

# **Starting a Chinese Sauce Company in Helsinki**

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<p>Abstract</p> <p>The thesis is about starting-up a Chinese sauce company in Helsinki. The introduction is about the history of Laoganma company and the missions of a branch company in Helsinki, as well as the aims of the project.</p> <p>The part about market research includes the current situation of Finnish sauce market and a SWOT analysis for a Finnish market entrance. Also, a successful case reflects the developed way for the company. Then, the price and location are defined in the thesis.</p> <p>Sales strategies are also the important part of the business process. In this report, a suitable sales strategy will be defined. Customer-centered marketing is the key issue which should be taken into consideration and put in the first place. Online marketing can also improve the amount of selling and will be growing very fast in the next few years due to the development of the Internet and logistics. A specific sale model should also be defined but not all successful models can be used directly. Customer service is mainly used for fast and timely access to customer information and problems so that customers can be targeted efficiently for the enterprise to solve the problem, and improve customer satisfaction.</p>			
Keywords Market research, sale and marketing strategies, customers			

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## 1 INTRODUCTION

The thesis will assume to build a branch sauce company in Helsinki which sells a famous Chinese sauce products. The whole thesis includes the structure and functions of a company, market research and analysis, business and operating strategy, questionnaire and its analysis and future development, for ensuring the survival of the Chinese branch sauce company in Helsinki with a state of sustainable development.

### 1.1 Laoganma

Lao Gan Ma (Chinese: 老干妈; also called Laoganma) or Old Godmother is a brand of chili sauces that are made in China. The sauce is produced by Laoganma Special Flavour Foodstuffs Company, which was established in 1997. Development of the sauce began in August 1996 by Tao Huabi (陶华碧), who employed 40 people at that time in a workshop environment. 1.3 million bottles of the sauce are produced daily. The product is sold in China and in over 30 countries. Tao Huabi is the owner of the company, and her son Li Guishan became the first president of the company. Women of China magazine reported in January 2011 that the company's assets were 1.3 billion yuan (The US \$190 million) and that the company had 2,000 employees at that time.

[1]



FIGURE 1. Different Laoganma sauce [2]

Tao Huabi's story began in a remote village in Guizhou Province. She was born in a low-income family, she never got the opportunity to go to school. Tao married at the age of 20 but when her husband died of illness a few years later, she was left to raise their two young children on her own. Illiterate, and without any specific work skills, Tao Huabi became a street vendor to ensure that she could provide for her young family. She worked tirelessly and would regularly make the journey to get ingredients on foot, trekking 5km to the store and carrying the goods home on her back.

It was in 1989 that Tao opened a noodle stand, and here she served generous portions of tossed noodle salads with her special home-made chili sauce. Her stall began to develop a wide following, with customers unable to get enough of her delicious chili sauce. Often, they would come just to purchase bags of the sauce to take home. Truck drivers dining at her stall helped to spread her fame far and wide, and soon customers were driving across town, out to her store just to buy her chili sauce. [3]

## 1.2 Company Objective

The final target of the company is maintaining the stable and potential growth in the field of market share and financial rate. These specifics can be subdivided into four tips:

- 1: To build the first class sauce company in Finland.

- 2: To meet more needs and desires of Chinese sauce for Finnish people rapidly.
- 3: To impart a certain number of job opportunities, for releasing some job pressures from regional people.
- 4: To order the best Chinese feasts and food services, for pushing and exchanging the different cultures and etiquettes from two far-distance countries.

### 1.3 Company Missions

The company mission is to ensure every customer receives professional, high-quality products and services. Meanwhile, the company will follow Finnish regulation of Finnish food safety strictly, for providing active and transparent production and management process. For a high social responsibility of the company, 5% of the sales profit would be donated to the local education, charity and other places which need necessary supporting.

### 1.4 Key to Success

It is necessary to establishing a deep impression sauce brand, with a simple and recognizable logo and signs. Through the frequent use of advertisements, customers are more and more familiar with the company. The location should be close to the transportation centre which includes harbor, railway, highway, and airport, for economizing cost as much as possible. Exact marketing research and strategies should be defined for higher profit. Another important part is having efficient production management and detection. Customer relationship and services should also be taken into consideration. Finally the authors should get good feedback for an amazing taste.

## 2 MARKET RESEARCH AND ANALYSIS

### 2.1 Market Overview

Finnish sauce market includes a great many sauce products, both western and eastern sauces, which are available in almost every supermarket, local food wholesale market and so on.

Because of geographic distance from Asia to Finland, western sauce products, which occupy the main share of the sauce market, are classified as rich brands. Therefore, eastern sauce brands and their classification are relatively less. The main Asian brands are from Japan, South Korea, and Thailand. So there are barely any brands which come from China. Also, there are only a few Asian markets in each town in Finland, especially if the town is small and medium scale or closer to the northern areas. That means the demands of Asian sauces are gradually reducing when going from Southern areas to Northern areas.

It is worth mentioning that the biggest Asian sauce and food wholesale market, which name is DFH MARKET and located in Helsinki. There is a brief picture story about it on its official website below:

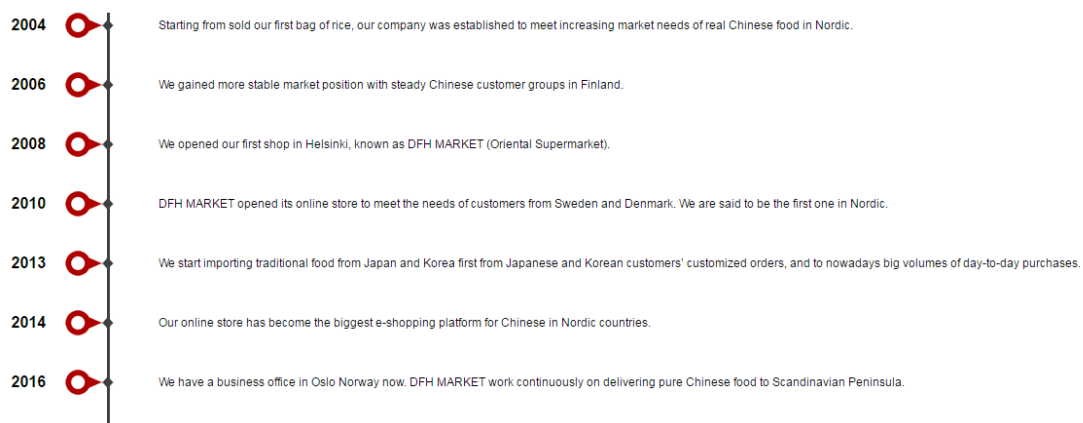


FIGURE 2: Brief stories of DFH market [4]

The Asian sauces in Finnish market are relatively sufficient. There are the products from the mainland of China, Hong Kong, Macao, Taiwan, Korea, Japan, Thailand, Vietnam, Singapore, India, and other countries.

The detailed sauce classification:

- Chinese and Japanese soy sauce, vinegar and a variety of sauce
- Chinese sesame oil, pepper oil, chili oil, chop sauce, pickles, fermented bean curd, hot pot seasoning and compound seasoning powder
- Japanese miso, sushi sauce, and salted vegetables
- Korean kimchi, chili jam
- Thai sweet and sour sauce, fish sauce, chili sauce
- Singapore sauces paste and liquid
- India's various spices powder, curry powder, and sauce

The authors also visited some Chinese restaurants in Helsinki and Kuopio, for investigating purchase channels and main products of daily sauces. Comparing authors' expectation for the scale and food quality of these restaurants, it is no doubt to assess that the restaurants are really good enough for meeting requirements of major of Chinese customers. On the one hand, the owners are all Chinese so that the typical and traditional Chinese cooking techniques can be reserved here. The Chinese sauces here are relatively rich and basically cooking requirements can be fulfilled. However, some owners reflected that the optional brand in each sauce is not very sufficient such as soy sauce, vinegar, and jam. They are all in a similar purchase model, for a great many demands of sauces will be sent by dealer regularly, or fetching low quantity by themselves. Nevertheless, a completed logistics connection is necessary to be built, for providing sauce more flexibly and easily.

After primary research of Finnish sauce market in Kuopio and Helsinki. The conclusive tips which are necessary for the company doing market analysis are described in the following part.

The majority of regional sauces in Finland are composite and easy to use sauces, even there is no problem for cooking tyro. Additionally, Finnish diet is simple and healthy so that less specific sauces can be developed if the reader is comparing with the country



focusing on different types of eating such as China. Accordingly, consumers of Finnish sauces only need to mix spices and food, for frying, steaming, baking and so on.

Due to the different dietary culture, the geographical division for sauce using is very obvious. The Nordic market is still mainly about western and eastern sauces from China, Japan, Korea, Thailand, Singapore and India which occupy the majority of the sauce market share. According to the racial diversity and different food culture from Southern areas to Northern areas, the demand of various and specific sauces is increasing gradually.

The existing Asian markets only have relatively sufficient sauces for meeting the basic requirement from local people and restaurants so that it cannot be ignored for lacking varieties and backward supply chain in logistics.

It is worth to mention that Finnish sauce label design is more eye-catching, simple and clear than with many Chinese sauces. Pictographic graphics, which include raw materials and usages, can be observed through these patterns easily. Therefore, one would not buy something wrong because of this humane design.

Packages of Finnish sauces are exquisite and the materials of them are light, especially glass bottles have a nice feeling of handing. Also, the most notable feature is user friendliness, such as powder packaging can be directly sprayed and some paste sauce can be directly squeezed.

## 2.2 SWOT Analysis

SWOT analysis (alternatively SWOT matrix) is an acronym for strengths, weaknesses, opportunities, and threats and is a structured planning method that evaluates those four elements of an organization, project or business venture. A SWOT analysis can be carried out for a company, product, place, industry, or person. [5]

### 2.2.1 Strengths

Laoganma sauce series are very popular among customers in China. Not only for its amazing and special taste, but also Laoganma is a typical representation of Chinese

sauce so that Laoganma sauce become a huge Chinese brand. In other words, Laoganma is one of the best sauces for Finnish people to know about Chinese feast and culture.

Laoganma annual global sales growth rate is more than 20% and 6 billion yuan sales scales so that it would be a huge advantage for raw material negotiations. This is also a great support to the branch sauce company in Helsinki, for the real scale and future expectations. So Laoganma has certain advantages in the raw material supply, quality, price and other relative aspects. [6]

In the early time, Laoganma was operating by "hunger marketing" strategy mode. The principle is whether a dealer or a customer, the more things they cannot get, the more they want. The demand would be expanded in this growing tendency below this strategy. As a result, Laoganma expands the market size for improving sales, as well as building the brand loyalty from customers and dealers in the Chinese market. Also, Laoganma sauce can barely be observed in the Finnish market, so it is a great opportunity to extend the Finnish market.

### 2.2.2 Weaknesses

Although the taste of Laoganma is quite familiar and popular with Chinese, some specific raw materials within sauce are produced in China, as well as they may difficult be accepted by Finns. So extensive advertisement would meet some barriers and it also would be a challenge for extending the Finnish market.

Because of some raw materials can be only transported from China, the cost of transportation should be expensive for to Helsinki. Meanwhile, alternatives to these raw materials such as chili and soy are not easy to find in other close places, for different soil, climate, the term of sunshine time and so on. Even some of them require the certain time for delivering time to manufacturing factory, for keeping the typical and original taste.

The marketing strategy of Chinese Laoganma is poor. The factors that affect consumers to choose goods, are not only the price and quality but also the characteristic of publicity, consumer direction guidance, the establishment of the brand

and so on. Therefore, the access for opening to the Finnish market seems hard, especially in a huge different cultural environment.

The brand value of Laoganma is low. Like people feel dynamic, young and happy when they drink Pepsi, there is a large space in Laoganma's brand value, needing for more innovations and attraction. For the Finnish market, development of Laoganma will be limited compared with high-value-added brand companies.

Typically, Laoganma sauce is packaged in a glass bottle and only Chinese explanation on the label. For Finns, it is difficult to understand what exactly it is and how it is used. Of course, the bottle is inconvenient compared to some Finnish sauces which are packaged with more humane designs.

### 2.2.3 Opportunities

The varieties of Laoganma sauce in Finland are not as many as in Chinese areas. Some Chinese students and restaurants in Finland expect more sauces which include Laoganma sauce. Therefore, a branch sauce company would replenish the blank in the Finnish sauce market.

Advertising by Chinese restaurants is a perfect way for extending the Finnish market. Nowadays, many Chinese restaurants are appearing in Finland, and it would be a great commercial opportunity for Finns to know Laoganma when visiting the restaurants. To some extent, Laoganma sauce is a frequently used material for cooking Chinese food in restaurants so that it also would be a free advertisement for Laoganma.

China's current economic policy supports the export of Laoganma sauces. Furthermore, Chinese companies settling abroad means more Chinese recruitments are settling abroad. This will increase demand, as well as spread the Chinese food culture, to a certain extent, changing the local people's eating habits for more and more sauce demanding.

### 2.2.4 Threats

Due to a variety of products of Laoganma sauce it mainly relies on traditional manufacturing process which is easy to be imitated. Therefore, Laoganma will take a

high risk as long as innovations are published. Wherever the market is, Laoganma should invest more energy and money to carry out the process of confidentiality and counterfeiting rights.

Finland focuses on food quality and safety so much and every Nordic food companies follow this rule as the primary premise of enterprise development. If Laoganma wants to access the Finnish market, the whole process, which includes the selection of raw materials, production process safety control and so on, should follow Finnish law strictly. It would be a challenge for a new Chinese sauce company establishment.

High-pressure competitions with other similar sauce manufacturers cannot be avoided if Laoganma needs to take up market share in Finland. After a short interview, Finns are more familiar with Japanese and Korean sauces which include the similar production with Laoganma sauce.

### 2.3 Successful Case

Meira Oy manufactures coffees and aromatics products at its own production facility in Helsinki, Vallila, both for retail and food services. Meira is part of the Italian Massimo Zanetti Beverage Group. Meira Ltd has subsidiaries in Estonia Meira Eesti OÜ and in Denmark Segafredo Zanetti Danmark ApS. Meira Oy's net sales in 2016 were EUR 82.6 million. The company has 169 employees now. Meira's spice factory started operations in 1915. Meira's range of seasoning products includes a full range of spices, biscuits, almonds, nuts, mints, cans, salad and spicy sauces, preservatives, and salt. Meira Spices are developed, manufactured and packaged in Finland. Meira is the market leader in spices in Finland. The success of the Meira spices is based on a wide selection, pure taste, and low nutrition. Meira's raw materials for spice products will come from reliable, long-term trading partners, including Indonesia, India, South Africa, the United States, Central and South America, Vietnam and the Mediterranean.[7]

After consulting the official website of Meira, the authors were attracted by the very stylish and local design in each link. Each food and sauce correspond to suitable background colour and pattern. Also there are lots of interesting sauce collocation for the popular food and guidance for a healthy diet. The diet has its specific area on the website, for teaching one to cook traditional food and pick the accurate sauce for it.

The user can search these food columns by typing the keyword, such as Christmas. Then there is sufficiently Christmas food items which are listed with pictures.

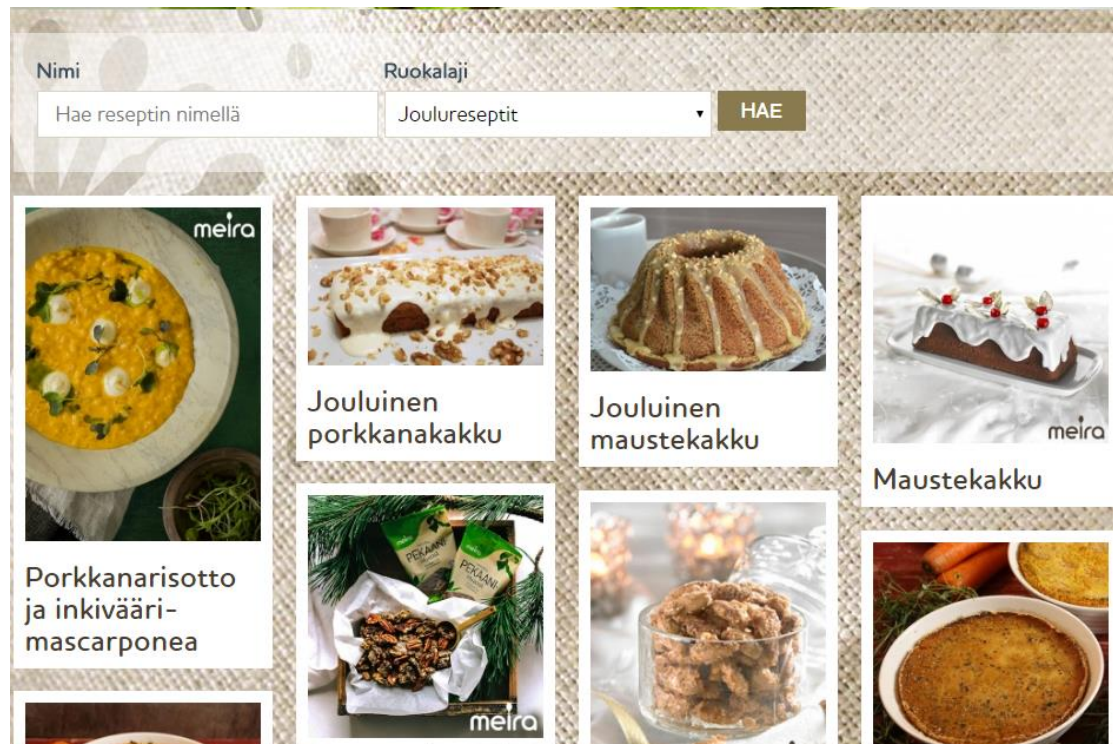


FIGURE 3. Featured searching webpage of Meira [8]

Company blogs and the other newest food recommendations are classified clearly as coffee, sauce, bread, and other production of Meira. Therefore, Meira's website seems not only a profitable company, but an exquisite food channel for Finns' normal life. It can be described as top after sales services for customers. As well as the Facebook group of Meira focuses on how to guide customers to cook by videos.

Furthermore, as a world-class sauce company, Meira responds to its social responsibility. Meira's main donation channel is concentrated in charitable institutions in development countries. The foundation is a non-profit organization to support the healthcare and education of children suffering from the world's emergency. [9]

To compare with Meira, Laoganma Sauce Company should achieve these goals step by step, for enhancing the competitive strengths in the Finnish market:

- 1: To provide high-quality products and services for customers.
- 2: To keep the profitable ability instantly.
- 3: To manage the safety of production.

- 4: To cooperate the long-term suppliers, for making sure the quality and safety of materials.
- 5: To focus on actual material utilization and improve the energy efficiency.
- 6: To respond to its social responsibilities.

## 2.4 COMPETITION

### 2.4.1 Price

Majority of Finnish spicy sauces, which are similar to Laoganma sauces, cost around 4 euros. Some raw materials of Laoganma sauces would come from China so that the cost is lower than the local jam. Also, the authors' company would have a specific channel, for both online and offline sales. Therefore, it must be cheaper than any supermarket or Asian wholesaler. Each bottle of Laoganma sauce in China is around 1.5 euros, so the total price in Finland is better to be around 2.5 euros which include commodity tax, transportation fee and so on.

### 2.4.2 Location

Because the most of the raw materials should be delivered from China, the location should be near the port, for shipment which is the most economic transportation for food delivering. The port of Helsinki is the biggest port of Finland. Therefore, the location of the company should be around Olympiaranta 3.

### 3 SALES STRATEGY AND CUSTOMERS

#### 3.1 Sales Strategy

Marketing and sales strategies are always the basis for the survival and development of small and medium-sized enterprises. Sales strategy is the concept and mode of thinking the methods when manufacturing. It is normally defined by a company's administration and also the management level. Sales strategies are different from industry to industry but whatever the companies sell, the managers have to define the target market and also the customers.

With the rapid development of the national economy, most of the countries have risen from the shortage of the economy; the demand level is gradually improving, it is difficult for those small and medium enterprises to survive if they don't have any special products. So it must be based on their own characteristics and understand their comparative advantage, in order to develop an appropriate marketing strategy. According to the current situation of the survival and development of small and medium enterprises, analyse several feasible marketing strategies must be analysed, so as to make the small and medium-sized enterprises occupy the market share and win customers.

There is no doubt that small and medium-sized enterprises should also set their own brand. But the brand influences are quite weak; some small companies even thought that brand should only be set by those big companies. They only need customers and a small part of the market. Actually, it will lose the stability if there is no support from the brand. In authors' company, they should know that brand is the most important thing if the company want to be sustainable developing. There are several methods to solve these problems. [10]

##### 3.1.1 Company and Its Strategies

Most of the new companies have low capacity or investment. Sometimes that money can only afford the machines or may start a small production line. They don't have enough or extra investment to establish the brand. In this case, it should solve the most



important problem at first. After that, companies can get more opportunities to develop. It's always better if we set a better basis before we make our companies stronger. The brand is a long way for the company and will cost a lot, not only the investment but also time.

However, it doesn't suit for all companies. For instance, in IT, car industries, digital and other high-tech industries, the rules of their competition is the brand. Sometimes no brand mean no customers. But for authors' food industry, the most important should be the customers' experiences. It means that authors can have the market and lots of customers only if the authors have good products. In that case, authors' brand can be established by the invisible thing; the reputation forms the customers.

### 3.1.2 Customer-Centered Marketing

Customers can choose whatever they want from thousands of products. There is no company that can make sure they can always catch the desires of those customers. So more and more enterprises have to change their marketing strategy, from the product centred to customer centred. With the developing of the society, the income and purchasing ability has changed. In this change, companies should got this idea, marketing based on this idea. They should be customer-oriented, and always meet the needs of customers. It is another important topic of marketing activities. [11]

### 3.1.3 Online Sales Strategy

Enterprises can choose suitable web address to establish their own website. After the establishment, there should be someone responsible for the maintenance of the website. It should be paid attention to publicity, which can reduce the cost of the traditional marketing a lot. The extensive use of search engines will enhance the search rate, to a certain extent for the business which is better than the advertising. Online sales nowadays have become the most convenient way of shopping; people can stay at home and choose whatever they want from the online store, they can save time and energy without going to the market. Online sales is also a good way for those companies that don't have enough funds to open real stores, for instance, in the city centre. Online shopping is also the most popular way for young people, at the same

time more and more elders are also trying to use it. Most of the big brands also pay a lot of attention to the online sales.

For a new company, there are many different ways for them to increase the online sales, "There are three ways to grow sales - online and offline both. Only three." said Peep Laja, the founder of CXL. In his opinion, the three ways are [12]:

1. Increase customer groups. As the best known are those who have come to buy or may come to buy your products or services of the groups or individuals that can be regarded as customers.

2. Increase the average order size. In most of the cases, companies will not get very big orders if the customer is the first time doing business with them. If you want to increase the number of customers, you can't not only stand from the company's side, so that customers will think you just interested your own profit. Instead of that, you should stand from the customers' point of view. The authors can lower the cost if we got demand big enough, so the other individual sellers can get more profit margins. If customers need any support, they can always tell us. The feeling of customer's experience and acceptance will be much better.

3. Increase the number of repeat purchases. To provide customers with good products and services. When customers are buying the products they always have a certain expectation. Customers will be more satisfied if they think it is worth for the money. Describing the product truthfully is good for further advertising. Good relationships with customers, and at the same time customer care is also very important. This customer care is one-on-one care that means, the sellers choose the most appropriate time for the specific customer to make the most appropriate product recommendations. For regular customers, the authors needs to choose suitable ways of advertising. Some customers never receive any mail, if we are only sending mail to them, we will lose them. In a word, the repeated purchase should be made easier.

### 3.2 Online Sales Mode in Finland

The Internet is a particularly effective carrier; it can help customers achieve multi-channel purchase behavior. The authors' company can also open an online shop on Taobao. Then, it would allow the boss to get an unexpected harvest, the fast browsing

on Internet, and faster payment speed will also promote the speed of completion of business.

According to the statistics, e-commerce in Finland grows 8.7% to 10.5bn euros 2014. This 10.5bn euros covered the online goods and also the services. It also said that in the last few years, the Finnish e-commerce had increased 50 %.

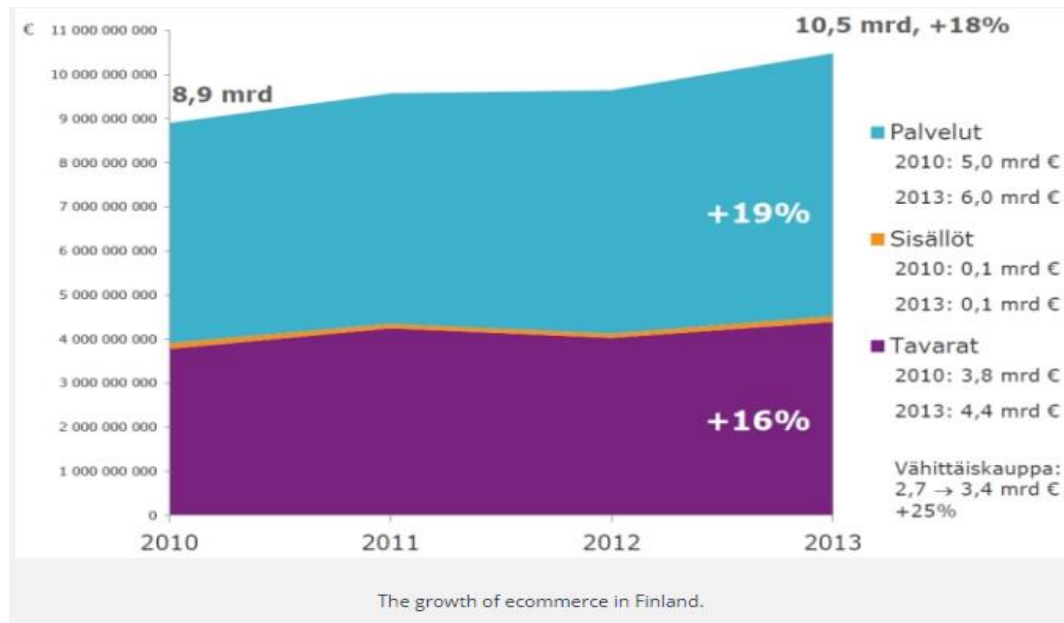


FIGURE 4. The growth of e-commerce in Finland. [13]

In Figure 4, the blue coloured part means the services; the purple coloured part represent the goods. In 2010, Finnish E-commerce amount is 8,9bn euros, in 2013, it increased to 10, 5bn euros in total and rose 18%. According to the statistics, the fastest growing part are alcohol, medicines, and pay-tv services. Game industries also get very big growth especially in computer and console games, because they are more and more popular with young people. "The Finnish people have been excited about on-demand TV services. For example, Netflix saw its number of consumers more than doubled", said Ville Wikström, the executive vice president of TNS Gallup. [14]

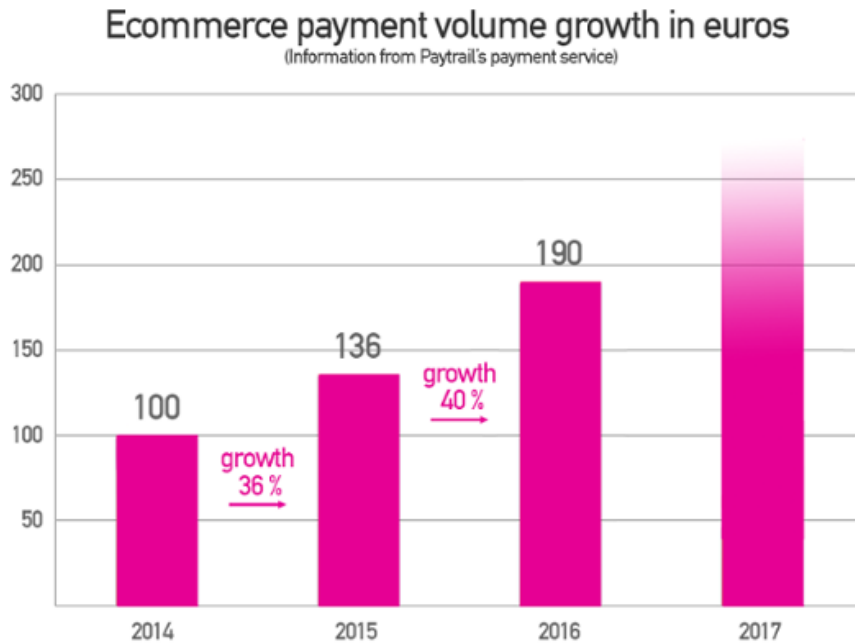
It also mentioned that tourism, consumer electronics, and gambling are the biggest part of product categories, and these took 36% of all online sales in Finland in 2013.

As entrepreneurs are known, an online store can bring a lot of benefits to their companies and also the customers alike. By using online store the authors can give more selections to the customers than the real store, companies don't need the

expensive commercial places for buying. Sometimes making online order also means the lower cost for customers, they can also get accessed by the companies whenever they want and get useful information.

### 3.2.1 Alibaba and Taobao Strategy

Alibaba Group was found in 1999. On 6th April 2016, Alibaba announced that it had become the biggest retail trading platform in the world. How this small company was founded by only 18 people but now has become the largest online shopping platform. The development of the online trading market can not use the US business model, for Asia, especially China's situation to make their own development strategy. Alibaba based on the current status of the development of China's network, focusing on information collection in order to build online trade market, to avoid the flow of funds, logistics, and all the recent domestic e-commerce real situations. Overall, e-commerce is still in its infancy; many problems should be resolved, the development of e-commerce and online trading malls cannot use the US template. In Finland, There are different culture and consumption concept; it should set the own model for the company. In 2016, Finnish e-commerce has shown significant growth. Many industries have become more professional and the network between e-commerce industries are stronger than earlier. Finnish e-commerce has got such a high growth because of those factors. [15]



*The figures have been converted into comparative figures so that the payment volume of 2014 in euros forms the index of 100 for the basic benchmark date.*

FIGURE 5. 2016 e-commerce figures from Finland. [16]

In the article from Pay-trail, it is easy to find that in 2016, the top 5 online sales days in Finland were 25th of November Black Friday, 29th of November Tax refund day, 9th of December, 15th of August and the first day of August. Because of the culture differences, in China people prefer to buy goods from the online shop on the 11th of November as it is well-known as “double 11”, but in most of the western countries, people prefer to buy goods on Black Friday and also in Finland the tax refund day. That is because of the discount, so before starting business, it should know the cultures, on those days we can give a suitable discount, and maybe a small gift as well.

The article also shows the top 5 quietest days of the year 2016. They were 25th of June Midsummer’s day, 24th of December Christmas Eve, 24th June Midsummer’s Eve, 26th of March a day before Easter and the 21st of May. For most of the companies, they would like to know this, so that they may avoid the loss. It says that those quiet days were mostly on holidays so Finns do not shop online during those most important days of holidays. [17]

### 3.2.2 Promoting Online Sales in Finland

When considering promoting online sales in Finland, we need to learn the most common way Finns are shopping online.

Year	Banks	Cards	Invoice
2014	91,5%	7,3%	1,2%
2015	90,9%	8,2%	0,9%
2016	89,86%	8,74%	1,4%

FIGURE 6. 2016e-commerce figures from Finland. [18]

According to the statistics, in 2014-2016 the most popular way of payment methods was the same, online bank. The card payment was increasing during these years from 7.3% to 8.74% and the invoice payment suffered light increasing. But it only took a part of the whole. So those online payment methods nowadays have become the easiest way for people who like online shopping. It can be said that more and more people will choose new payment method while they are paying.

### 3.3 Customer Relationship Management

Customer relationship management is defined as to improve the core competitiveness, the use of appropriate information technology and Internet technology of enterprise to coordinate business and customers in the sales, marketing and service interaction, to enhance its management, to provide innovative customer's personalized customer interaction and service process. Its ultimate goal is to attract new customers, to retain old customers and existing customers to loyal customers, and to increase market share. [19]

Customer service is mainly used for fast and timely access to customer information and problems so that customers can be targeted and efficient for the enterprise to solve the problem, and improve customer satisfaction. The main features include customer feedback, solution, satisfaction survey and other functions. The automatic

escalation feature of the customer feedback allows the administrator to solve the customer's request in time, and the characteristics of the solution. All employees of the company can immediately submit to the customer the most satisfactory answer, and satisfaction survey function can be notified at any time. Some customer relationship management software will also integrate the call centre system, which can shorten the response time of customer service staff, to improve customer service level also played a very good role. [20]

In most of the western countries, people do not like to give their personal information to strangers, which is the most difficult part for new companies to collect the information of their customers, or start the business. So how to get the customer's trust is the first thing. The most important thing is to be professional, no matter what is the identity of the customer, what is the background, or the area which you are engaged in, customers may do not know the product as much as the staff of the company. Also the rigorous of work style, the professional advice are the key to win the customer's foundation. No one can trust a selfish person; you can only be respected for the sake of each other's interests. Keep in touch, send the new product information or the newest discount activities to customers to catch their attention. Efficient work, and fast response are also the important part which cannot be ignored.

### 3.4 Trade Show

The easiest way to attract the customers is to participate in a trade show, normally by presenting the product or service form to the pre-invited audience, to inform the product information and promote the sales. The purpose of the trade show is to provide an opportunity for vendors and users to communicate with each other. In another word, it is a good advertising method which can let the customers know about your company your product and also the services. Sometimes the staff in the trade show can represent the culture and give a face for the company.

In a trade show, there might be thousands of companies and also thousands of visitors. In this case, the authors have to catch their eyes. According to the survey, the customer visits those who have sent invitations to the exhibition company. It gives 4 times bigger chance to visit other company's booth. Publicity will help a lot before the show. Nowadays there are a lot of exhibition tickets that are hanging on the user's neck, so the authors can make special lanyards produced with the authors' company

logo and the name of the company, then make it free of charge to give to the visitors. These lanyards should be made beautifully, so most of the visitors who get these lanyards are happy to change their lanyards to ours. When those visitors wore these eye-catching lanyards to walk around the floor, it is equal to the mobile billboards for free publicity for the company. After all of this preparation, the authors need a good staff which can handle all the questions from the audiences.



## 4 QUESTIONNAIRE AND ONLINE WEBSITE

### 4.1 Questionnaire and Data Analysis

Considering the marketing and the price issue, the authors made a questionnaire and got over 100 effective answers. This questionnaire contained 13 questions which are related to the marketing and the authors got a positive response.

#### 1. What's your age?

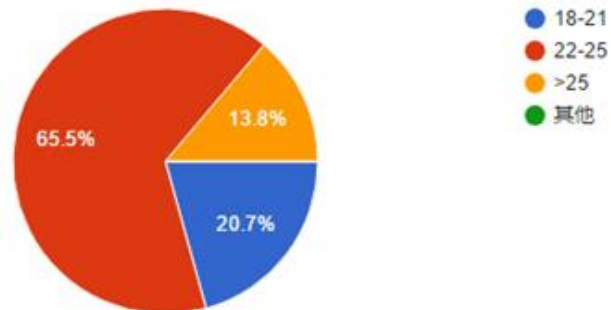


FIGURE 7. Result of Question 1

The most of our respondents were aged 22 to 25. The authors thought that in most of the western countries young people of this age might get a job and have their own salary so that they can afford the food which they like.

## 2. Where are you from?

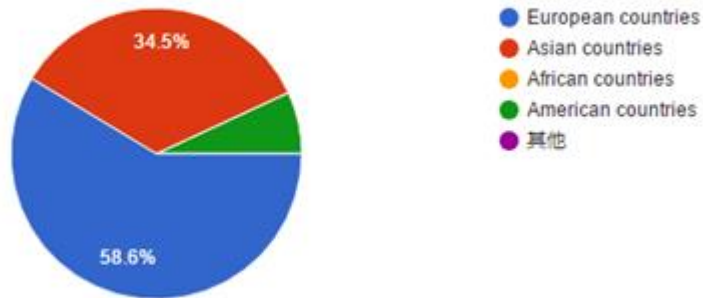


FIGURE 8. Result of Question 2

In order to compare the culture difference, the authors wanted to know which area the respondents are from, so the authors could put the company in a right position.

## 3. Do you like Spicy food?

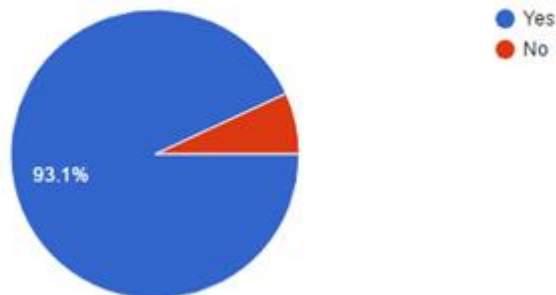


FIGURE 9. Result of Question 3

The spice of the food was the important part of this questionnaire. The authors are planning to do the spicy business, so the authors has to know the most people's taste. And the authors also got a positive response for this question, 93.1% of the respondents liked the spicy food, so the authors can say that they would be our potential customers.

#### 4. How much do you like spicy food?

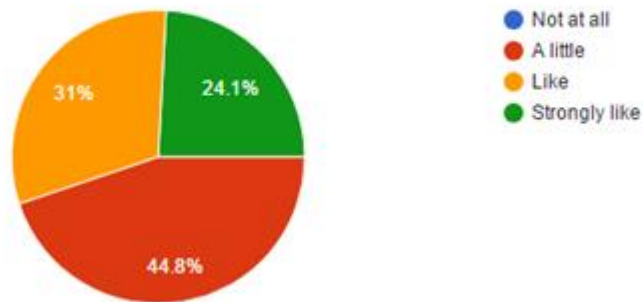


FIGURE 10. Result of Question 4

Here the authors wanted to know how much people like the spicy food. This reflects the daily demand of authors' product.

#### 5. How often do you eat spicy food? Include Chili sauce and other food that let you felt spicy.

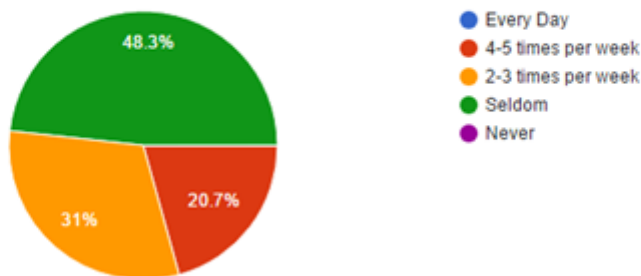


FIGURE 11. Result of Question 5

This question gave the direct answer how often do the respondents eat spicy food. More than half of the respondents marked that they eat spicy food at least 2-3 times a week. This is a quite positive answer for the authors' company plans.

## 6. Would you like to try different food from different countries?



FIGURE 12. Result of Question 6

As a foreign company, the authors have to know if they want to try our food or not. This question gave a very good information to the authors that most of the people would like to try different food from other countries.

## 7. What kind of food is most appealing to you?

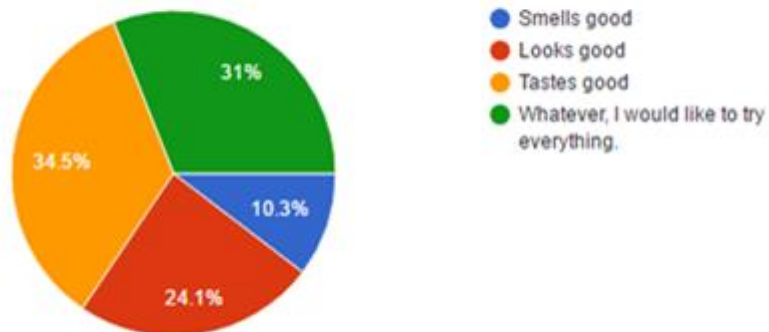


FIGURE 13. Result of Question 7

Here the authors were considering that some food cannot be eaten fresh like vegetables, especially those chili sauce, and the authors' main product will be chili sauce. So what kind of food will attract the customers in the best way is the main point in this question.

8. Would you like to share those food to your friends which are really tasty?

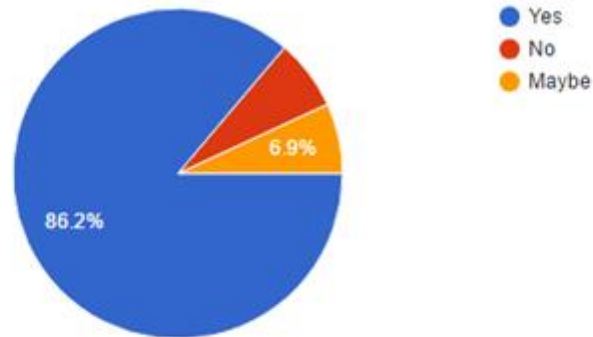


FIGURE 14. Result of Question 8

As the authors know, one of the most useful advertising methods is by using the relationships. Sometimes people cannot refuse the recommendation from friends or families.

9. Have you ever tried these chili sauce? (From China)

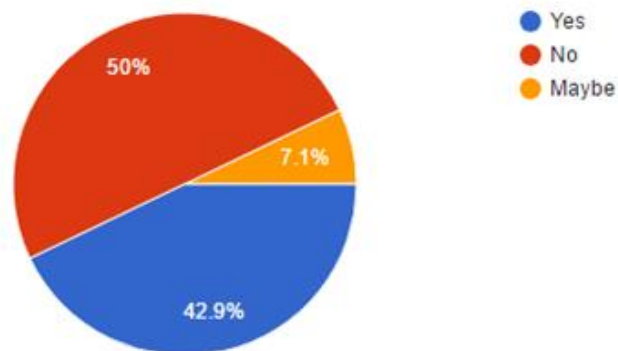


FIGURE 15. Result of Question 9



FIGURE 16. Chili Sauces from DFH. [21]

There might existing market that Finns never know, so the authors has to know if they have any competitors, not only the native ones but also abroad.

#### 10. Would you like to try those Chili sauce above?

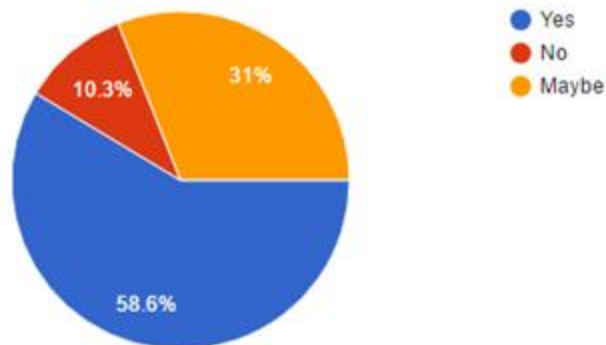


FIGURE 17. Result of Question 10

This is also an important question, because 58.6% of the respondents are willing to try those chili sauces. They could be the authors' customers as well as 31% who are considering the option.

11. Would you like to buy these spicy food after you tried it and you like it?

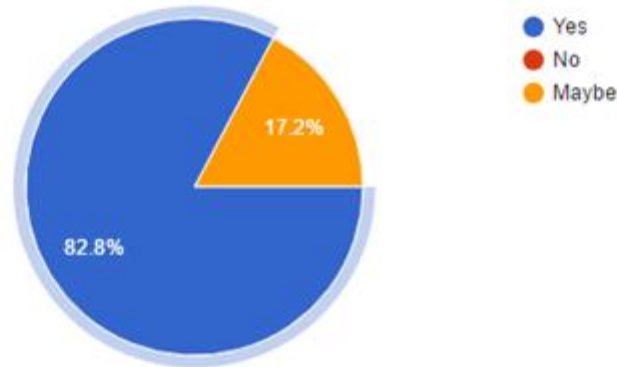


FIGURE 18. Result of Question 11

This is about the desire if they want to buy or not. Obviously most of the respondents would like to buy the food if they like it.

12. How much you would like to pay for a can of chili sauce for example 330 dl ?

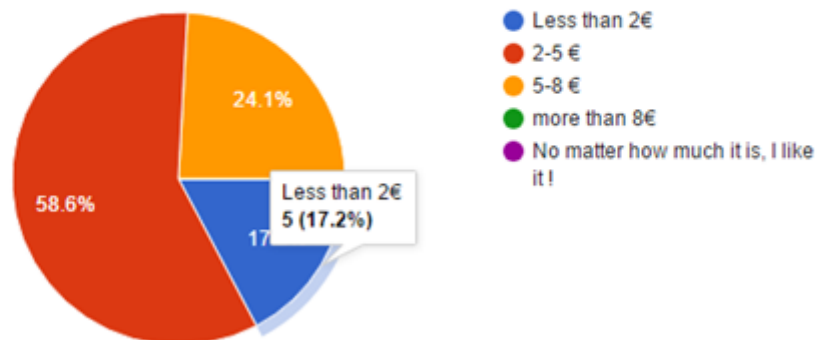


FIGURE 19. Result of Question 13

The authors also considered about the price setting, 24.1% of them think it may cost 5-8€ per can, 58.6% people can accept the price as 2-5€, and other people would like to buy it if the price is under 2€. So the authors can set the price between 2 to 5€ as the general price. The authors can have the different set of products which can have a higher price or lower price according to the demand at the same time.

### 13. What kind of food advertising will attract you most?

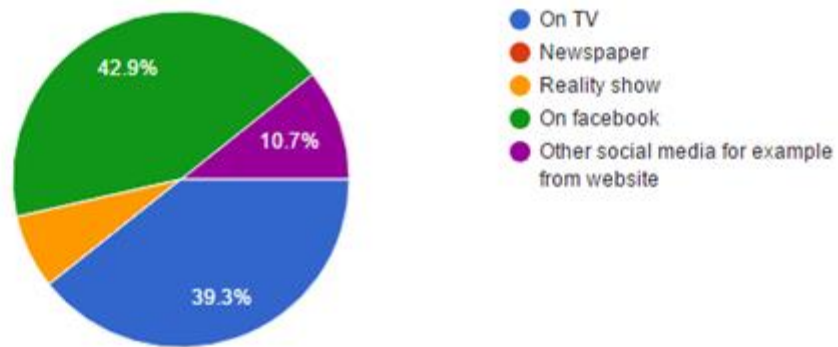


FIGURE 20. Result of Question 13

The authors also considered about the advertising method. Different social media will get different customers. All the authors need to do is to collect the social media's information and find the customers.



## 5 COMPANY PROSPECT

For a starting new company, there are many things the authors have to do. The authors believe that a good company always has a good management system, trustworthy staff, reliable quality of products and satisfactory customer services. Our short term goal is to find more customers and concentrate on the marketing as well as the quality issues. The authors also have to find more opportunities not only for the individual customers but also the group buying and B2B market. It is better to find a good co-operator who can make positive influences.

## 6 SUMMARY

A final thesis is a very important in our university life. It is a very good chance for the authors to put what the authors have learned into a practical situation. Combining the theories and the practice can really lead the authors to the real working life in the very near future. During the thesis the authors also learned a lot about how to collect information especially in choosing useful information. By the authors' research, it is difficult to start a company in a new place which represents different cultures. The authors also found out that what should be considered when a new company starts to do its business. These experiences should help a lot in real life.

There were some mistakes made during the authors' research but the authors would like to solve them and this is also a good experience. Here the authors' supervisor Mrs. Päivi Korpivaara must be thanked as the authors got a lot of help from her and she was very kind to help us.

In this report, the authors analysed the marketing strategies and sales strategies. The authors defined the target customer, the main market and also the price setting. The authors can say that what the authors have done during the thesis process can really help the company in the future and when it is working.

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