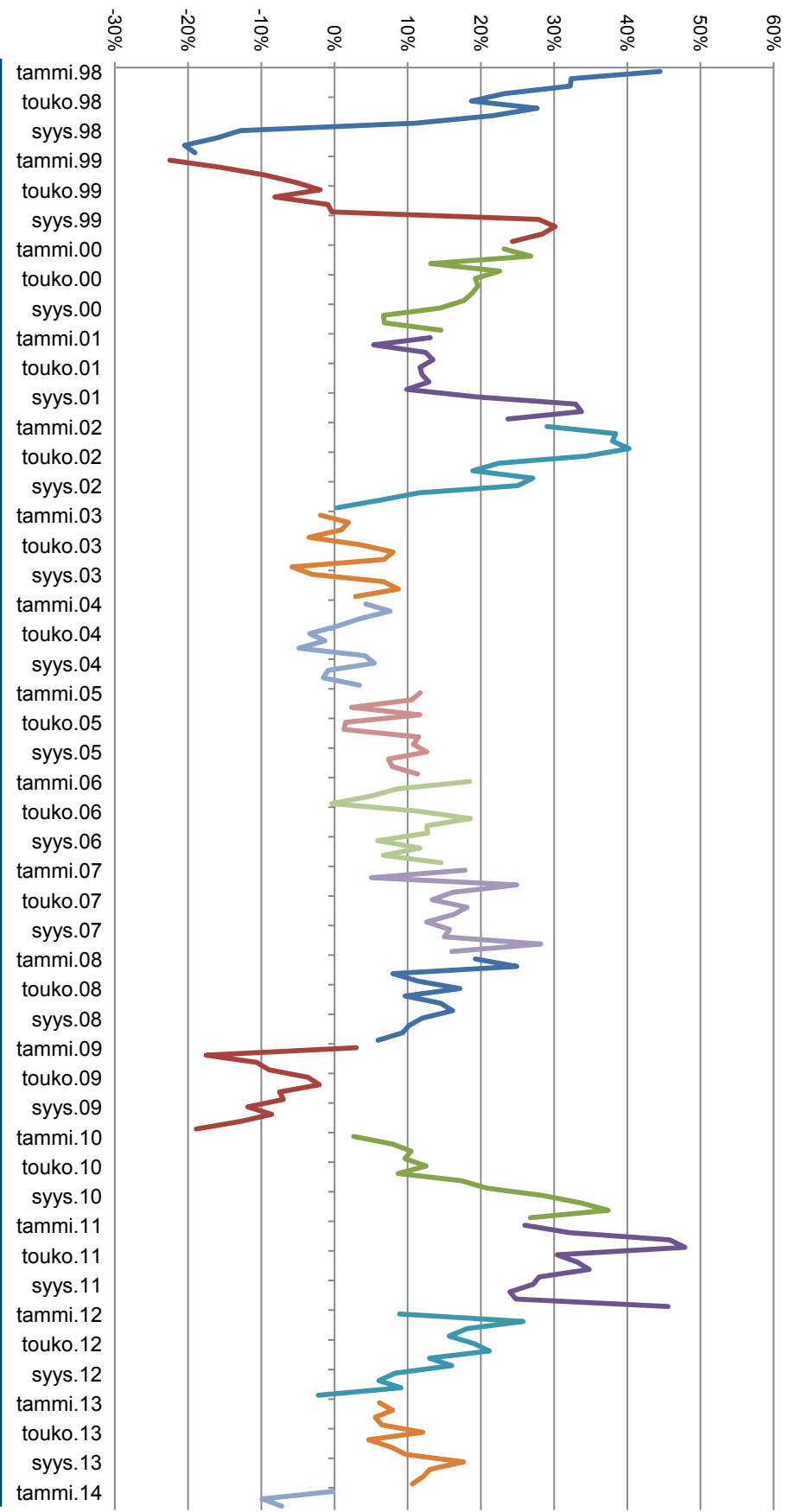
Venäjän (tai engl.) kielisen palvelun tai opasteiden puute

Voisi olla enemmän kylttejä venäjän tai englannin kielellä. Venäjää puhutaan vähän. On liian vähän englannin- ja venäjänkielisiä tietoja kauppakeskuksista. En löytänyt vessaa, Ei hintalappuja venäjäksi tai englanniksi.

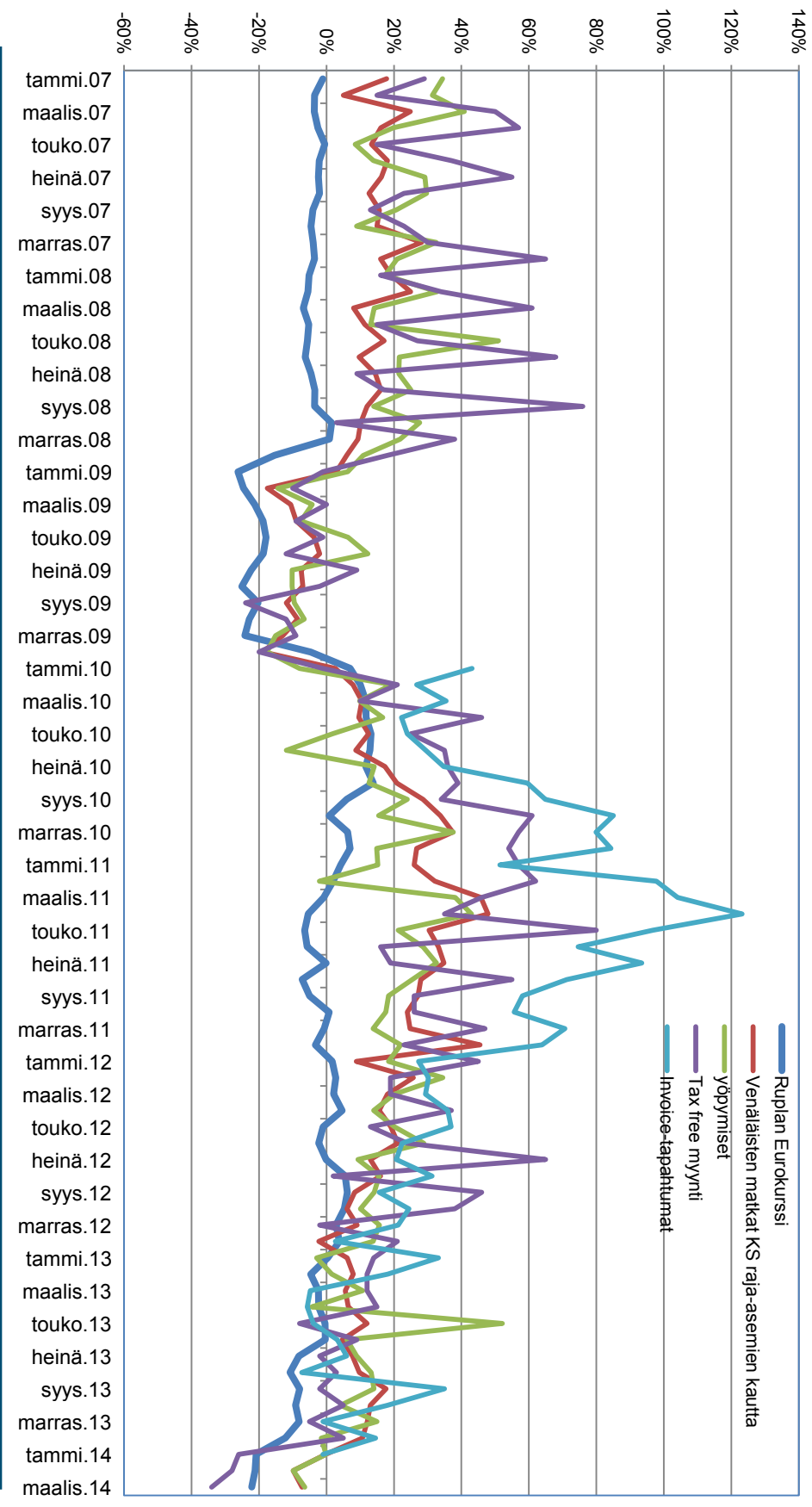
Epäystävällisyys

Suomalaisten suhtautuminen venäläisiin. Epäkohteliaisuus liikenteessä. Epäkohtelias palvelu kaupoissa

Venäläisten Suomenmatkojen muutos (edelliseen vuoteen) kuukausittain



Muutokset venäläisten matkailussa ja ostoissa wv.2007 - 2014





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