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FROM UKRAINE TO FINLAND: PAR- CEL DELIVERY SERVICE ENTERS NORDICS

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Abstract

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This thesis explores the market entry potential of Nova Post, a Ukrainian parcel delivery company, into the Finnish logistics market. The background for this research stems from Nova Post's broader internationalization strategy launched during the 2022 full-scale Russian invasion, which triggered the company's expansion into European Union countries. As Finland presents both a geographically and culturally distinct market, this thesis aims to assess local market conditions, customer expectations, and strategic and operational challenges that Nova Post may face.

The research employed a qualitative approach. Data was collected through an expert interview with a logistics industry professional and a customer survey targeting Finnish parcel users. Additionally, the study reviewed existing literature and applied internationalization theories, particularly the Uppsala model, to contextualize the findings.

Results indicate that Finland offers both opportunities and barriers to entry. Key opportunities include a growing parcel delivery market, especially in e-commerce and cross-border trade, and the presence of a Ukrainian diaspora. However, challenges such as high customer service expectations, language barriers, infrastructure costs, and brand trust concerns must be addressed. The findings emphasize the importance of building local partnerships, starting small, ensuring service reliability, and aligning operations with Finnish cultural and environmental standards.

In conclusion, the research suggests that while market entry into Finland is feasible, a gradual and culturally adapted approach is essential for sustainable success. The study contributes to understanding Eastern European logistics expansion into the Nordics and can serve as a foundation for further research or practical market entry strategies.

Keywords market entry, logistics, internationalization, parcel delivery, Uppsala model

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ABBREVIATIONS

CAGR - Compound Annual Growth Rate

CEP – Courier, Express, and Parcel

EU - European Union

OOH – Out of Home Delivery

PESTEL - A framework for analyzing macro-environmental factors: Political, Economic, Social, Technological, Environmental, and Legal

TPD – Temporary Protection Directive

PREFACE

This thesis has been one of the most challenging yet rewarding endeavours of my professional and academic journey. Initially approached as a formal requirement for the completion of my MBA degree, the study soon evolved into a meaningful and personally engaging project. The topic aligned closely with the real-world challenges faced in my professional role.

Balancing work and family responsibilities with the demands of academic research and writing was not easy. However, this process allowed me to deepen my understanding of international business expansion, customer-centric logistics strategies, and market adaptation. The experience reinforced my belief that the customer remains at the heart of success in the parcel delivery industry.

Throughout my studies at Vaasa University of Applied Sciences, I have received ongoing academic support that greatly enriched my learning. I am especially grateful to my thesis supervisor— Binod Timilsina—for his continuous guidance, thoughtful feedback, and encouragement throughout the thesis process. His insights were instrumental in shaping both the research direction and my professional growth.

Lastly, I would like to express my heartfelt gratitude to my wife and daughter for their patience, understanding, and unwavering support throughout this journey. Their love and encouragement gave me the strength to persevere during the most demanding phases of this project and my studies.

1 INTRODUCTION

1.1 Background

Nova Post, founded in 2001, began as a small logistics company in Ukraine with a vision to revolutionize the country's parcel delivery industry. Initially operating with just a few delivery points, the company quickly gained traction by addressing the inefficiencies and lack of reliability that plagued Ukraine's logistics sector at the time. Nova Post's early success was driven by its commitment to innovation, customer-centric services, and the strategic use of technology to streamline operations (Nova Post, 2023).

Over the years, Nova Post expanded its network across Ukraine, establishing over 10,000 service points and becoming the largest private postal operator in the country. The company's growth was fuelled by its ability to adapt to the rapidly changing logistics landscape, particularly the rise of e-commerce. Through the adoption of advanced technologies like automated sorting, real-time tracking, and a user-friendly mobile app, Nova Post set itself apart from competitors and became synonymous with reliability and efficiency in Ukraine (Ukrainian Logistics Association, 2022).

Nova Post's dominance in the domestic market was further solidified through strategic partnerships with e-commerce platforms, retailers, and financial institutions. These collaborations enabled the company to offer integrated logistics solutions, such as cash-on-delivery services and flexible delivery options, which catered to the evolving needs of Ukrainian consumers. By 2022, Nova Post handled over 200 million parcels annually, capturing a significant share of Ukraine's logistics market (Nova Post, 2023).

The success of the company stems largely from its emphasis on operational excellence and customer satisfaction. Nova Post introduced innovative services such as 24/7 parcel lockers and same-day delivery in major cities, setting new standards for convenience and speed in the industry. The company's focus on accountability and transparency, exemplified by offering real-time parcel status updates, has cultivated a loyal customer base and established its reputation as a reliable logistics provider (Ukrainian Logistics Association, 2022).

1.2 Impact of the 2022 Russian Invasion on Nova Post's Operations and Expansion Plans

The outbreak of war following Russia's invasion of Ukraine on February 24, 2022, has had a profound and well-documented effect on Ukrainian society, its citizens, and the business sector (Opatska, Johansen, & Gordon, 2024). The 2022 Russian invasion of Ukraine has had a profound impact on Nova Post's operations, forcing the company to navigate unprecedented challenges while adapting its strategic priorities. In the immediate aftermath of the invasion, Nova Post faced significant disruptions to its domestic operations, including damage to infrastructure, logistical bottlenecks, and the displacement of employees. Despite these challenges, the company demonstrated remarkable resilience by quickly reorganizing its supply chains, relocating critical operations to safer regions, and implementing emergency response measures to ensure the continuity of its services (World Bank, 2023).

The war has also accelerated Nova Post's strategic focus on international markets. With the Ukrainian economy under strain and domestic demand for logistics services fluctuating, the company recognized the need to diversify its revenue streams and reduce its reliance on the domestic market. This shift in strategy is evident in Nova Post's recent expansion

into European markets, including Poland, Germany, and the Czech Republic, where it has established a growing presence through partnerships and technology-driven solutions (Nova Post, 2023).

1.3 Influence of the War on Nova Post's Strategic Focus on International Markets

The 2022 invasion has fundamentally reshaped Nova Post's strategic priorities, compelling the company to accelerate its international expansion efforts. Prior to the war, Nova Post's growth strategy was primarily focused on consolidating its dominance in the Ukrainian market. However, the conflict has highlighted the vulnerabilities of relying too heavily on a single market, particularly one affected by geopolitical instability. The bond Nova Post shares with Ukrainians displaced throughout the EU due to the conflict has significantly shaped its growth strategy. This connection nurtures mutual understanding, trust, and alignment with business practices and preferences. These ties foster trust, commitment and mutual understanding of preferences and business practices. Through these ties, Nova Post has improved customer engagement and retention, as Ukrainians, displaced by war, look for dependable and familiar services in a new environment. This approach has linked them to their home country by Nova Post's services (Opanasenko & Esebua, 2024).

The European Union's support for Ukraine, including the EU-Ukraine trade agreement, has played a crucial role in facilitating Nova Post's expansion into Europe. By streamlining customs procedures and reducing trade barriers, the agreement has enabled Nova Post to integrate more seamlessly into European supply chains and offer competitive cross-border logistics services (European Commission, 2023).

Moreover, the war has underscored the importance of resilience and adaptability in Nova Post's business model. The company has invested

heavily in technology and infrastructure to enhance its operational efficiency and meet the demands of international markets. For example, Nova Post has introduced AI-driven route optimization tools and expanded its network of parcel lockers in Europe, aligning with the region's emphasis on sustainability and convenience (McKinsey & Company, 2022).

Nova Post's origin story is one of ambition, innovation, and resilience. From its humble beginnings as a small delivery service, the company has grown into a domestic leader in Ukraine, driven by its ability to adapt to market demands, leverage technology, and prioritize customer needs.

The 2022 Russian invasion of Ukraine has had a dual impact on Nova Post: it has disrupted the company's domestic operations while simultaneously driving its strategic focus on international markets. Nova Post has transformed the challenges posed by the war into opportunities for growth and innovation. This strategic shift not only ensures the company's survival in a volatile geopolitical environment but also positions it for long-term success in the global logistics industry.

1.4 Problem Overview

"The transport sector, including the movement of people and goods by cars, trucks, trains, ships, airplanes, and other vehicles, is a key driver for the European Union Countries economic growth" (Digiesi et al. 2015, p. 1). The research landscape on Ukrainian logistics firms expanding into international markets, particularly Finland, is notably sparse. In the increasing number of studies on cross-border logistics and market entry strategies, most literature focus on established players from Western Europe, North America, and Asia. Ukrainian logistics firms, despite their growing presence in Europe, remain underrepresented in academic research. This gap is particularly evident in the context of the Nordic region, where studies on market entry strategies tend to overlook firms from Eastern Europe

Existing research on Ukrainian logistics firms primarily focuses on their domestic operations and their role in supporting Ukraine's economy. For example, studies have examined Nova Post's dominance in the Ukrainian market, its technological innovations, and its response to the challenges posed by the 2022 Russian invasion (Ukrainian Logistics Association, 2022; Nova Post, 2023). However, there is a lack of in-depth analysis of how these firms navigate international markets, especially in regions such as the Nordics. This gap in research limits our understanding of the strategies and challenges faced by Ukrainian logistics firms as they expand beyond their domestic market.

In summary, the current state of research on Ukrainian logistics firms expanding internationally, especially into markets like Finland, is underdeveloped. Addressing this gap is critical, as it would provide valuable insights into how firms from geopolitically sensitive regions can navigate the challenges of international expansion while meeting the high standards of sustainability required in the Nordics. This area presents a rich field for future research, which revealing key aspects of the unique challenges and strategies of Ukrainian logistics firms navigating these turbulent times.

1.5 Research Objectives

Building on the identified gaps in existing research and the challenges outlined in the problem overview, this study aims to provide actionable insights into Nova Post's expansion into Finland by addressing the following research objectives:

1. To analyse the market conditions in Finland for parcel delivery services.

Finland's logistics market is characterized by advanced infrastructure, high e-commerce penetration, and stringent sustainability standards (Posti Group, 2023). This objective seeks to evaluate the competitive

landscape, regulatory environment, and logistical infrastructure to determine Nova Post's feasibility of entry.

2. To understand customer expectations and satisfaction levels.

Nordic consumers prioritize sustainability, convenience, and reliability in logistics services (Eurostat, 2023). By examining Finnish consumer preferences and benchmarking them against Nova Post's current offerings, this objective aims to identify gaps and opportunities for alignment.

3. To identify operational and strategic challenges in the expansion process.

International expansion introduces complexities such as cultural barriers, geopolitical risks, and operational adaptations (Johanson & Vahlne, 1977). This objective focuses on uncovering challenges specific to Nova Post's entry into Finland, including competition with established players like Posti, and compliance with EU sustainability regulations

Together, these objectives aim to bridge the research gap on Ukrainian logistics firms entering the Finnish market while providing a structured framework for Nova Post to navigate geopolitical, operational, and consumer-centric challenges. The study contributes to both academic discourse on cross-border logistics and practical strategies for firms entering into complex, sustainability-driven markets.

1.6 Research Questions

This section will present the central research questions that guide the investigation into Nova Post's expansion from Ukraine through Europe to Finland. These questions are designed to address the key issues identified in the problem overview and aim to explore both the theoretical and practical aspects of internationalization for Ukrainian and Eastern - European logistics firms.

Research Questions:

What are the market conditions and customer expectations in Finland?

What operational and strategic challenges can be faced during the expansion?

How can the company address these challenges to ensure successful market entry?

Together, these questions aim to bridge the research gap on Ukrainian logistics firms entering the Finnish market while providing a structured framework for Nova Post to navigate geopolitical, operational, and consumer-centric challenges.

1.7 Significance of the Study

The study highlights how research contributes to the international business field, particularly in a modern, geopolitically sensitive context. The findings from this study offer actionable strategies for Nova Post's expansion in the Finnish market. Nova Post has already established branches in multiple European countries and announced its entrance in Finland. This study is especially significant because it prepares a comprehensive framework tailored specifically to Nova Post's expansion ambitions. This research equips Nova Post with tools to navigate the unique challenges the company can face in expansion to Nordics.

Beyond Nova Post, this research offers valuable lessons for other non-European logistics firms contemplating international expansion, particularly Finland.

1.8 Use of AI in This Thesis

In this thesis, I have utilized ChatGPT (versions such as GPT-4 and GPT-4-turbo) and Microsoft Copilot. ChatGPT was instrumental in ideation, refining the language, enhancing clarity, improving word choice, and strengthening the logical structure of the text, all while preserving my original intent and ideas. Microsoft Copilot was primarily used to generate summaries and structure formatting.

In Addition, I used AI tools for information retrieval—particularly in shaping relevant keywords and search phrases for accessing academic databases and industry sources. However, I have personally verified all factual content and references drawn from AI-generated suggestions to ensure academic integrity. Any data or ideas suggested by AI were checked against original or official sources and properly cited.

While AI tools were helpful in drafting and shaping content, all external information retrieved through AI was carefully cross-verified with original academic sources or databases and referenced accordingly. I prioritized that no confidential or proprietary data was entered into any AI platform, in full compliance with ethical and data protection principles.

AI was not used to produce any original results or conclusions, but instead to support improving the presentation and coherence of the content. All AI tools were used responsibly, with a clear understanding of their supportive role, ensuring the integrity, academic originality, and authenticity of my work.

2 THEORETICAL FRAMEWORK

2.1 Introduction

The primary aim of the chapter is to provide a comprehensive and critical examination of and theoretical frameworks, with a specific focus on expansion of parcel delivery service. In the context of ongoing domestic war, businesses face unique challenges and opportunities that require innovative approaches to survival and growth. This chapter aims to provide an examination of the existing theories on business internalization.

We will delve into the theoretical foundations that guide analysis of Nova Post's expansion into the Finnish market. The purpose of this section is to present a thorough examination of the process of internationalization and the competitive landscape in which Nova Post operates. We will explore the Uppsala Model, highlighting its relevance to gradual internationalization, and discuss key concepts. Additionally, this section elaborates on the limitations of the Uppsala Model in terms of modern international business dynamics. The PESTEL Analysis framework will be introduced to evaluate the Finnish market environment, providing insights into political, economic, social, technological, environmental, and legal factors.

2.2 Uppsala Model

Presented by Johanson and Vahlne in 1977, the Uppsala model (Johanson & Vahlne, 1977), significantly influenced our understanding of international business strategy. However, subsequent empirical research from Uppsala University revealed some discrepancies with established economics, normative assumptions, and international business literature of that era. The traditional view emphasized that companies should enter new markets by carefully analyzing costs, risks, and market

characteristics, and aligning these with their resources (Hood & Young, 1979). The Uppsala Model outlines four stages: no regular export activities, export via independent representatives, establishment of a foreign sales subsidiary, and foreign production units (Johanson & Vahlne, 1977).

The Uppsala model challenged this perspective by highlighting the importance of incremental learning and knowledge acquisition in internationalization. Instead of making large, risky market entry decisions based on theoretical analyses, firms were observed to expand internationally in a more gradual, step-by-step manner starting with markets that are psychically close. They learned about the new markets incrementally and adjusted their strategies based on experiential knowledge (Pahrizal, Sudarmiati, & Sumarsono, 2024).

Jan-Erik Vahlne and Jan Johanson (2017) describe the establishment chain as a sequence wherein a firm starts its internationalization by receiving orders from foreign markets. As exports grow, the firm forms relationships with distributors or agents, followed by the establishment of its own sales organization. This progression often culminates in local manufacturing operations. The chain advances from low commitment modes to gradually higher commitment modes. However, they also note that, later in its internationalization trajectory, a firm may retreat to modes that appear to require less commitment (Vahlne & Johanson, 2017).

While specific literature reviews directly applying the Uppsala Model to parcel delivery services are limited, there are several insights. Vahlne and Johanson (2013) discuss express logistics companies, illustrate the model's principles in practice, showing how these firms have followed a gradual path of internationalization, starting with domestic operations and incrementally expanding globally. In the parcel delivery sector, the growth strategies of key players offer clear examples of UIM use in global expansion. For instance, DHL, established in Germany in 1969,

began by concentrating on European markets and gradually expanded its operations worldwide, now serving over 220 countries and territories. (NextDayFlyers, n.d.). Similarly, UPS, established in the US in 1907, first expanded to Canada and Mexico before reaching other continents, handling about 24.3 million packages daily to over 220 countries (NextDayFlyers, n.d.). FedEx, founded in 1971 in the US, followed a similar path, starting domestically and then expanding internationally, now serving over 220 countries (Business Model Analyst, 2024).

Critiqued for its minimal focus on strategy as an evolving process, the Uppsala internationalization theory prioritizes experiential learning through international business activities and commitment decisions. Critics argue that the model overlooks the role of explicit economic analysis and decision-making in strategic development (Jones & Coviello, 2002, as cited in Glowik, 2016). Additionally, it fails to account for imitative learning, where firms observe and adapt practices from others operating in similar contexts. In some cases, companies are compelled to follow their clients into foreign markets. Organizations may also explore entirely new approaches beyond their existing business models, basing market entry decisions on anticipated opportunities rather than their current level of international experience. Consequently, the pathways to internationalization are more diverse and complex than the Uppsala model suggests (Forsgren, 2002, as cited in Glowik, 2016).

This nuanced understanding provided by the Uppsala model has had a profound impact on how businesses approach internationalization, emphasizing practical experience and gradual learning over theoretical optimization models. It has since become a cornerstone in the field of international business strategy.

2.3 PESTEL Analysis

According to Alvarez (2013), the PESTEL analysis—covering Political, Economic, Sociocultural, Technological, Environmental, and Legal

factors—provides organizations with a broad understanding of the external forces and conditions influencing their trade and business within the macro environment. The strategic management approach offers businesses clear guidance amid an unpredictable, changing, and high-risk environment. Moreover, because it involves organizing both qualitative and quantitative data to make informed decisions under uncertainty, this approach encourages creative and intuitive thinking beyond spontaneous decision-making. Through strategic management, organizations can better evaluate their surroundings and anticipate future developments. In this way, organizations can prepare for how they will act and what measures they will take, and can monitor opportunities and threats (Aygün Ögür, 2025).

Political Factors

Political factors encompass government policies, trade regulations, political stability, and international relations companies must follow to (Issa, Chang, & Issa, 2010). All of which can significantly affect parcel delivery operations. These include trade agreements, tariffs, political stability or instability in overseas markets, government infrastructure investment, and changes in trade regulations. For instance, trade agreements like those within the EU single market facilitate cross-border deliveries, while tariffs can increase costs for international shipments.

Economic Factors

Economic factors primarily relate to cost implications that influence organizational decisions (Issa et. al., 2010). This influences the demand and cost structure of parcel delivery services.

Social Factors

These factors include family demographics, education levels, lifestyle choices, cultural trends, and other social influences that shape consumer behavior. Understanding these elements allows businesses to tailor their

strategies and offerings to effectively meet customer expectations and demands (Yusop, 2018).

Technological Factors

Technological factors include elements like the extent of innovation, investment in research and development, and the speed at which technology becomes outdated. These factors play a crucial role in shaping business decisions, such as determining whether to enter particular markets (Yusop, 2018).

Environmental Factors

Environmental factors encompass climate change, sustainability, pollution, and resource depletion.

Legal Factors

Legal factors encompass various regulatory elements that influence business operations, including consumer protection laws, competition regulations, employment policies, and health and safety standards (Yusop, 2018). For instance, labour laws affect employee`s wages, while consumer protection laws impact customer data handling.

2.4 Cultural Dimensions Theory

The Cultural Dimensions Theory, pioneered by Geert Hofstede, provides a valuable framework for analyzing cultural differences and their impact on business practices. During 2000s, Bulgarian scholar Michael Minkov, utilized data from the World Values Survey to recalculate the fifth dimension and introduce a sixth dimension to Hofstede`s framework (Hofstede, 2011; Minkov, 2007). According to Hofstede, Hofstede, and Minkov (2010), these six dimensions are: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term orientation, and indulgence. Businesses can understand how

cultural values influence consumer preferences, communication styles, and organizational behavior by analyzing these dimensions.

Parcel delivery is a global industry, involving cross-border shipping, last-mile delivery, and customer interactions, all of which can be influenced by cultural factors. While specific studies directly applying Hofstede's theory to parcel delivery are limited, its relevance is evident in logistics and supply chain management, where cultural differences impact operations and customer preferences. Oakden (2019) highlighted, that cultural dimensions influence workplace dynamics, innovation capacity, and even responses to perceived threats, which can lead to shifts in societal tightness or looseness. Petrunin (2025) noted that supply chains need localized and AI-enhanced cross-cultural communication. Furthermore, cultural sensitivities, including taboos and clothing norms, are vital considerations for global businesses (CCJK, 2023).

According to The Culture Factor (2023) Finland scores low on Power Distance (33), indicating a preference for equality and informality. Finns value flat hierarchies, with superiors being accessible and leadership styles being coaching and empowering.

2.5 Cross-Border Logistics

Logistics is the process of managing and optimizing the flow of resources within a distribution network, ensuring that goods are transported efficiently from origin to destination. In the context of cross-border logistics, this process requires meticulous planning, adaptability and innovation in order to overcome regulatory complexities and infrastructure obstacles (Gulacha 2025). Effective logistics management relies on the use of optimal transportation strategies to lower costs, shorten delivery times, and improve customer satisfaction. For logistics firms expanding into Finland, these challenges can be amplified by Finland's climate, low population density, and stringent sustainability regulations.

According to Global Logistics Management (Kara et al., 2014), the optimization of product transportation is a cornerstone of successful logistics operations, particularly in international markets. This involves not only selecting the most efficient routes and modes of transport but also adapting to the unique demands of each market.

However, cross-border logistics also requires careful consideration of regulatory and geopolitical factors. The 2022 Russian invasion of Ukraine has disrupted traditional supply routes, forcing companies to reroute shipments through alternative corridors. This has increased transportation costs and delivery times, highlighting the importance of diversifying supply routes and leveraging international trade agreements, such as the EU-Ukraine trade agreement, to mitigate risks (Kara et al., 2014).

2.6 Market Entry Strategies

Entering a foreign market is a pivotal decision for any firm, requiring a strategic balance between opportunity, risk, and resource allocation. For a CEP (Courier, Express, and Parcel) company targeting Finland, the choice of market entry strategy is particularly critical, given the country's unique geographic, economic, and regulatory landscape. Firms commonly adopt various strategies to enter international markets, which primarily include exporting, establishing licensing agreements, forming joint ventures, and creating subsidiaries. Each of these strategies represents distinct approaches with varying levels of control, risk, and commitment, depending on the firm's objectives and resources (Vágási, 1998).

Exporting

Exporting, as one of the most traditional methods of market entry, refers to the practice of selling finished or semi-finished goods and services to markets outside the country of production (Glowik & Bruhs, 2014). However, it often requires substantial investment in marketing efforts

(Carter, 1997). Exporting is considered a low-risk strategy for entering foreign markets, allowing companies to employ their current products or services without substantial investments in foreign operations (Ordorica, 2023). For a CEP (Courier, Express, and Parcel) company, exporting could mean offering cross-border delivery services to Finnish customers without establishing a physical presence in the country. This strategy is particularly attractive for firms seeking to test the waters in a new market with minimal upfront investment.

Licensing and Franchising

A licensing agreement is a commercial contract where the licensor provides valuable assets to the licensee in return for agreed performances and payments (Alexandrovna, 2004). Licensing and franchising are market entry strategies that allow firms to expand into foreign markets with relatively low financial commitment and risk. These strategies are especially beneficial for companies aiming to utilize local knowledge and resources while retaining control over their brand and intellectual property. Licensing allows a company in a foreign market to utilize the intangible assets of the licensor, such as trademarks, patents, or production methods, in exchange for fees (Mariadoss, n.d)

Franchising is a contractual arrangement in which a franchisor collaborates with multiple franchisees, who are independent small business owners functioning as separate legal and financial entities (Glowik & Bruhs, 2014).

Contract Manufacturing

Contract manufacturing is an effective market entry strategy, especially for companies that want to use local expertise while keeping capital investment and operational risks low. In contract manufacturing, the original equipment manufacturer (OEM) delegates certain production processes, such as semi-assembly or final product assembly, to a contracted company within the foreign target market (Walldorf, 1992,

Glowik & Bruhs, 2014). This approach involves partnering with local manufacturers in foreign markets to produce goods on behalf of the firm, allowing companies to focus on their core activities such as marketing and R&D (Alexandrovna, 2004). Notably, even segments of the automobile industry have adopted this strategy; for instance, Finnish Valmet Automotive produces the Porsche Boxster, while Austria's Magna Steyr manufactures vehicles for renowned brands like Mercedes, BMW, and Saab (Arruñada & Vázquez, 2006).

Joint Venture

A joint venture (JV) is a strategic market entry approach which occurs when multiple independent firms come together to jointly own and manage a shared business entity (Glowik, 2016). For a CEP (Courier, Express, and Parcel) company entering Finland, understanding the dynamics of foreign markets is a crucial component of successful internationalization strategies. Market knowledge encompasses information and expertise about the local economy, political environment, cultural nuances, market demand and supply, distribution networks, and logistical operations. Most importantly, it includes insights into the network structure of relationships among stakeholders in the target market. This comprehensive understanding provides firms with a competitive edge, enabling them to navigate foreign markets more effectively and adapt their strategies to local conditions (Glowik & Bruhs, 2014). In the context of a CEP company, this could mean partnering with a Finnish logistics firm, e-commerce platform, or technology provider to establish a shared delivery network or last-mile solution.

Direct Investment

Foreign direct investment (FDI) allows companies to take control of ownership of businesses in other countries, actively managing daily operations while contributing financial resources, skills, and technology. As noted by MotionPoint, this strategy fosters economic growth and strengthens a company's foothold in foreign markets (MotionPoint,

n.d.). Companies can enter foreign markets by establishing new facilities—known as greenfield direct investment—or by acquiring existing local businesses, a strategy termed brownfield direct investment. Direct investment is a market entry strategy that includes setting up a physical presence in a foreign market through significant capital expenditure. As described by the International Monetary Fund (IMF), market entry can be achieved through greenfield or brownfield direct investment, depending on whether the company chooses to build new facilities or invest in existing local entities (IMF, 2015).

3 LITERATURE REVIEW

3.1 Existing research of the theme

Several previous studies have explored aspects relevant to this thesis, including internationalization strategies, last-mile logistics, and the evolution of the Finnish logistics market.

Among these, the study by Opanasenko and Esebua (2024) is the most directly relevant to the present research. They examined the internationalization of Nova Post during the 2022 full-scale Russian invasion of Ukraine, focusing on the company's expansion into the European Union and analysing the legal and business challenges encountered. Their work laid a valuable foundation for understanding Nova Post's strategic shift toward European markets. This thesis can be viewed as a continuation of their research, with a specific focus on the company's market entry into Finland and the operational and strategic challenges associated with particular Nordic market.

Hernández Cedillo (2022) investigated the use of crowd logistics for last-mile home parcel deliveries. His research analysed the impact of crowd logistics on cost reduction, revenue generation, operational flexibility, and environmental sustainability. While crowd logistics was found to enhance delivery resilience and cost-effectiveness, challenges persist, particularly regarding the transition to fossil-free transportation. His findings suggest that although crowd logistics has advantages, widespread adoption in Finland may be hindered by infrastructure limitations and company scale.

Andrejev (2011) conducted a foresight study on the logistics industry in South-Eastern Finland, focusing on DHL Freight (Finland) Oy's strategic planning toward 2020. The study emphasized the influence of local political developments, customs technology advancements, and Russia's economic situation on logistics operations. It recommended proactive

trend monitoring and strategic foresight as crucial for maintaining competitiveness.

Halttunen (2012) explored the impact of declining mail volumes on Finnish mail delivery services due to digitalization. His research proposed an optimized mail delivery model that accounted for employee salaries, delivery methods, time costs, and operations in sparsely populated areas. Emphasis was placed on the importance of statistical reporting and route optimization to improve efficiency and reduce operational costs.

Finally, Lukka (2022) studied the optimization of grocery e-commerce deliveries, focusing on last-mile processes in Finland's Pirkanmaa region. The research identified operational inefficiencies, such as delivery area limitations, resource allocation issues, and loading point constraints. Strategic improvements, including redesigned delivery zones and better resource distribution, were found to significantly enhance delivery service efficiency.

Together, these studies provide insights into the operational, strategic, and infrastructural factors influencing logistics and parcel delivery services in Finland and the broader European context, offering useful perspectives for Nova Post's potential market entry.

3.2 Strategy

The foundation of any successful international expansion begins with a well-defined strategy. Before a company can enter a new market, it must determine its strategic direction by assessing internal capabilities, market conditions, and long-term objectives. Strategic planning involves an ongoing process of evaluating past experiences, current situations, and future goals within an organization and its surroundings, ultimately shaping a well-defined direction for progress (Bolland, 2020). This involves analysing both internal and external factors while fostering participation from all members of the organization. "Some common

criteria include market size and potential, competitive landscape, cultural and regulatory environment, level of control desired by the firm, available resources and capabilities, and the firm's long-term strategic objectives" (Kalra, 2023, p.277). In the context of parcel delivery and logistics, a company must align its strategy with infrastructure readiness, cost efficiency, and customer expectations before selecting the most suitable market entry mode.

Building on the importance of strategic decision-making in international expansion, it is essential to acknowledge the challenges that companies face when expanding into new markets. Operating management encounters a range of challenges stemming from societal, ecological, economic, legal-political, and expertise-related (S.E.E.L.E) factors, as well as the overall environmental surroundings of the firm (Glowik, 2016). These factors affect both the selection of entry mode and the long-term viability of the business in the foreign market.

3.3 Customs regulations

According to WAPI every country has distinct customs regulations that companies must adhere to in order to prevent delays, penalties, or the confiscation of their goods. Additionally, these regulations can differ based on the nature of the goods being transported, further complicating the process (WAPI, 2025).

3.4 Shipping Costs and Currency Fluctuations

Meest (2025) explains that international shipping often involves higher expenses due to the significant distance goods need to travel, various taxes imposed by different countries, and additional handling fees required for processing shipments across borders. These costs can add up quickly, making it more challenging for businesses to manage their logistics budgets. Furthermore, fluctuations in currency exchange rates

can impact the overall cost of shipping, as the value of different currencies can change unexpectedly. This volatility makes it difficult for businesses to predict and control their expenses, potentially affecting their profit margins. DHL (2025) emphasizes that effectively managing costs associated with cross-border logistics is vital for the success of international trade and e-commerce. Firstly, choosing the appropriate logistics service provider is essential, considering factors such as product characteristics, shipping distance, and overall cost-effectiveness, rather than solely focusing on the lowest price. Additionally, optimizing transport routes can significantly reduce both transit time and costs.

3.5 Impact of the Ukraine Conflict

The 2022 Russian invasion of Ukraine has had profound implications for cross-border logistics, disrupting traditional supply routes and forcing companies like Nova Post to rethink their international operations. As a Ukrainian logistics firm, Nova Post has been directly affected by the conflict, which has not only destabilized its domestic operations but also complicated its expansion into Finland and other European markets. Opanasenko & Esebua (2024) explain that the full-scale war served as a catalyst, quickly speeding up Nova Poshta's expansion. The conflict led to a significant growth of the Ukrainian diaspora, enabling Nova Poshta to expand its strategic opportunities and open branches internationally.

Nguyen et al. (2022) highlight that the ongoing tensions between Russia and Ukraine have inevitably affected the global flow of goods, as disruptions in the supply chain threaten the movement of goods worldwide. The impact of this crisis will vary by industry and depend on the duration of the conflict, but it will undoubtedly have a significant effect on global trade flows and supply chains. The sudden shift in logistics routes has placed immense pressure on current corridors Ukrainian firms use, leading to congestion at border crossings and ports. Poland serves as a natural entry point for Ukrainians due to their shared 530-kilometer land

border (CNBC, 2022) and has experienced significant delays due to the influx of humanitarian aid and commercial goods.

Moreover, the ongoing conflict has heightened security risks along Ukraine's borders, including the threat of sabotage, theft, and cyberattacks on logistics infrastructure.

3.6 Economic Factors

3.6.1 Cost of Operations

Finland's high operational costs present a significant challenge for Nova Post. From labour and fuel expenses to real estate and regulatory compliance, these costs can erode profit margins and complicate market entry strategies.

3.6.2 Labour Costs

Finland's labour market is characterized by high wages and stringent labour regulations, which can significantly increase operational expenses for logistics firms. According to Eurostat (2023), the average hourly labour cost in Finland is approximately €37,1, one of the highest in the European Union.

Hourly labour costs, 2023

in €, whole economy* (enterprises with 10 or more employees)

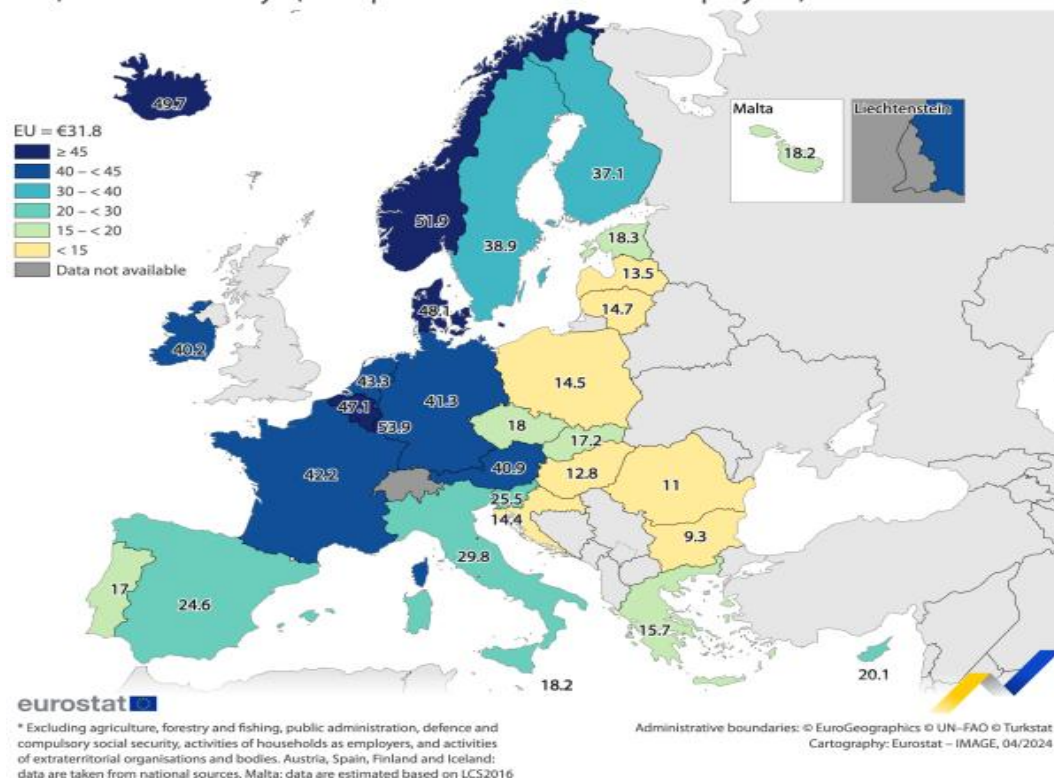


Figure 1. Estimated hourly labour costs in Europe, 2023 (€) (Eurostat, 2023)

3.6.3 Fuel Costs

Finland's high fuel prices, driven by taxes and environmental regulations, pose another challenge for logistics operations. As of 2023, the price of diesel in Finland is approximately €1.80 per liter, compared to €1.20 in Ukraine (Eurostat, 2023).

3.6.4 Real Estate Costs

Finland's high real estate prices, as well as leasing warehouse and office space in prime locations can be prohibitively expensive.

3.7 Market Analysis

Finland's logistics market is characterized by its advanced infrastructure, high e-commerce penetration, and strong emphasis on sustainability, making it both an attractive and challenging destination for new entrants. With a market value of €1.2 billion in 2023 and a projected annual growth rate of 6%, the sector offers significant opportunities for firms that can align with local consumer preferences and regulatory requirements (Eurostat, 2023).

Official Statistics of Finland (OSF) (2025) states that Finland possesses a population of approximately 5.6 million individuals, indicating a relatively moderate population size. The median age in Finland between 40 and 46 years, suggesting a population that is relatively mature. Furthermore, the majority of the population resides in urban areas, with approximately 85% of individuals living in such regions. Additionally, the population is fairly evenly distributed between males and females, indicating a balanced gender ratio within the country.

Based on the data from the Official Statistics of Finland (OSF), the Ukrainian diaspora in Finland experienced a significant increase from 2022 to 2023:

- In 2021, the number of Ukrainian citizens residing in Finland was 7,202.
- By 2022, this number had increased to 8,441.
- In 2023, the number surged dramatically to 28,100.

The percentage increase from 2022 to 2023 is 232.9%, indicating a substantial rise. This sharp increase can be attributed to various factors, including geopolitical events and conflicts in Ukraine that have led to

increased migration. The data from the Official Statistics of Finland highlights a significant growth in the Ukrainian diaspora within the country over the observed period.

Population by citizenship				
Country of citizenship	2021	2022	2023	Increase of population 2022–2023, %
Finland	5,251,777	5,240,284	5,230,878	-0.2
Foreign countries, total	296,464	323,686	372,973	15.2
Estonia	51,805	51,819	51,597	-0.4
Russia	30,049	33,428	35,359	5.8
Ukraine	7,202	8,441	28,100	232.9
Iraq	15,075	15,322	14,730	-3.9
China	11,405	12,297	14,020	14.0
India	8,245	10,487	13,068	24.6
Philippines	5,351	8,140	11,540	41.8
Afghanistan	7,686	8,362	9,222	10.3
Vietnam	7,237	7,757	8,795	13.4
Thailand	7,925	8,073	8,396	4.0
Former Serbia and Montenegro	5,432	6,528	7,934	21.5
Sweden	7,921	7,943	7,779	-2.1
Syrian Arab Republic	7,203	7,855	7,635	-2.8
Türkiye	6,079	6,733	7,422	10.2
Somalia	6,581	6,674	6,683	0.1
Others	111,268	123,827	140,693	13.6
Total	5,548,241	5,563,970	5,603,851	0.7

Figure 2. Population by citizenship (stat.fi)

Finland a high standard of living, indicating that its citizens possess a relatively substantial disposable income. Consequently, individuals in Finland prioritize spending on essential items such as housing, food, and healthcare. Moreover, leisure and recreational activities, including travel and dining out, are also popular spending categories among the Finnish population. Furthermore, Finnish individuals exhibit an awareness of environmental concerns and sustainability, which significantly influences their spending patterns.

Finnish consumers place a high value on products of superior quality and are willing to pay extra for such items. Additionally, they appreciate products that are locally produced and possess a strong connection to Finnish culture and traditions. Furthermore, Finnish individuals demonstrate a propensity for early adoption of technology and possess a high level of digital literacy. Sustainability and eco-friendliness play pivotal roles in the purchasing decisions of Finnish consumers.

3.8 Market Size and Growth Potential

The notable growth of Finland's Courier, Express, and Parcel (CEP) market, which is expected to increase at an approximate annual growth rate (CAGR) of approximately 5% from 2024 to 2029, offers a promising landscape for logistics companies like Nova Post. This expansion is fuelled by substantial investments in logistics infrastructure and digital transformation efforts. Finland is emerging as a hub for innovative delivery solutions, including trials of autonomous delivery robots and drone deliveries in urban settings (Mordor Intelligence, n.d.).

3.9 Competitive Landscape

The Finnish postal market consists of several main competitors, including postal service providers like Posti, Matkahuolto, Postnord, Paketispiste and global logistics companies like DHL. Posti, as a domestic postal service, holds a significant market share and boasts a well-established network and brand recognition in Finland. The company's services include a variety of logistics and delivery services that serve domestic and international shipments.

3.9.1 Posti

Posti offers a broad spectrum of logistics solutions, including transport, storage, handling as well as internal logistics. It supports businesses both domestically and internationally (Posti Group Oyj, n.d.). In 2024, Posti experienced significant improvements in its financial performance despite a slight decrease in net sales from €1,586.1 million in 2023 to €1,521.4 million in 2024. The company's adjusted EBITDA grew from €197.7 million in 2023 to €207.6 million in 2024, reflecting a stronger margin of 13.6%. Additionally, the operating result improved significantly, reaching €68.0 million in 2024 compared to a loss of €7.0 million in 2023. However, Posti faced challenges such as a decrease in operative free cash flow, which fell from €28.6 million in 2023 to -€2.9 million in

2024. The company also reported a reduction in its workforce, with the number of employees dropping to 14,764 in 2024 from 17,024 in 2023 (Posti, 2025). Posti aims to make its operations fossil-free by 2030, and it has achieved recognition for being in the top 1% globally in sustainability by EcoVadis. Businesses benefit from Posti's advanced technology, flexible cost structures, and extensive delivery network across the Baltic and Nordic regions (Posti, n.d.).

3.9.2 Matkahuolto

Matkahuolto, a Finnish service company with a 90-year history, focuses on two main business areas: Parcel Services and Digital Transport Services (Matkahuolto, n.d.). The company aims to achieve carbon neutrality by 2030 and has taken considerable steps towards sustainable growth. These efforts include expanding its parcel service network, transitioning to renewable fuels for domestic transport, and focusing on digital ticketing systems to promote accessible public transport. Matkahuolto's 2024 financial performance includes a turnover of €98.3 million, investment of €5.4 million, and the transportation of 20 million parcels, establishing it as Finland's most valued parcel service brand (Matkahuolto, 2024).

3.9.3 Postnord

PostNord serves as a logistics company within the Nordic region, catering to both private individuals and businesses with services that reach approximately 25 million homes and 2.5 million businesses. The organization holds around 10% of the logistics market in the Nordic countries, competing with global logistics companies and national postal operators in Norway and Finland. Headquartered in Helsinki, Finland, PostNord emphasizes maintaining high standards in quality and environmental management, as evidenced by certifications from Kiwa Inspect that align with ISO 9001:2015 and ISO 14001:2015 standards ("Company | PostNord," n.d.).

3.9.4 Pakettipiste

Pakettipiste offers nationwide deliveries that ensure parcels reach their destination by 9 a.m. the next business day, six days a week. With over 700 parcel points and 5,500 delivery points, Pakettipiste leverages an extensive network to provide tailored logistics services for corporate clients, including time-critical deliveries and comprehensive supply chain solutions for online stores. Their operations are built around a customer-centric approach, offering flexible options such as early-morning drop-offs without requiring the recipient's presence. Additionally, they provide real-time tracking and integration with logistics management systems to enhance efficiency and transparency (Pakettipiste, n.d.).

3.9.5 DHL Express

DHL Express is a leading provider of international express shipping services, offering expedited delivery to over 220 countries. DHL Express also provides specialized solutions for time-sensitive, dangerous, or temperature-controlled goods (DHL Express, 2025).

3.10 Market volumes overview

The figure below shows a consistent rise in parcel deliveries in Finland during the past seven years. This indicates a growing CEP (Courier, Express, and Parcel) market in Finland.

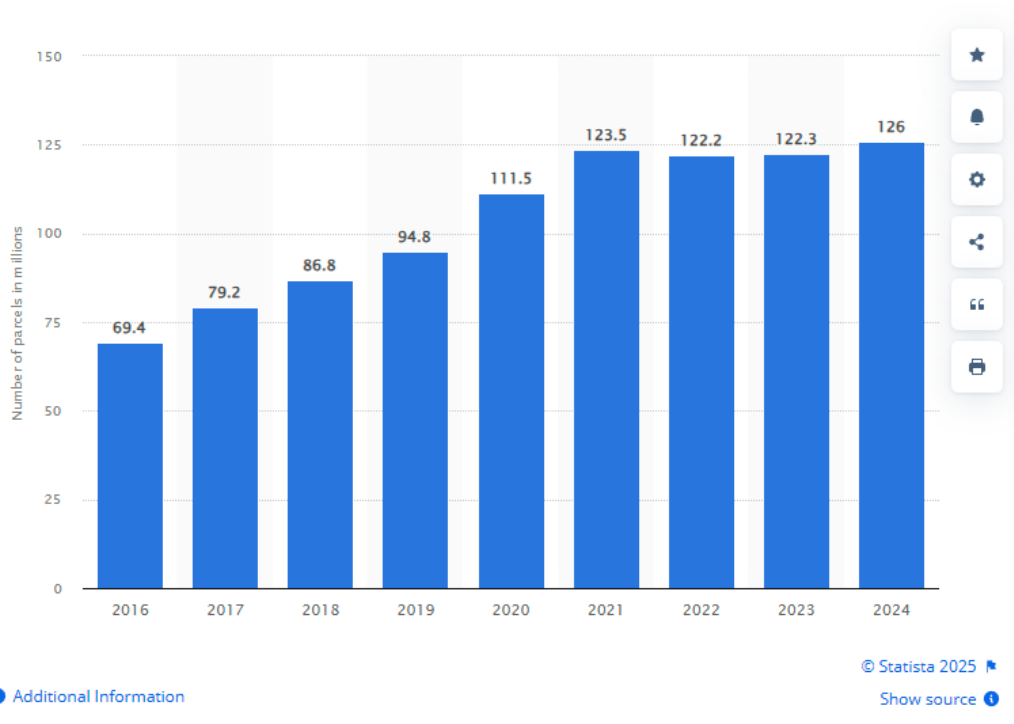


Figure 3. Courier, express and parcel (CEP) market volume in Finland from 2016 to 2025 (Statista.com)

3.11 Temporary Protection Directive (TPD)

The Temporary Protection Directive, officially Directive 2001/55/EC, is an EU legal framework aimed at offering rapid and temporary protection to large numbers of displaced individuals from non-EU countries who cannot return to their homes. It was triggered on 4 March 2022 in response to the Russian invasion of Ukraine, offering quick assistance to those fleeing the (Council of the European Union, 2022). The directive covers Ukrainian citizens, foreign nationals residing in Ukraine, as well as their spouses, minor children, and dependent family members resident before 24 February 2022, with rights including residence permits, work access, accommodation, healthcare, education, and social support (Fragomen, 2025). Recent extensions have prolonged this protection until at least 4 March 2026, reflecting the ongoing crisis (Fragomen, 2025).

Finland, as an EU member state, has implemented the TPD with specific adaptations to address the influx of Ukrainian refugees. Eurostat (2025) reports that over 70,400 people from Ukraine have applied for temporary protection in Finland as of February 28, 2025.

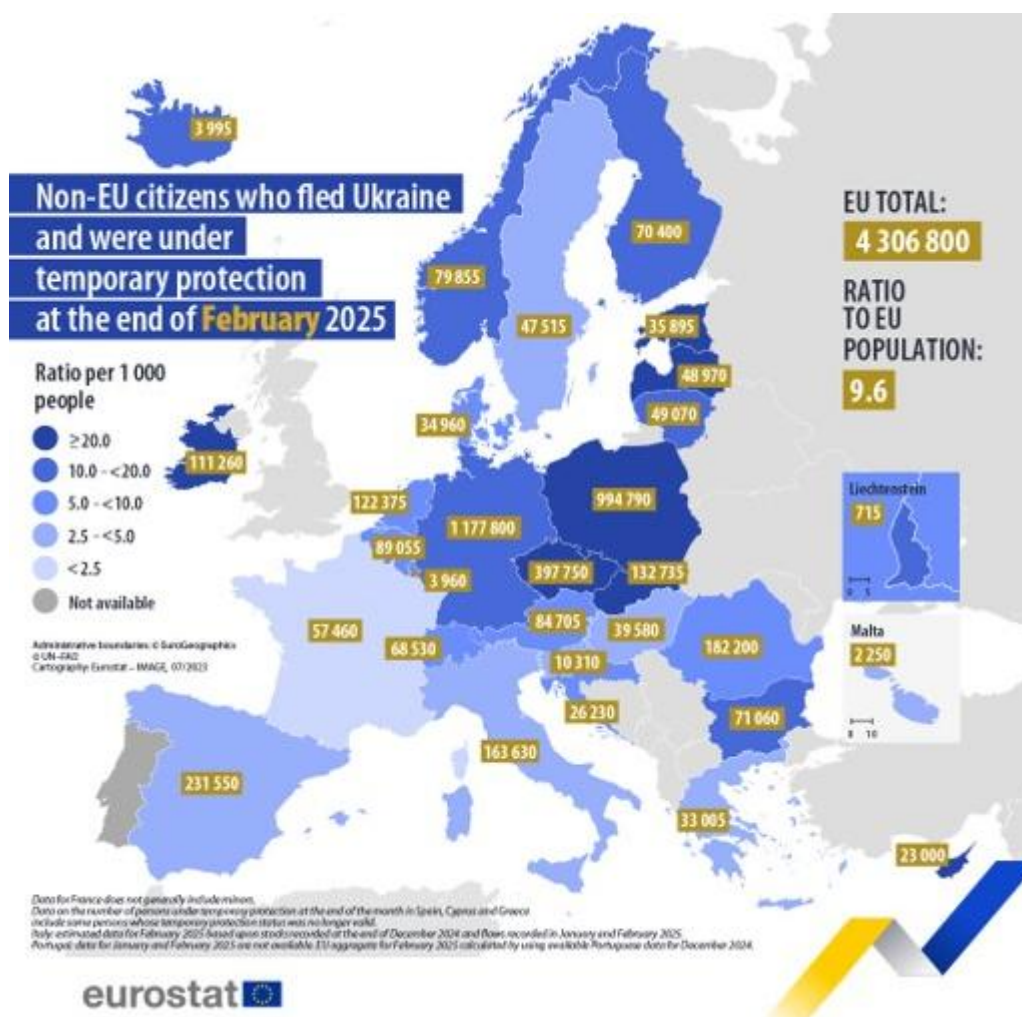


Figure 4. Non-EU citizens fled Ukraine in Europe (Eurostat)

There is limited academic literature insights into the TPD's implications for business operations, particularly in logistics. Iossa (2022) explores the short-term cross-border mobility of logistics workers under EU directives, highlighting how it facilitates labour mobility but also raises concerns about exploitation. Opanasenko and Esebua (2024) discuss the internationalization of Ukrainian businesses during the war, noting that TPD supports smoother logistics and trade in services.

Literature reveals gaps, with limited studies specifically on CEP firms' use of TPD, suggesting a need for further research on economic impacts, such as cost savings, workforce integration, and long-term effects on market positioning.

4 RESEARCH METHOD

4.1 Introduction

This section explains the purpose, methodologies, and approaches employed to conduct the study. This chapter aims to clarify the research methodology, explaining the reasoning for the selected methods while ensuring the findings' reliability and validity.

This research aims to investigate the operational and strategic obstacles faced by Nova Post in its expansion process, with a specific focus on understanding customer expectations and satisfaction levels. The study aims to provide actionable insights that can help Nova Post enhance its service offerings and strengthen its market position.

4.2 Research Design

To achieve these objectives, a qualitative approach has been selected for the study. Qualitative research offers insights that cannot be fully captured or explained through alone quantitative data (Kandel, 2020).

The combination of semi-structured interview, surveys, and statistical analysis provides a comprehensive and robust framework for data collection and analysis in the context of my thesis. These methods will ensure that the research findings are valid, reliable, and provide valuable insights into the expansion of parcel delivery services from Ukraine to Finland.

The selection of a qualitative approach ensures that the research captures rich, descriptive data that can inform strategic decision-making. The study aims to deliver comprehensive and actionable insights from

the voices and experiences of customers and industry expert. The following sections will elaborate on the specific methods and techniques used, detailing how each contributes to the overall research objectives.

4.3 Data Collection Methods

The selection of an appropriate research method is a critical consideration for every researcher striving to achieve scientifically valid and reliable outcomes. The chosen method directly influences the entire research process, from the theoretical framework, population and sample selection, data collection, and analysis procedures to the interpretation of findings, the choice of research method is of paramount importance for researchers aiming to obtain accurate and reliable results (Oflazoglu, 2017).

A qualitative approach may be more suitable for capturing the nuanced and in-depth insights required for the study. Prior research has demonstrated the effectiveness of qualitative methods in exploring complex business challenges, particularly in international expansion contexts, for example Raj (2024) demonstrated the effectiveness of qualitative methods in exploring complex business challenges in international expansion. Cukurs (2020) employed qualitative methods to gain deeper insights into entry Strategy to the Finnish market, showcasing their effectiveness in addressing intricate challenges.

The mixed-methods approach employs quantitative and qualitative techniques for data gathering and analysis and can offer a comprehensive understanding of a research problem as well. However, in the context of my thesis, a qualitative approach will be more suitable and feasible. Opanasenko and Esebua (2025) employed qualitative methods to gain deeper insights into Nova Post's internationalization strategy, showcasing their effectiveness in addressing intricate challenges. The nature of the research topic involves exploring the cultural, operational,

and strategic challenges during its expansion into Finland. These challenges are best captured through qualitative methods.

Typical methods for gathering qualitative data, such as focus groups, interviews and participant observation, which are instrumental in gaining insights into the phenomena being studied (Fossey et al, 2002). In my thesis, semi-structured interview with logistics expert is a part of data collection methods utilized. Interview is a powerful tool that handles in-person interviews with essential questions (Chandra & Hareendran, 2017). Interviews are typically structured around a series of predetermined open-ended questions, while additional questions often arise naturally from the interaction between the interviewer and the interviewee(s) (DiCicco-Bloom & Crabtree, 2006). These interviews aim to provide in-depth insights into the experiences and challenges which a company faces or expects to meet during its expansion. Selected for their adaptability, semi-structured interviews enable in-depth exploration of topics while preserving a uniform framework (Bryman, 2016).

In addition to interview, questionnaires will be distributed to customers in Finland. According to Chandra and Hareendran (2017), a questionnaire is a set of questions designed for distribution to a large group of respondents. Typically, the questions are presented in either printed or electronic format and are completed individually. Most of the time, questions are either in printed or electronic form, to be answered by individuals. Chosen for its ability to gather shared customer experiences and expectations, this approach offers valuable insights into their preferences and needs.

Secondary data will also be utilized in my thesis. Secondary data refers to data that has already been collected and published by other researchers, organizations, or institutions (Mukherjee, 2019). Such data offers essential background and context, aiding in the triangulation of findings and strengthening the research's credibility. Secondary data sources for

this study include industry reports, market analysis, academic journals, government publications, and company records.

4.3.1 Interview process

Interview was conducted remotely with the informed consent of the participant, using WhatsApp due to time constraints and business commitments. Despite the lack of face-to-face interaction, this method provided a flexible and comfortable environment for exchanging insights. The participant's responses were collected in writing and reviewed for analysis. To protect privacy and uphold ethical standards, the participant's identity has been anonymized in this report.

The interviewee brought over 22 years of professional experience in the logistics industry, offering valuable and practical insights into Finland's logistics market. Efforts to engage a broader range of professionals were made—8 outreach attempts were sent to key CEP companies' representatives. However, these invitations did not receive responses, ultimately, only a single interview was carried out, making this expert contribution especially valuable for the research.

The primary interview questions were developed through a thorough review of the literature and theoretical frameworks related to international market entry, customer expectations, and operational strategy. These questions were crafted to explore the key themes outlined in the research objectives, ensuring their relevance to both the case company and the Finnish logistics landscape.

The interview covered three key sections:

1. Market Conditions and Customer Expectations
2. Operational and Strategic Challenges
3. Addressing Challenges for Market Entry

Each section included carefully structured questions designed to elicit detailed, experience-based responses that would enrich the analysis and interpretation of Finland's parcel delivery environment from a market entry perspective.

4.3.2 Survey Sample

The survey was aimed at individuals residing in Finland and it was designed in two languages—Finnish and English. The link to the survey was distributed through my personal network, including friends, colleagues (both current and former), and individuals from the personal contact list. Participants were also encouraged to share the survey further with their friends and relatives, to expand reach and gather varied perspectives.

In total, 28 responses were collected: 20 participants responded in English and 8 in Finnish. Although the sample size is limited and not statistically representative of the broader population, it provides meaningful insights into customer experiences and expectations regarding parcel delivery service in Finland.

4.4 Data Analysis Methods

According to Fossey et al. (2002), qualitative analysis involves synthesizing, reviewing, and interpreting data to explain and describe the social worlds or phenomena under study. The aim of qualitative data analysis is to discover, analyze, contrast, and interpret recurring patterns and themes within the data (Hair Jr. et al., 2023).

The data from the survey will be analyzed using descriptive analysis. Descriptive analytics involve examining past and current data to identify trends and summarize key insights within business, research, or operational settings. Unlike predictive analytics, which forecasts future outcomes, descriptive analytics focuses on understanding historical perfor-

mance through data aggregation, visualization, and reporting techniques (Hassan, 2024). There are several various methods descriptive analytics employs to extract insights from data. I will utilize Data Summarization and Data Visualization. Data summarization refers to calculating measures such as mean, median, mode, and percentages to summarize key responses. Visualization refers to the use of graphical representations, such as charts, graphs, and dashboards, to simplify the interpretation of patterns and trends within data (Hassan, 2024). Descriptive analytics has several limitations. It primarily examines past events without predicting future trends, making it less useful for forecasting. Additionally, its accuracy depends heavily on data quality, meaning incomplete or incorrect information can lead to unreliable conclusions. Unlike prescriptive analytics, it does not generate direct recommendations for action, restricting its ability to guide decision-making proactively (Hassan, 2024).

In this research, coding will be applied as a systematic method to analyze the primary and secondary data. In any collected data set, certain elements will hold greater importance for a study than others. Therefore, it is essential to focus on and prioritize the data that aligns with the research questions (Rose et al., 2024). According to Hair Jr. et al. (2023), coding involves labeling or assigning numerical values to data, transforming extensive, unorganized text into concise, relevant, and representative segments. By assigning codes to recurring themes and patterns across the data—whether derived from case studies, or literature—a structured framework will be created to identify meaningful insights. Effective coding begins by identifying appropriate coding units, which may include elements such as words, phrases, sentences, paragraphs, images, graphics, and photographs.

Although this study involved only one expert interview, a structured coding approach was applied to extract meaningful insights from the qualitative data. While the limited number of interviews prevents thematic saturation, this coding process allowed the study to systematically

interpret expert insights. The results served to complement the survey data and secondary research, reinforcing key trends and highlighting operational considerations. To maintain analytical rigor, the interview responses were manually reviewed and open-coded, identifying ideas and phrases related to the study's key research themes. These initial codes were then grouped into broader categories such as Customer Expectations, Operational Challenges, Service Design, and Strategic Entry Approach (Table 1).

Table 1. Example Coding Key Insights from Expert Interview.

Expert	Code	Theme
The expert emphasized that fast delivery and clear delivery time windows are top expectations among Finnish consumers	Speed & Communication	Customer Expectations
the interviewee noted that serving rural areas efficiently often requires local partnerships due to high last-mile delivery costs	Local Partnerships Needed	Operational Challenges
In terms of service quality, transparent communication, especially for home deliveries, was highlighted as crucial	Transparency & Home Delivery	Service Design

The expert also advised new market entrants to start small—focusing on one region before scaling	Phased Market Entry	Strategic Entry Approach
Lastly, accountability and rapid problem resolution were described as essential for building trust with local customers	Trust-Building Measures B	Brand Trust & Reputation

The results served to complement the survey data and secondary research, reinforcing key trends and highlighting real-world operational considerations for market entry.

In some cases, portions of the collected material may remain uncoded if deemed irrelevant to the research objectives (Hair Jr. et al., 2023). This approach enables the researcher to simplify complex information, focus on relevant characteristics, and establish connections between concepts.

As the research progresses, Data Reduction will be employed to refine and manage the collected data. The process involves making decisions about which elements to highlight, downplay, or exclude from further consideration. While the initial choices are influenced by the defined research purpose and questions, analysts must remain open to uncovering new interpretations, connections, and insights throughout the analysis process (Hair Jr. et al., 2023). This approach ensures a streamlined analysis, providing clarity and structure for the subsequent stages of data interpretation and presentation.

To ensure the reliability and validity of my research, I will be employing triangulation. Triangulation operates on the principle that comparing multiple perspectives on a research context can help confirm the validity of findings (Rose et al., 2024). Opanasenko and Esebua (2024), applying triangulation helps ensure a comprehensive understanding of Nova Post's internationalization. There are four types of triangulation in qualitative research: data, method, researcher and theory. In this study I will employ data triangulation. Data triangulation involves collecting information from multiple sources or at different points in time, allowing to get a deeper and more thorough insight into the subject being examined (Hair Jr. et al., 2023). By integrating three different types of data sources in this study, this approach enhances the credibility and depth of the findings. First, survey results provide quantitative insights into customer behavior and preferences regarding parcel delivery services in Finland. Second, an expert interview offers qualitative insights from a logistics specialist. Third, secondary data from academic literature and market reports provides contextual background and supports comparison. I aim to ensure a more comprehensive and balanced analysis of Nova Post's market entry challenges and opportunities in Finland by cross-referencing these sources.

4.5 Ethical Considerations

The thesis adheres to the principles described in the Finnish National Board on Research Integrity guidelines, which emphasize honesty, transparency, and accountability in all stages of research. It also includes proper documentation of methodologies, accurate reporting of findings, and acknowledgment of all sources and contributions. Adherence to good research practices in line with the RI Guidelines constitutes a fundamental aspect of the research community's ethical self-regulation framework (The Finnish National Board on Research Integrity, 2023).

Transparency maintains by providing clear and detailed descriptions of the research and data collection methods, and analysis procedures. It was documented in the research plan and shared with all stakeholders involved. Regular updates and open communication channels ensured that all parties were aware about the progress and any changes in the research process.

The thesis main focus is on understanding the challenges and opportunities of expanding parcel delivery services, which can enhance operational efficiency and boost customer experience in Finland. Research impact on participants, the environment, and society has been considered.

To conduct data ethically, respondents were fully informed about the purpose of the research, their role, and their rights, including the right to opt out at any point without facing any repercussions. Privacy and confidentiality were respected by anonymizing data and using secure storage solutions to protect personal information.

Research data was managed and stored securely to ensure confidentiality and security. Data was stored on secure servers and cloud storage, with access given to authorized individuals.

4.6 Limitations of Research Method

Acknowledging limitations is a fundamental aspect of any research study, as it is widely recognized in academia that addressing these constraints is an essential part of the research process (IvyPanda, 2024). Recognizing these limitations is essential for accurately interpreting the findings and maintaining the study's credibility. A key limitation of qualitative research lies in its restricted generalizability, as results are often context-specific and may not be transferable to wider populations or varying market conditions. While the insights gained from semi-structured interviews and surveys are valuable, they may not fully represent

the experiences and perspectives of all stakeholders in the parcel delivery industry.

Qualitative research relies heavily on the interpretation of the researcher, which can introduce subjectivity into the analysis. Despite efforts to maintain objectivity through thematic analysis and triangulation, the personal biases and perspectives of the researcher may influence the interpretation of data. Additionally, the sample size for qualitative studies is typically smaller compared to quantitative research. For instance, gathering detailed information from a single individual may suffice for understanding their life history. However, if the goal is to explore and describe the practices of a certain team, relying on the account of just one team member would be inadequate (Fossey, Harvey, McDermott, & Davidson, 2002). It means that sample size can limit the diversity of perspectives captured in the study. Ensuring that the sample includes a wide range of participants is essential but challenging.

Conducting semi-structured interviews and surveys can be time-consuming and resource intensive. Participants in semi-structured interviews may display biases such as social desirability bias, where they provide responses, they believe the interviewer expects, or acquiescence bias, where they agree with the interviewer's prompts regardless of content. These tendencies often stem from the desire to present themselves in a more favorable light (Garrett et al., 2003; Krug & Sell, 2013; Karatsareas, 2022). Integrating qualitative and statistical analysis adds another layer of complexity to the research process.

Access to industry experts and company representatives for interviews can be challenging. The question of whether interview informants are truthful, introduced by Dean and Whyte (1958, as cited in Hammersley, 2012), continues to be a significant topic in qualitative research discussions. Furthermore, the parcel delivery industry is rapidly evolving, with

new technologies and market entrants continuously shaping the landscape. The findings of this study may be influenced by the timing of data collection and may not fully capture future developments or trends.

Despite these limitations, the qualitative approach provides a comprehensive and nuanced understanding of the operational and strategic challenges in expanding parcel delivery service from Ukraine to Finland.

5 RESULTS AND FINDINGS

This chapter presents the key findings derived from the analysis of Nova Post's potential market entry strategies into Finland, based on theoretical frameworks, industry benchmarks, and insights from survey distributed to customers and interview with logistics experts. The results are structured to address the research objectives by evaluating the feasibility, risks, and strategic advantages of different entry modes within the context of Finnish CEP market.

5.1 Sample Demographics and Data Sources

The survey was completed by 28 participants, providing insights into Finnish consumers' parcel delivery preferences and challenges. The respondents included individual customers, logistics professionals', e-commerce owners or managers, ensuring a diverse perspective on the current market landscape.

Survey participants varied in age (Figure 5), with a majority falling within the 25–34 age group (53.6%), followed by 35–44 (25.0%), 18–24 (17.9%), and 45–54 (3.6%). The result highlights that the primary respondents are young and middle-aged individuals, who likely engage in regular online shopping and business-related shipping.

What is your age group?

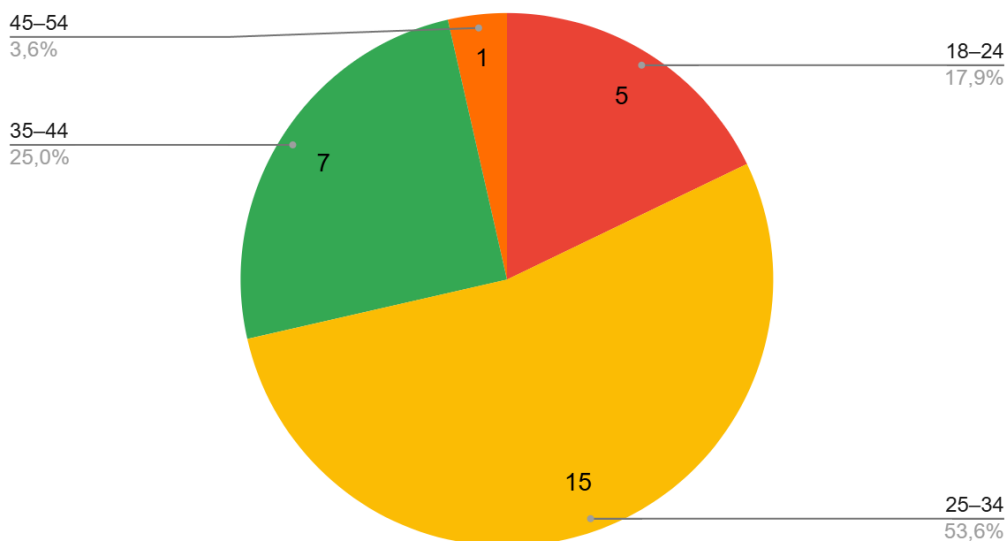


Figure 5. Survey Respondents by Age Group

By role (Figure 6), the largest segment represents end-customers, who constitute 57.1% (16 respondents) of the total sample, underscoring that the majority of respondents are individual users of parcel delivery services. This is followed by logistics professionals, who make up 21.4% (6 respondents). Smaller groups, including teachers, students, and e-commerce business owners/managers, each represent 7.1% of the sample.

What is your current role?

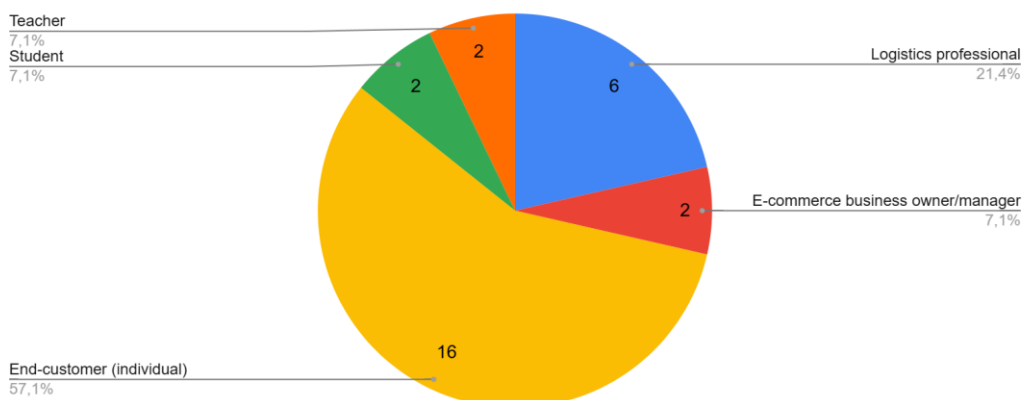


Figure 6. Survey Respondents by Role

By gender (Figure 7), the largest segment is male, accounts for 42.9% of participants (12 respondents), followed by female, representing 25.0% (7 respondents). A significant portion, 32.1% (9 respondents), opted not to disclose their gender, indicating a preference for privacy in demographic surveys. These replies reflect relatively balanced mix of male and female participants, with a notable share of respondents choosing not to specify their gender.

What is your gender?

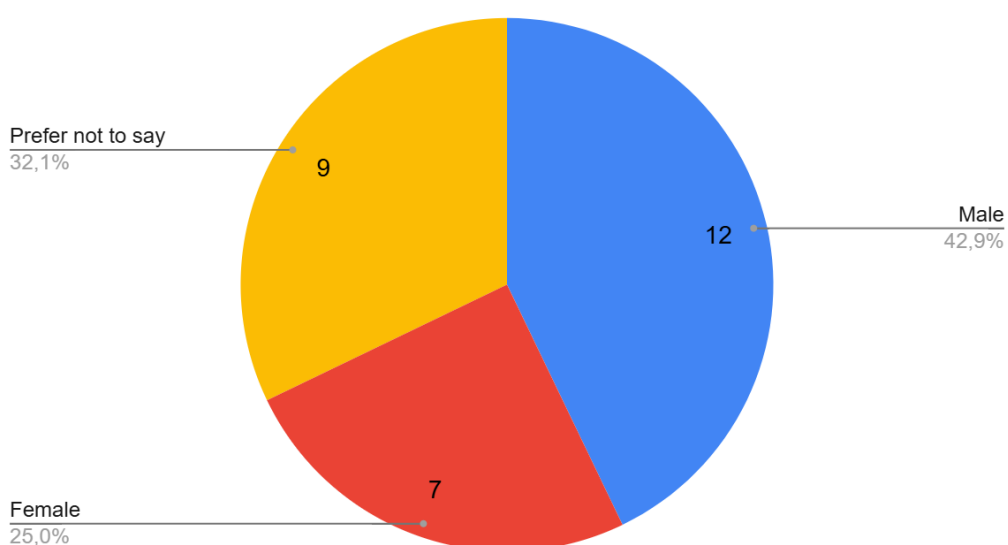


Figure 7. Survey Respondents by Gender

To complement the survey findings, an expert interview was conducted with a logistics specialist, offering deeper insights into the operational challenges and market entry barriers for new parcel delivery services in Finland.

5.2 About TPD in terms of operations

For a Ukrainian CEP firm like Nova Post, entering Finland under the TPD context presents both opportunities and challenges. The directive's work rights provision is particularly relevant, as it allows Ukrainian nationals

under temporary protection to seek employment, potentially easing labour shortages for logistics roles such as drivers, warehouse staff, and delivery personnel. Given Nova Post's need for a workforce to establish operations, this could reduce hiring costs and accelerate setup, leveraging a pool of skilled or semi-skilled Ukrainian workers familiar with the company's operations back home. It might also boost demand for deliveries from Ukraine to Finland, given the refugee community. Academic literature provides insights into the TPD's broader implications for business operations, particularly in logistics. Iossa (2022) explores the short-term cross-border mobility of logistics workers under EU directives, highlighting how it facilitates labour mobility but also raises concerns about exploitation, which could affect workforce quality for Nova Post.

Additionally, the presence of a significant Ukrainian refugee community in Finland, estimated at over 70,400, may increase demand for cross-border deliveries, particularly from Ukraine, aligning with Nova Post's expertise in fast, tracked services and its mobile app for international shopping.

However, operational challenges include navigating Finnish labour laws to integrate TPD workers, ensuring compliance with work permit conditions, and addressing potential language or cultural barriers. Regulatory compliance, such as adhering to Finnish employment standards and social security contributions, could add complexity, especially given the temporary nature of the protection, which may affect long-term workforce planning. Furthermore, the firm must consider the sustainability of relying on TPD workers, given potential changes post-2026 or shifts in refugee status, impacting operational stability.

Opanasenko and Esebua (2024) noting that TPD supports smoother logistics and trade in services, fitting Nova Post's expansion strategy. Institutional theory also applies, as Nova Post must navigate EU migration

policies to comply with Finnish implementation, potentially influencing market entry strategies.

Migration theories, such as push-pull factors, explain the labour supply dynamics, with war pushing Ukrainians to Finland and pull factors like work rights under TPD attracting them to logistics jobs. However, the literature reveals gaps, with limited studies specifically on CEP firms' use of TPD, suggesting a need for further research on economic impacts, such as cost savings, workforce integration, and long-term effects on market positioning.

5.3 Ukrainians as a Target Audience for Nova Post

Nova Post enters this market as a smaller player, likely targeting niche segments given its operational scale. Its cross-border focus, particularly between the EU and Ukraine, aligns with competitors like DB Schenker, PostNord, DHL, UPS, but its Ukrainian roots and the Supernova airline for faster deliveries provide a competitive edge in speed and reliability.

The Ukrainian diaspora in Finland, supported by the Temporary Protection Directive (TPD), offers a significant opportunity for Nova Post's market entry. The presence of a substantial Ukrainian community in Finland and across Europe is likely driving increased demand for delivery services, both from Ukraine to Finland and from other European countries to Finland. Given nearly 4.3 million individuals who fled Ukraine are under temporary protection in the European Union, underscoring the scale of the displaced population and the potential for tailored logistics solutions.

5.4 Market Challenges and Opportunities in Finland

Nova Post faces significant entry barriers in Finland’s mature and competitive postal and logistics market, which is dominated by long-established providers such as Posti and Matkahuolto. According to the customer survey, 96% (21 respondents) reported having used Posti, confirming its strong market presence and brand loyalty. Matkahuolto followed with 61% (17 respondents), while PostNord was used by 43% (12 respondents). DHL was mentioned by 21% (6 respondents), with FedEx and Nova Post each receiving only 7% (2 respondents) of mentions.

Posti’s leadership is supported by its extensive nationwide network, trusted reputation, and commitment to sustainability, all of which reinforce its dominant position. These factors present a formidable challenge for Nova Post, which will need to identify and communicate a clear value proposition or niche market—such as targeting the Ukrainian diaspora or offering faster, competitively priced cross-border deliveries—to effectively compete in this landscape.

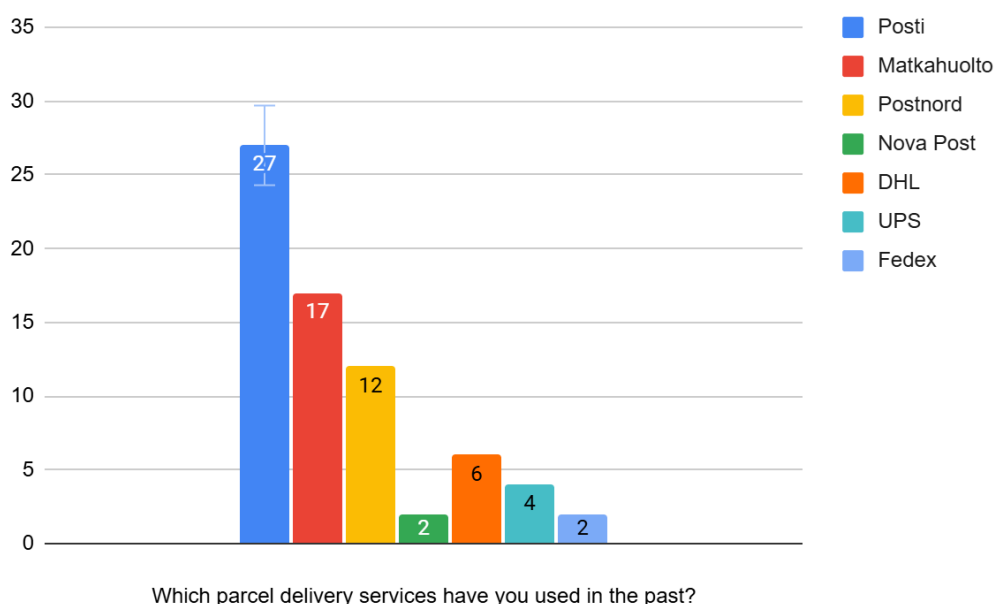


Figure 8. Which parcel delivery services have respondent used in the past.

According to the customer survey, the Finnish parcel delivery market places a strong emphasis on service quality and efficiency. The most valued aspect among respondents was delivery speed, with 93% (26 respondents) indicating that rapid delivery—ideally within 1–2 days—is a key deciding factor when choosing a service provider. Cost efficiency was also highlighted by a significant portion of respondents, with 75% (21 respondents) identifying affordable pricing as a critical consideration. In addition, robust tracking systems were noted as important by 43% (12 respondents), reflecting a strong customer expectation for real-time visibility and transparency in the delivery process.

Interestingly, 32% (9 respondents) emphasized the importance of having customer service available in the local language (Finnish). This suggests that, beyond operational performance, clear and culturally adapted communication plays a vital role in building trust and customer satisfaction, especially for foreign logistics providers entering the Finnish market.

In your opinion, what is important when choosing a specialized service?

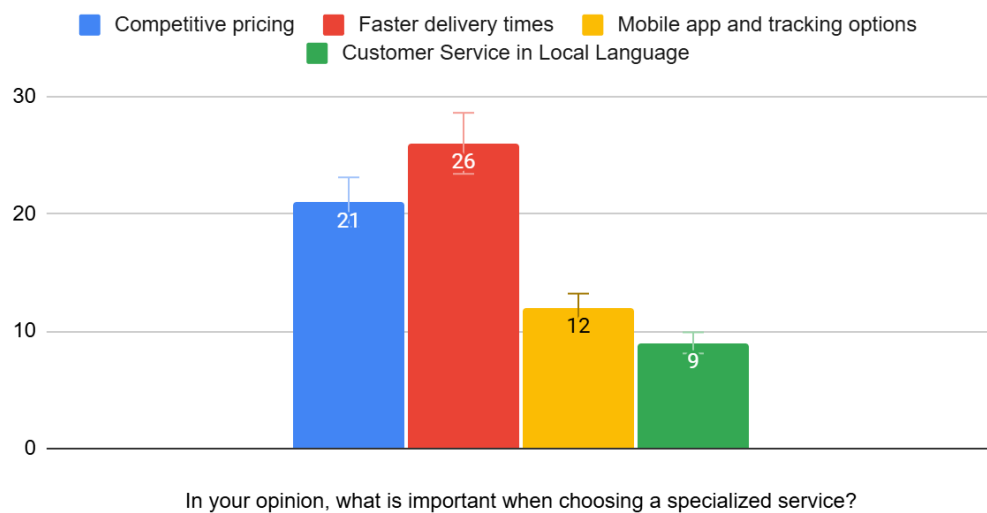


Figure 9. What is important when choosing a postal service.

Consumers have grown accustomed to advanced digital tools for tracking their parcels in real time, and any service that falls short in providing up-to-date information risks losing customer trust. Overall, Finnish consumers expect a seamless service experience that incorporates both technological sophistication and convenience (Personal communication with logistics expert, 2025).

The most frequently shipped items in Finland include personal goods (clothing, and gifts) and electronics while food items are less commonly sent.

What types of items do you typically send or receive?



Figure 10. Commonly Sent & Received Items.

The most frequently mentioned category is personal items (e.g., gifts, clothing), chosen by 93% of respondents (26 out of 28). This indicates that parcel services are largely used for personal exchanges, such as presents and small household items.

Second by frequency is Electronics: A less common than personal items category, with 46% of respondents (13 out of 28) stating that they frequently send or receive electronic items.

The least common category is Food Products, chosen by 29% of respondents (8 out of 28), suggesting that most people prefer other delivery methods for perishable goods. Documents hold a share of 11% (3 out of 28) and 4% (1 out of 28) other category (Figure 7).

These results highlight that non-essential consumer goods, such as personal items and electronics, dominate parcel shipments, while food are less frequently exchanged through postal services.

How satisfied are you with current parcel delivery services in Finland?

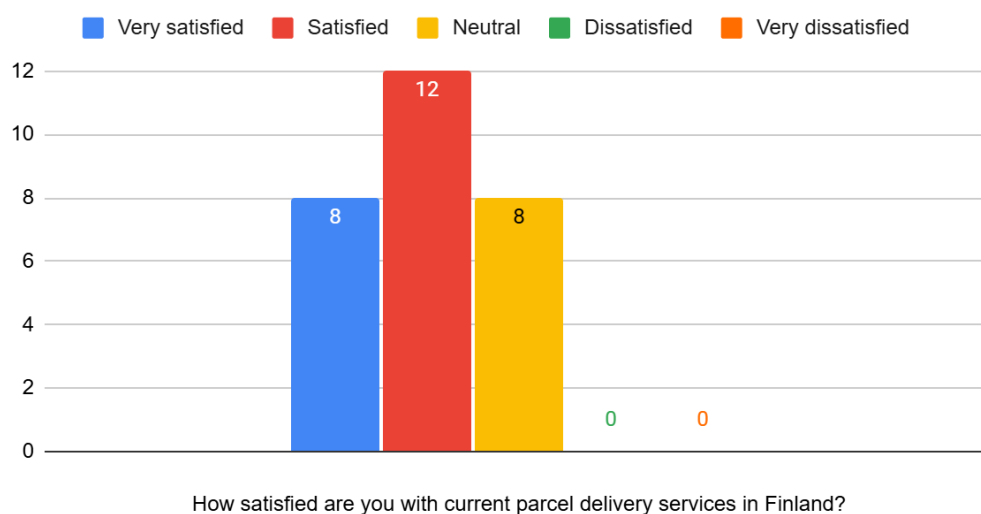


Figure 11. Customer satisfaction level with parcel delivery services.

The majority of respondents (43%) reported being satisfied with parcel delivery services in Finland, while 29% expressed neutral opinions, and another 29% indicated they were very satisfied (Figure 8). Notably, none of the respondents rated their experience as negative, which points to a generally favourable perception of the existing service providers. These results reflect a high level of operational maturity and customer service reliability within the Finnish logistics sector.

Although a substantial portion of customers fall into the "satisfied" category rather than "very satisfied," this may signal areas where services could still be enhanced, such as delivery speed, pricing transparency, customer service accessibility, or digital support features. Nevertheless, the absence of dissatisfaction suggests a strong foundation of trust and confidence in domestic delivery providers. For Nova Post, this sets a high benchmark and underscores the importance of matching or exceeding local standards to gain traction in such a competitive and quality-conscious market.

The following chart presents insights into delivery timeframe expectations with parcel delivery services in Finland. Based on the survey responses, delivery timeframe expectations for domestic parcels vary across different categories.

What delivery timeframe do you expect for domestic parcels?

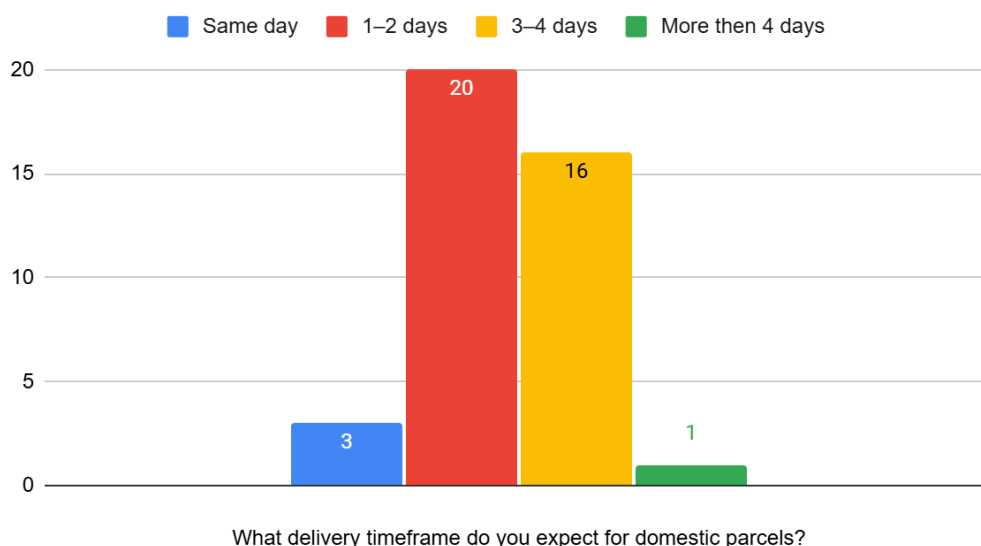


Figure 12. Delivery time expectation for domestic parcels.

Same-day delivery: Preferred by 10.7% (3 respondents), indicating a niche demand for ultra-fast services. 1-2 days is the most common expectation, chosen by 71% (20 respondents), demonstrating that speed is a priority for the majority. 3-4 days is elected by 57% (16 respondents), showing that many are comfortable with slightly slower delivery times. More than 4 days was chosen by 3.6% (1 respondent), suggesting that extended waiting times are generally not preferred.

Would you be willing to pay a premium for faster or more reliable delivery services?

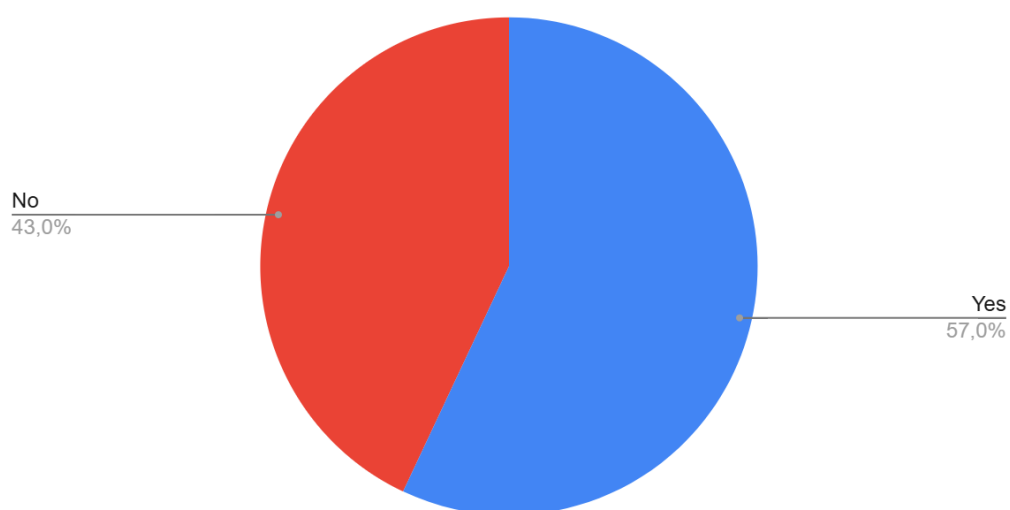


Figure 13. Customers willingness to pay a premium for faster or more reliable services.

This chart illustrates the willingness of respondents to pay extra for faster or more reliable delivery services. Based on responses, the results indicate that 57% would be willing to pay a premium, while 43% would not. The result suggests that while a majority value speed and reliability, a significant portion of customers still prioritize affordability. Understanding these preferences is crucial for logistics providers aiming to balance cost-effective solutions with enhanced service offerings.

Nova Post faces strong competition in Finland's postal and logistics market, where established providers dominate. Finnish consumers prioritize speed, affordability, and reliable tracking, creating opportunities for Nova Post to differentiate itself through enhanced service offerings.

Parcel shipments are primarily composed of personal items and electronics, while food and documents are exchanged less frequently. Most consumers expect swift delivery, though some accept slightly longer timeframes depending on cost and reliability.

While overall satisfaction with current services remains positive, the survey highlights areas for improvement, particularly in pricing and transparency. Nova Post can gain traction by focusing on competitive pricing, advanced tracking, and localized customer support, ensuring a service experience that aligns with Finnish expectations and market demands.

The significant increase in the Ukrainian diaspora in Finland, as highlighted by the Official Statistics of Finland, Nova Post has the opportunity to tap into a larger customer base. There is a growing demand for international and cross-border deliveries as more people order products directly to their homes, by passing traditional stores (Personal communication with logistics expert, 2025). Another side that growing Ukrainian community is likely to increase demand for cross-border shipping services. According to Danylova (2024), the number of Ukrainian businesses in Finland has grown from a few dozen in early 2022 to hundreds by 2024. Nova Post can cater to this demand by offering specialized services for sending parcels, documents, and goods between Finland, Europe and Ukraine.

Nova Post, being familiar with Ukrainian language and culture, can provide tailored services that resonate well with the diaspora. This cultural affinity can enhance customer loyalty and satisfaction. The increase in Ukrainian population may lead to the establishment of more Ukrainian businesses in Finland. Nova Post can explore partnerships with these businesses to offer integrated logistics solutions, further expanding its market presence. By engaging with the Ukrainian community through sponsorships, events, and community services, Nova Post can build a strong brand presence and foster trust within this growing demographic. According to the logistics expert (Personal communication, 2025), Finnish consumers expect companies to take responsibility for any mistakes. Admitting errors quickly and compensating customers when things go wrong can foster trust.

5.5 What Are the Customer Expectations in Finland?

In terms of behavior, less than half of the respondents use parcel delivery services occasionally (13 respondents and 46%), while the remaining participants use these services occasionally (39% and 11 respondents accordingly) and rarely (4 respondents and 14%). This frequency suggests a market that is actively engaged with parcel workflows—whether for personal or business purposes—and lays the foundation for understanding their service expectations and priorities (Figure 11).

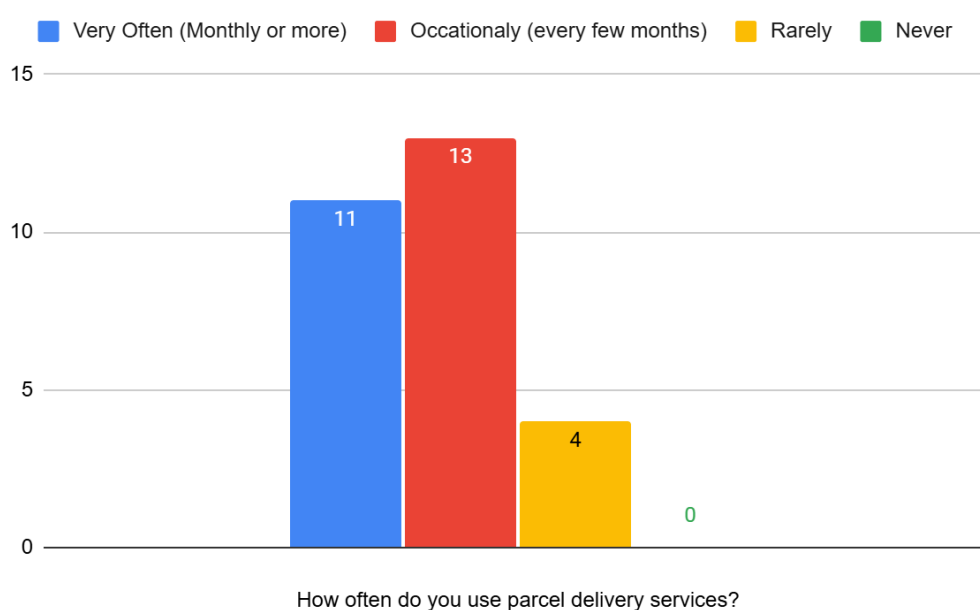


Figure 14. How often customers use parcel delivery services.

Finnish consumers today expect parcel delivery services that prioritize speed, affordability, and reliability. The survey reveals that a striking majority of respondents select speed of delivery and cost efficiency as the top factors when choosing a logistics provider. This indicates that any entrant must match—or exceed—the rapid, cost-competitive performance of established domestic companies. Moreover, digital capabilities are no longer optional since respondents value clear tracking features, reflecting a market that demands transparency and real-time updates.

One of the standout findings centers on delivery method preferences. According to the survey data, among the available options (home delivery, parcel lockers, and pick-up points), parcel lockers emerged as the favorite storage and distribution mechanism with 82% (23 respondents). In many cases, this high selection rate indicates a strong desire for flexibility, security, and convenience, which parcel lockers can offer by allowing self-service pickup at any time.

What delivery method do you prefer most?

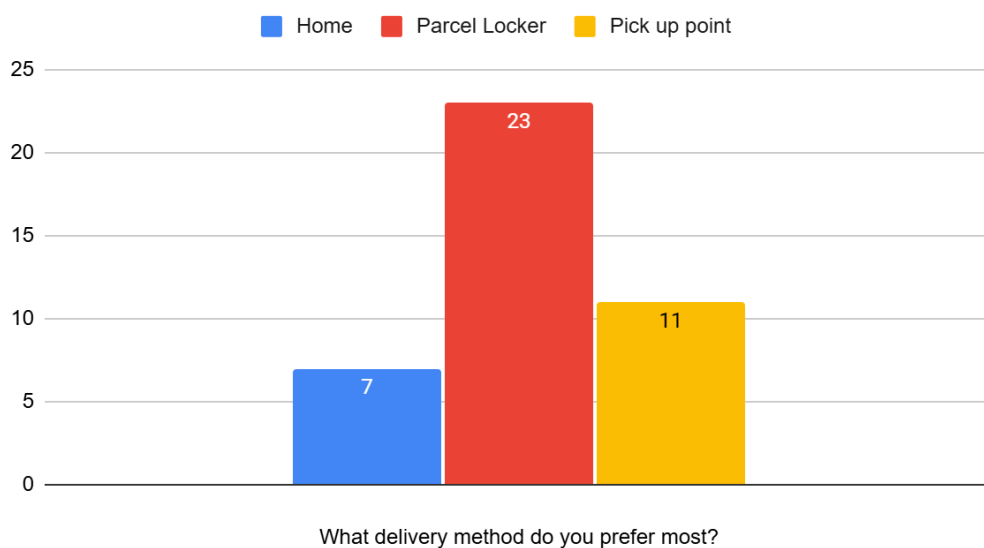


Figure 15. Preferred delivery methods in Finland.

Furthermore, while home delivery (25% and 7 respondents) and pick-up points (39% with 11 respondents) also received attention, the absolute preference for parcel lockers suggests that Finnish consumers appreciate the autonomy of not having to wait at home for a delivery or worry about timing at a pick-up location (Figure 12).

5.6 Finnish Consumers' Willingness to Consider a Ukrainian Logistics Provider

An intriguing element of the survey is the assessment of openness toward trying a new Eastern European provider—which in this case includes a potential offering from a company like Nova Post. The respondents' attitudes here are mixed. Roughly 36 % of the participants expressed outright willingness, while 14% share said they would decline. Notably, a significant majority (50 %) indicated that their decision would depend on the specific offer (Figure 13).

Would you consider trying a parcel delivery service from a new Eastern European provider (e.g., from Ukraine)?

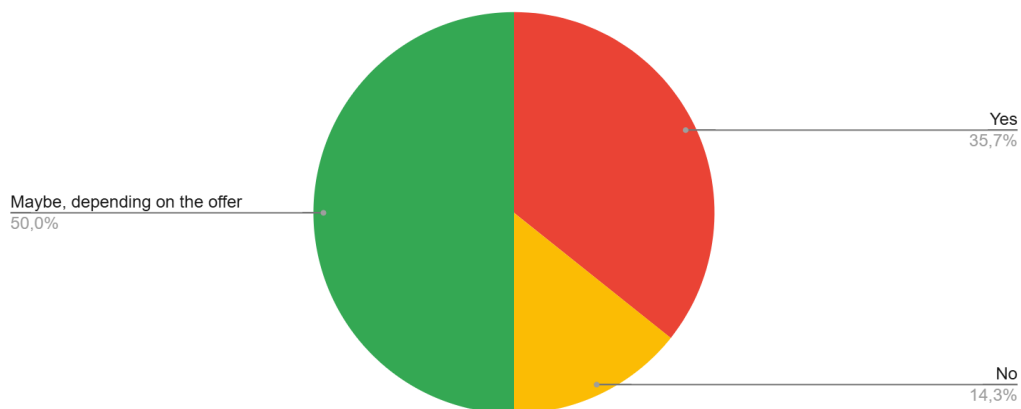


Figure 16. Consumers consider delivery service from a new Eastern European provider.

Trust remains a formidable challenge. The survey revealed that 39 % (11 respondents) of consumers continued to prefer Finnish companies—citing familiarity and local customer service as reasons, while 46 % (13 respondents) trust both domestic and foreign companies equally (Figure 14).

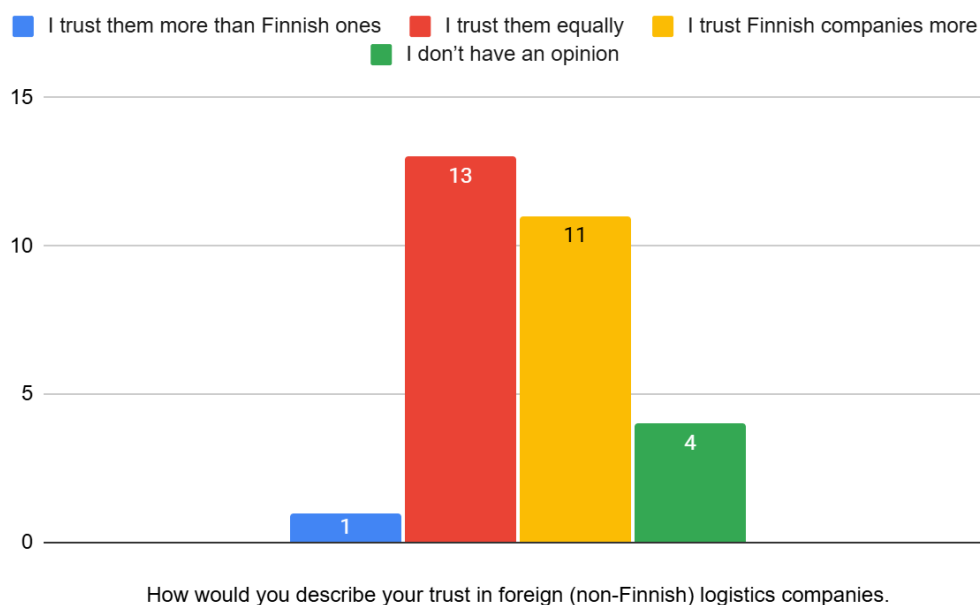


Figure 17. Finnish consumers trust in foreign (non-Finnish) logistics companies.

Moreover, in the interview expert observed that Finnish consumers generally do not have an inherent bias against foreign delivery companies. Since several foreign players already operate on the market and potential customers are already accustomed to the idea, which creates a window of opportunity for new entrants like Nova Post.

5.7 Strategic Considerations for Nova Post

Finland's customer base is spread over a wide geographical area, with about 5 million inhabitants dispersed between major urban centers and more remote regions. According to logistics expert (personal communication, 2025), reaching customers outside big cities can significantly affect profitability if not managed through a wisely constructed dispatch network. The Finnish logistics market, with established players Posti, Matkahuolto and Postnord competing to meet diverse customer needs, creating both challenges and opportunities for Nova Post. As a psychically distant market from Ukraine, Finland requires significant learning

for Nova Post to compete with brands like Matkahuolto, which transported 20 million parcels in 2024 (Matkahuolto, 2024). An initial low-commitment entry strategy, as suggested by the Uppsala Model, may limit Nova Post's market share, necessitating gradual knowledge-building to establish a foothold.

High entry costs pose a significant hurdle, encompassing expenses for setting up branches, hiring staff, and complying with EU and Finnish regulations. For instance, PESTEL analysis highlights environmental challenges, such as stricter emissions standards demanding eco-friendly vehicles, which increase operational costs for Nova Post. Political factors also present challenges. Finnish consumers, accustomed to familiar brands, may hesitate to adopt Nova Post's services, complicating efforts to build trust without strong brand recognition. However, according to survey results of this study, 36% of customers would consider trying a parcel delivery service from Ukraine, while 50% would try depending on the offer. While Nova Post's niche focus on the Ukrainian diaspora and those under Temporary Protection Directive (TPD) offers an initial advantage, scaling to the broader market remains challenging due to cultural and operational.

Cultural mismatches, as identified by Hofstede's Cultural Dimensions Theory, further complicate Nova Post's expansion. Finland's high individualism (score 63) reflects a cultural preference for independence and self-direction, not only among customers but also among employees. This means that staff expect autonomy in their roles, open communication with management, and opportunities for personal development. For Nova Post, adapting to this work culture may require adjustments in leadership style, training programs, and HR policies, particularly if the company's existing structure is more hierarchical. Failing to align with these expectations could impact employee retention and engagement, further complicating the localization process. Finland's moderate uncertainty avoidance (score 59) suggests that employees value structured

environments with clear roles, consistent processes, and minimal ambiguity in day-to-day operations. For Nova Post, this means aligning its internal workflows with local expectations—by providing comprehensive onboarding, transparent performance metrics, and reliable support systems. A lack of clear operational frameworks or shifting expectations could create stress and reduce productivity among Finnish employees, especially when transitioning from a less structured organizational culture. These cultural expectations necessitate tailored operational strategies to meet Finnish preferences for convenience and reliability.

Finland's well-developed logistics infrastructure, with robust roads and ports, supports efficient urban deliveries but poses challenges in serving sparsely populated rural and northern regions. Nova Post's limited network, compared to Posti's nationwide coverage with 14,764 employees in 2024, could increase delivery costs and reduce profitability in rural areas. Nova Post's smaller scale may also limit its ability to achieve economies of scale, making it harder to compete on price and reach in less dense areas. A recurring theme in the interview was the importance of language (personal communication, 2025). Finnish consumers expect clear, localized communication. Any misstep in language or cultural understanding can erode trust quickly. For a foreign company like Nova Post, integrating local language support and culturally tuned marketing becomes an essential prerequisite for engagement. Another operational hurdle is the challenge of establishing a comprehensive delivery infrastructure. Logistics expert (personal communication, 2025) underscored that building a complete network from scratch is impractical. Instead, forging alliances with local partners—players who already have strong operational footprints and cost-efficient networks—is critical.

Market entry strategies present additional challenges. Exporting, while low risk, offers limited control over local operations, potentially hindering service quality and customer satisfaction. A joint venture, partnering with Pakettipiste, could provide access to infrastructure but risks cultural and strategic misalignment. Direct investment, such as establishing

branches, entails high initial costs and regulatory hurdles, posing risks for Nova Post.

In summary, Nova Post faces significant market challenges in Finland, including intense competition, high entry costs, regulatory compliance, cultural mismatches, infrastructure disparities, customer adoption difficulties, sustainability expectations, and technological pressures. However, its advantage lies in serving the Ukrainian community, offering a niche for initial growth.

5.8 Entry strategy recommendation

Given these challenges, Nova Post advised to adopt a phased entry strategy to mitigate costs, build trust, and scale sustainably. The strategy is divided into three levels: niche entry via partnerships, infrastructure build-up, and scaling to domestic B2C. The Uppsala Model emphasizes gradual internationalization, starting with psychically close markets and building market knowledge. For Nova Post, Finland is psychically distant from Ukraine due to cultural and regulatory differences, but the significant and growing Ukrainian diaspora in Finland reduces this perceived distance. The presence of a familiar customer base provides a soft landing and valuable experiential knowledge, which aligns with the Uppsala Model's emphasis on learning through incremental commitment. Expanding too rapidly is a common pitfall. Finland's market, while lucrative, requires a phased approach. In the Interview, logistics expert advised a cautious approach: start with a limited geographical focus, deliver high-quality service, and build a strong reputation before scaling up operations across the country (personal communication with logistics expert, 2025).

Level 1: Entry via Partnerships

In line with the Uppsala Model, the company should begin with low-risk exporting to serve this familiar customer base, minimizing initial costs

while gradually building market knowledge and adapting to local conditions. Nova Post should start its entry into Finland by targeting a niche: cross-border e-commerce logistics between the EU and Ukraine, focusing on Finnish businesses engaged in trade with Ukraine and the significant Ukrainian diaspora living in Finland and Europe.

To address the steep costs of market entry and establish trust locally, Nova Post can pursue strategic partnerships with Pakettipiste as well as with local e-commerce platforms. A joint venture with Pakettipiste could provide access to an existing network of parcel points, helping share operational risks and deepen insights into the Finnish logistics ecosystem. By integrating its mobile app with Finnish online stores, Nova Post could offer seamless delivery options, tapping into these firms' extensive infrastructure without needing to build its own large-scale network from scratch. This collaboration would enable Nova Post to offer delivery services from both Europe and Ukraine directly to Finnish pick-up points, allowing it to begin operations with strong export capabilities from the outset.

To attract early customers, Nova Post can roll out digital marketing campaigns on social media, spotlighting its strengths—fast delivery powered by the Supernova airline, real-time tracking via its app, and sustainable practices like carbon-neutral shipping. These features are likely to resonate with the Ukrainian community in Finland, who already know and trust the brand, while also appealing to environmentally conscious Finnish consumers. Rather than positioning itself as a direct rival to local giants, Nova Post can frame itself as a complementary player, bringing additional volume to the market by serving Ukrainians globally and unlocking new demand. This approach leverages cultural alignment with the diaspora and positions Nova Post as a partner that enhances, rather than competes with, existing logistics networks, smoothing its entry into Finland's competitive landscape.

Level 2: Build Infrastructure and Workforce

Once market demand has been validated through initial partnerships and exports, Nova Post can consider gradual direct investment into local infrastructure, such as establishing its own parcel lockers and service points. This would allow the company to scale sustainably and enhance its competitive positioning alongside dominant players like Posti. According to survey results of this study, Finland's preference for OOH delivery, 82 % of consumers choosing parcel lockers, necessitates investment in locker networks to rival Posti's 2,200+ lockers. Gradual expansion of branches and lockers can enhance accessibility. Additionally, hire Ukrainian workers, given their familiarity with Nova Post's operations.

Level 3: Scale to Domestic B2C and Long-Term Growth

With a foothold established, Nova Post can scale into domestic B2C by competing on digital convenience speed and sustainability. Emphasizing faster delivery times abroad via Supernova and eco-friendly practices can challenge Posti's and Matkahuolto's dominance. Word-of-mouth from the Ukrainian community can help build trust among Finnish customers, gradually expanding market share. Investing in AI and automation will enhance efficiency and competitiveness. By starting by engaging Ukrainian diaspora, partnering locally with Pakettipiste, and scaling sustainably, Nova Post can navigate Finland's challenges and establish itself as a competitive player in the CEP market.

In summary, Nova Post's entry into Finland requires a strategic approach given the competitive landscape and high barriers. A proposed strategy broken down to 3 levels — beginning with niche cross-border EU-Ukraine export to Finland, then building infrastructure and sustainable practices, and scaling to domestic B2C—leverages its strengths while mitigating costs. Targeting the Ukrainian diaspora, Nova Post can secure initial traction and pave the way for long-term success in the Finnish market.

6 DISCUSSION AND CONCLUSION

This thesis explored Nova Post's potential expansion into Finland, focusing on market conditions, operational challenges, and strategic solutions. Research findings indicate that while Finland's logistics sector is highly competitive, the Ukrainian diaspora provides a strong initial customer base. Nova Post's technological strengths align well with Finnish customer expectations for reliability and transparency, but operational adjustments are necessary to meet service level expectations.

A gradual market entry strategy divided to several levels following the Uppsala Model — is recommended. Overall, successful market entry is feasible if Nova Post carefully adapts its services, operations, and partnerships to Finland's market dynamics.

6.1 Summary of key findings

The findings reveal that Finland presents both significant opportunities and notable challenges for Nova Post. The market conditions are characterized by a highly competitive logistics environment dominated by trusted local players Posti and Matkahuolto. However, the presence of a large and growing Ukrainian diaspora creates a valuable initial customer segment for Nova Post. Survey results and industry insights confirm that customers in Finland value reliable delivery, real-time tracking, fast service, competitive pricing, and flexible delivery options such as parcel lockers.

Operationally, the research highlights challenges related to Finland's dispersed population, high infrastructure standards, and cultural expectations. Finnish customers demand personalized services, clear and transparent communication, and high reliability, which increases operational complexity. Technological robustness, particularly in tracking systems, is seen as essential for meeting these expectations. Furthermore, reach-

ing rural areas cost-effectively and ensuring service quality outside major cities will require careful network planning and strong local partnerships. Moreover, compliance with strict environmental regulations and adapting to a service culture that values employee autonomy, customer responsibility is essential for long-term success.

Strategically, the findings support the applicability of the Uppsala Internationalization Model. A gradual entry strategy—starting with low-risk exporting to serve the Ukrainian community and its cross-border e-commerce demand, forming joint ventures with established Finnish logistics networks (e.g., Pakettipiste), and later moving toward direct investment—is identified as the most feasible path. Early operations should focus on building trust, offering high-quality localized service, and minimizing risk while gradually building market knowledge. Importantly, both survey respondents and the expert emphasized that slow, reputation-driven growth is more sustainable than rapid expansion, aligning with Finnish customer expectations and creating a solid foundation for Nova Post’s long-term presence in Finland.

6.2 Limitations of the Research

Although this thesis provides important insights into the market entry of a Ukrainian parcel delivery company into Finland, several limitations must be recognized. Firstly, the research was conducted during a period when Nova Post’s expansion into Finland was still relatively recent and limited in scale. This early stage of market entry restricted the availability of primary operational data, long-term customer feedback, and reliable performance metrics, which could have strengthened the analysis. The study instead relied on secondary sources, customers surveys, expert interview, and market reports. While these sources were carefully selected for relevance and credibility, they cannot fully substitute for data gathered from a fully operational business environment over time.

Secondly, the survey conducted had a limited sample size and it might not reflect the expectations and behaviors of the wider Finnish population that Nova Post may target in later stages of growth. Additionally, the voluntary nature of survey participation could have introduced self-selection bias, where only particularly interested or satisfied customers chose to respond, affecting the neutrality of the results.

Similarly, the political and economic conditions analyzed reflect the situation as of 2025; any sudden changes, such as shifts in EU regulations or economic downturns, could impact the validity of the findings over time.

Moreover, this study primarily adopted a strategic and operational viewpoint, leaving financial feasibility, detailed legal compliance. Future expansion efforts would benefit from a deeper, quantitative financial analysis and a full legal due diligence process to complement the strategic recommendations provided.

Finally, the research faced the inherent challenge of balancing academic objectives with practical business needs. While an independent academic approach allowed for critical analysis, the absence of a formal commission from Nova Post meant that company-specific confidential data, which could have provided deeper insights, was unavailable for use. Despite these limitations, thesis offers a strong foundation for understanding key dynamics in the Finnish logistics market and guiding future actions.

6.3 Suggestions for Future Research

This thesis has laid the foundation for understanding the market conditions, operational challenges, and strategic considerations related to Nova Post's entry into the Finnish logistics market. However, there remain several aspects that require further examination and analysis in future studies.

Firstly, future research could implement a full-scale primary data collection process, involving both a larger survey sample and in-depth interviews with industry experts, logistics partners, and potential business customers. Such data would allow for a more robust analysis of customer expectations, service quality requirements, and brand perceptions. A longitudinal study following Nova Post's progress after its market entry could also provide valuable insights into how initial strategies perform over time and what adjustments are necessary in practice.

Expanding the geographical scope beyond Finland to include other Nordic countries such as Sweden, Norway, and Denmark would offer a comparative perspective. Given that the Nordic region shares some economic and cultural similarities but also important differences, understanding these nuances could help refine Nova Post's broader internationalization strategy. Comparative studies could reveal whether the entry barriers, customer behaviour, and partnership opportunities identified in Finland are consistent across the Nordics or if country-specific approaches are needed.

Future research could focus more deeply on technological innovations and sustainability trends shaping the logistics industry. As customer expectations increasingly prioritize digital solutions (such as real-time tracking, mobile-first platforms), studying how Nova Post can align its operations with these demands would provide a strategic advantage.

Additionally, the human resource dimension of international expansion deserves more focused attention. Future studies could explore how cross-cultural management practices, employee training programs, and internal communications must adapt when entering a culturally different labour market such as Finland. This would be critical for ensuring high employee satisfaction, service quality, and operational reliability.

Finally, future researchers could investigate risk management strategies for Eastern European companies entering Nordic markets under uncertain geopolitical and economic conditions. Considering Nova Post's

Ukrainian origin, assessing resilience strategies in the face of political and market disruptions could provide highly relevant, real-world insights.

In conclusion, while this thesis provides a framework and strategic recommendations for market entry, the dynamic nature of the logistics industry, evolving customer preferences, and external environmental factors make continuous research essential for sustained success.

6.4 Conclusion

The objective of this research was to find answers to the research's head questions: "What are the market conditions and customer expectations in Finland?", "What operational and strategic challenges can be faced during the expansion?" and "How can the company address these challenges to ensure successful market entry?"

Through the literature review, market analysis, and primary data collection preparations, this study aimed to explore the aspects of the complexities of the Finnish logistics market from both a customer and operational perspective. The findings highlighted that Finland offers a highly competitive and attractive logistics environment. Customer expectations in Finland are shaped by a cultural preference for reliability, speed, transparency, and shipping costs related factors which any entrant must address to achieve credibility and adoption.

Regarding operational and strategic challenges, the study revealed several critical hurdles for Nova Post's market entry. High initial costs, competition with established players, and infrastructure disparities between urban and rural areas emerged as major barriers. Furthermore, cultural factors affect both customer behaviour and employee management practices, increasing the complexity of service adaptation and operations.

To address these challenges, the research proposed a phased market entry strategy aligned with the Uppsala Internationalization Model. Beginning with low-risk exporting aimed at the Ukrainian diaspora, progressing through strategic partnerships or joint ventures with Finnish companies and by engaging growing Ukrainian businesses, and finally moving towards direct investment as market experience grows, provides a practical, stepwise path for Nova Post. Moreover, focusing on personalized, reliable, and sustainable services, leveraging brand trust within the Ukrainian community, and investing in local partnerships are key recommendations to ensure a successful and sustainable entry into the Finnish market.

The thesis answered the main questions comprehensively by combining theoretical insights, strategic frameworks, and practical market considerations, offering Nova Post a structured path for its Finnish expansion efforts.

Writing this thesis was both an instructive and rewarding experience. It allowed me to explore the parcel delivery and logistics sector more deeply, particularly in the context of internationalization strategies — an area closely connected to my professional interests and career aspirations. Although Nova Post did not commission this thesis, the project provided a real-world opportunity to develop market research that responds to an existing business need: the expansion of Ukrainian logistics services into Finnish market.

The writing process, which spanned approximately 3,5 months, enabled a thorough and focused approach to both the theoretical framework and the empirical research design. The chosen topic — the adaptation of Nova Post's parcel delivery services for the Finnish market — proved to be highly relevant in today's geopolitical and economic context, where Ukrainian businesses are increasingly looking for ways to internationalize.

During the process, important considerations emerged. For instance, would the results have differed if Nova Post had directly supervised or commissioned the thesis? Would deeper access to Nova Post's internal data or collaboration with Finnish logistics operators have revealed additional insights or nuances in the operational challenges identified? Since the company served only as a case study and was not formally involved in the research, the findings represent an independent and academically grounded perspective.

Efforts were made throughout the thesis to ensure validity and reliability. Fresh, peer-reviewed, and industry-relevant sources were used to support the theoretical analysis. Data collection instruments, such as the survey and expert interview, were carefully designed to capture the key issues of market conditions, operational challenges, and strategies for successful market entry. If the research were repeated with a similar design, the results would likely be consistent, thus supporting the study's reliability.

Had Nova Post been more directly involved in guiding the research, alternative perspectives might have surfaced, especially concerning internal strategic priorities and proprietary market intelligence. Nonetheless, this independent approach enabled me to maintain transparency, objectivity, and critical reflection — essential elements of good scientific practice.

Overall, the thesis not only deepened my understanding of cross-border logistics challenges but also strengthened practical skills in market analysis, research methodology, and strategic planning, which will be valuable assets in future career development.

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APPENDICES

APPENDIX 1: Interview Questions for Industry Experts

Interview Questions for Logistics Expert

Thank you for agreeing to participate in this interview. This conversation is part of a Master's thesis research project titled "From Ukraine to Nordics: Parcel Delivery Service Enters Finland". The goal of this study is to explore how parcel delivery company from Eastern Europe, such as Ukraine, can effectively scale their operations and adapt to the Finnish market. I am especially interested in understanding the market conditions, customer expectations, and the operational and strategic challenges companies face when entering Finland. Your insights as an industry expert are highly valuable and will contribute significantly to the depth and practical relevance of the study. The interview will take approximately 20–30 minutes and your responses will be treated with full confidentiality.

Section 1: Market Conditions and Customer Expectations

1. How would you describe the current state of the parcel delivery market in Finland?
2. What trends have you observed in Finnish customer behavior regarding parcel deliveries?
3. What are the most valued aspects of delivery services for Finnish customers (e.g., speed, price, convenience)?
4. Do you see a growing demand for international or cross-border parcel services in Finland?
5. How do Finnish consumers generally perceive foreign delivery companies entering the market?

Section 2: Operational and Strategic Challenges

6. What operational challenges are most common when scaling or entering the Finnish logistics market?

7. What kind of local partnerships or infrastructure are crucial for successful delivery operations in Finland?
8. How important is technology (e.g., tracking systems, automation, mobile apps) for gaining competitive advantage in Finland?
9. Can you describe some logistical differences between Finland and Eastern European markets / other markets that companies should be aware of?
10. What role does sustainability play in the strategic planning of parcel delivery companies in the Nordic region?

Section 3: Addressing Challenges for Market Entry

11. What are the most common mistakes or missteps new companies make when entering the Finnish logistics market?
12. What do you think is the best way for a foreign parcel delivery company to build trust with Finnish customers?
13. Are there any regulatory or bureaucratic hurdles specific to the parcel delivery industry in Finland?
14. How important is cultural adaptation for foreign companies entering the Finnish market?
15. What advice would you give to a company from Eastern Europe (e.g., Ukraine) planning to scale into Finland?

APPENDIX 2: Questionnaire for Consumers

Customer Insights on Parcel Delivery Services in **Finland**

Thank you for participating in this survey! Your feedback is essential for my research, which focuses on understanding the challenges and opportunities in parcel delivery services expanding to Finland. This survey will take approximately 5 minutes to complete. Your responses are anonymous and will be used solely for research purposes as part of my thesis.

Section 1: Your Experience with Parcel Deliveries

Goal: Understand how you use delivery services and what matters most to you.

What is your age group?

Under 18

18-24

25-34

35-44

45-54

55-64

What is your gender?

Male

Female

Prefer not to say

Other

What is your current role?

Logistics professional

E-commerce business owner/manager

End-customer (individual)

Other:

How often do you use parcel delivery services?

Very often (monthly or more)

Occasionally (every few months)

Rarely (once or twice a year)

Never

Which parcel delivery services have you used in the past?

Posti

Matkahuolto

PostNord

Nova Post

DHL

UPS

FedEx

Other:

What delivery method do you prefer most?

Home delivery

Parcel locker

Pick-up point

What types of items do you typically send or receive?

Personal items (e.g., gifts, clothing)

Documents

Food products

Electronics

Other (please specify)

Other:

What is the most important factor when choosing a parcel delivery service?

Speed of delivery

Cost

Reliability

Tracking capabilities

Customer service

Eco-friendly delivery

Other:

How satisfied are you with current parcel delivery services in Finland?

Very satisfied

Satisfied

Neutral

Dissatisfied

Very dissatisfied

Section 2: What You Expect from a Delivery Service

Goal: Find out what kind of deliveries you value and how to serve you better.

What delivery timeframe do you expect for domestic parcels? *

Same day

1–2 days

3–4 days

More than 4 days

In your opinion, what is important when choosing a specialized service?

Competitive pricing

Faster delivery times

Improved reliability

Better customer support

Enhanced tracking features

Customer service in local language

Mobile app and tracking options

Other:

How would you describe your trust in foreign (non-Finnish) logistics companies?

I trust them more than Finnish ones

I trust them equally

I trust Finnish companies more

I don't have an opinion

Other:

What challenges have you faced when using parcel delivery services?

High costs

Delays in delivery

Poor tracking information

Damaged or lost packages

Limited customer support

Other:

Section 3: Trying New Delivery Options

Objective: To find out if a new delivery company from Eastern Europe could meet your expectations.

Would you consider trying a parcel delivery service from a new Eastern European provider (e.g., from Ukraine)?

Yes

No

Maybe, depending on the offer

What factors would increase your willingness to try a new, foreign parcel delivery company?

Competitive pricing

Faster delivery

Better customer service

Clear communication and tracking

Recommendations or positive reviews

Local partnerships

Sustainability initiatives

What kind of cultural or communication practices would you expect from a logistics service provider in Finland?

In your opinion, what are the biggest obstacles a foreign parcel delivery company might face when entering the Finnish market?

Would you be willing to pay a premium for faster or more reliable delivery services? *

Yes

No

Other:

Do you have any additional comments or suggestions regarding parcel delivery services in Finland?