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MARKET RESEARCH ON ESTABLISHING A NEPALESE
RESTAURANT IN RAUMA

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The purpose of this thesis was to find out the possible opportunities and possible new ideas on establishing a Nepalese restaurant in Rauma by conducting market research that includes study of market environment, competitor's analysis and customer's analysis.

The report was based on both theoretical and research based method. The theoretical part was based on the numbers of books, internet sources and literature review. The study of books and literature were based on the market analysis, customer's analysis and competitor's analysis because to get the idea and knowledge about the market and the factors of market like competitors and customers and also to get better guidance on research procedure like what to observe, what research tool to use, what information are needed and others.

Qualitative method was used by conducting observation research in two different Chinese restaurants and in depth interview with Nepalese restaurant owner. The observation research was done based on the most important factors that indicate the restaurants environment and in depth interview was done based on the questions related to Nepalese restaurant owner's opinion and experience. After the required information was gathered SWOT analysis was done based on the information and facts to make a conclusion and obtain the results from the research.

From the observation research which was done to understand the Asian restaurants environment and their working style, it can be said that the Asian restaurants are mostly influenced by their culture and provides the good service and Asian food taste. The in depth interview from the Nepalese restaurant owner provided very positive hopes and opportunities for a new comer in the market. Although there were many difficulties and problems but also many support and possibilities that can be found in the market. The owner's answer also helped by providing some ideas and procedure that can be useful for the new comers.

From the market research, the possibility of establishing a Nepalese restaurant in Rauma is very high as the reputation of Asian restaurant in Rauma is also good enough and people from Rauma are already familiar with food and culture of Asian restaurant.

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1 INTRODUCTION

Market research is the systematic gathering and interpretation of information about individuals or organisation using the statistical and analytical methods and techniques of the applied social sciences to gain insight or support decision making. Market research is the process of collecting and analysing useful information about consumer. It is a research into market that includes study of competitors and environmental issue such as government activities and economic stability in market.

This thesis is based on the study of market and Asian restaurant business environment in Rauma. This research also studies about the current situation and Asian restaurant environment in Rauma which are mainly emphasized on the problems and difficulties during the establishment of restaurant.

The main purpose of doing market research is to find out the possible way to establish Nepalese restaurant in Rauma with possible new ideas and solutions. After identifying the problems and difficulties faced by the Asian restaurants in Rauma, a new comer can establish with new ideas to not to face the same problems like others. For example, new restaurant can be make better and comfortable environment, introduce new ways to make customer satisfaction like home delivery, less price and variety of dishes, long opening hours etc.

Nepalese food refers to the foods that are eaten in Nepal. The food differs from one culture to another. Due to large diversity of culture, ethnics and religions they have their own food culture. Nepal is a country that respects multiculturalism. Every ethnic community promote and preserve their culture. Although, there are variety of food culture in Nepal - Dhal, Bhat and Tar Kari – translated as lentils, rice and curried vegetables are the most typical Nepalese food.

2 OBJECTIVES AND IMPLEMENTATION OF THESIS

2.1 Objectives of the research

This thesis is based on the research project which deals with the study of Market Research on establishing Nepalese restaurant in Rauma. It is very important to know how the Asian restaurants work and situation of exiting Asian restaurants which are running in Rauma so that, this thesis report guide to make decision on making business plan.

The purpose of this thesis is to find out the possible opportunities and possible problems in Nepalese restaurant business in Rauma. And when the research was done, many problems were indicated like understanding the legal procedure, lack of concerned offices in Rauma, finding the suitable staff (chef and kitchen helper) and limited suitable location for restaurants. But on the other hand, many possible opportunities also have been identified. Although the population of Rauma is less but the desire and the connection of people with Asian cuisine seems to be good enough to establish a Nepalese restaurant in Rauma. For establishing a Nepalese restaurant in Rauma the competition among the Nepalese restaurant is very low and which is advantage for a new Nepalese restaurant.

Before introducing new Asian restaurant in a market it is wise way to know about the customer response and customer thoughts on Asian Nepalese restaurant and also about the market environment. And from this thesis it will help to get the information and ideas to know about Restaurant business in Rauma and customer expectation.

As this thesis is based on market research of a small city Rauma and it will provide all the information about the restaurant business and also the market environment which includes customer expectation, situation of exiting Asian restaurant and competition among the Asian restaurant. And the information that will be gained from the report is listed below.

- Information and ideas how Asian restaurant works in Rauma.

- Know the situation of competition level and strength and weakness of competitors.
- New ideas and solution to establish new restaurant in Rauma.
- Know the customer's expectation and needs from Asian restaurant.
- Problems and difficulties faced by the Asian restaurant owner in Rauma.
- Identify the customer response on Asian food.
- Information about the market and market that needed to be target.
- Reputation of Asian restaurant compare to other local Finnish restaurant.

2.2 Conceptual Framework

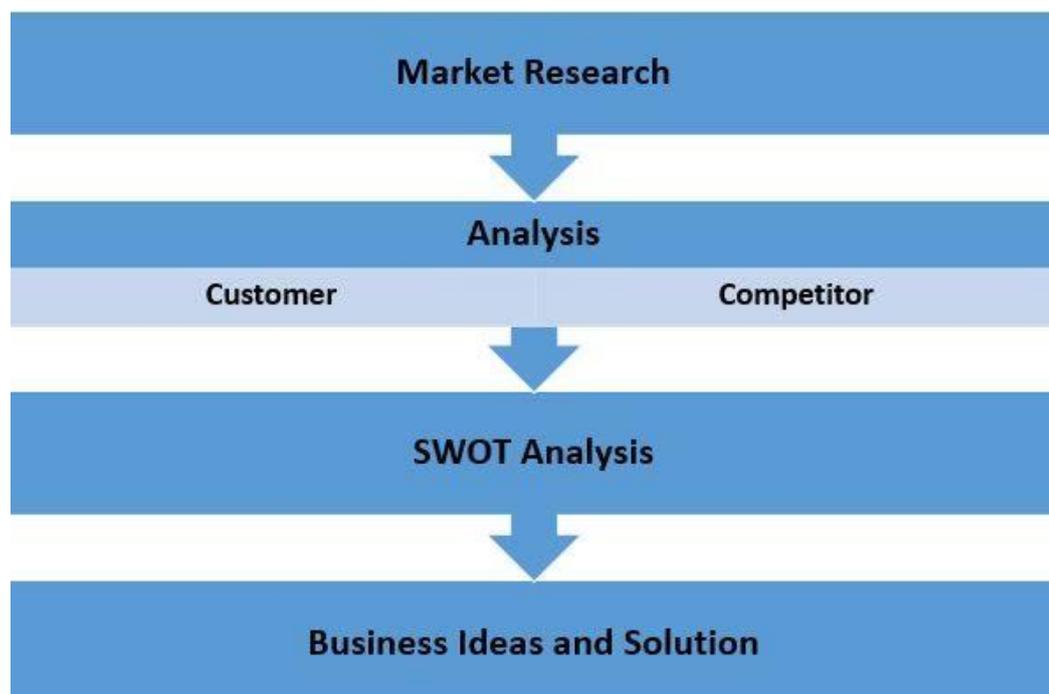


Figure 1 Conceptual framework

Rauma is small city but covers the huge market for much restaurant business. There are many different restaurants from different nationalities like Chinese, Thai, Nepalese, Finnish, Italian and others.

This report mainly focuses on market research of Rauma. There are two core factors that will be analyzed i.e. Customers and Competitors. After knowing and gathering information about Customers and Competitors in Rauma SWOT analysis will be done. SWOT analysis will give clear picture about the Strength, Weakness, Opportunities and Threats on Establishing Nepalese restaurant in Rauma. On the other hand, knowing about the market and SWOT analysis can provide new ideas and solution to tackle the problems.

2.3 Scope and limitation

The purpose of doing market research is to gain business ideas on establishing a Nepalese restaurant in Rauma. Business ideas always encourage thinking in a new way when it comes to innovation. As Nepalese restaurant with very unique taste and different food culture it is very positive to say that Nepalese restaurant can cover and create good reputation in Rauma. When it comes to doing business in Finnish environment where peoples are too attach with Asian food culture, Nepalese restaurant can be one to fulfil the desire for its customers.

The author is not allowed to pursue information which is too confidential for a restaurant and owner as the research is about knowing the experience of owner. The research should stay within its boundary while doing observation research in other Asian restaurant.

3 MARKET ANALYSIS

A market is the combination of all the potential customers who are willing and able to participate in sharing and exchange of a particular goods and services to fulfill their needs and wants. (Kotler 2004, 13)

Market research is the process of collecting and interpretation of information about the individual or a company by using statically and analytical methods and techniques to certain goals and support on decision making. It is the function that links the customer and public to the marketer through information. Information that is obtained is used to define market opportunities and problems and also helps to design the methods to improve understanding with customer. (Malhotra, F. Birks & Wills 2012, 7)

A market analysis is the study of current situation that is faced by the company or brand and to identify the potential market. Market analysis is especially important for a new entry business in a market or for new products, it is also important for the exiting brand or company as market status can change. (E. Clow & E. James 2014, 9)

3.1 Asian Culture

Asia is the world's most populated continent with the greatest diversity of culture. Asian culture is colorful and immensely interesting. It is a result of the continent's long history. Different ancient civilizations have passed down their traditions and practices to their descendants.

Different countries in Asia follow different religion thus have different culture. However, they share same beliefs, thoughts and lifestyle. Culturally, there are many common cultures from different culture and people including food, music, and art.

Among Asian countries Nepal is one of the countries that have shared common culture with its neighboring countries. (Website of embassy of Nepal)

3.2 Asian restaurant worldwide

Every country has its own food culture and it can be totally different with other countries and people usually don't get chance to know about the food culture of other countries. And restaurant businesses are the link that connects the people and the food culture of other country.

Rauma is a small city which is covered by the various restaurant businesses and among them Asian restaurants has always been able to make customer for their business ongoing. People in Rauma and visitors from outside (foreigner and non-foreigner) have always got the option of getting the best experience with the Asian restaurant. Asian restaurant like Chinese, Thai, Nepalese and restaurants that serves Asian food are the some of the major restaurant businesses reflecting Asian food in Rauma.

Some of the Asian restaurants that are situated in Rauma are as follows:

- Ravintola Everest8848 (Nepalese Restaurant)
- Kiinalainen Ravintola Long Gong (Chinese Restaurant)
- Min Yuan Oy (Chinese Restaurant)
- Thai Ravintola Aroy (Thai Restaurant)

3.3 Nepali restaurant in Rauma

Rauma is one of the most beautiful city that lies in the western coast of a Finland's Satakunta region which was founded in 1442, making it the third oldest town in the country. The city is famous for its colourful regional dialect, its long tradition in bobbin lace-making and the well preserved wooden building of Old Rauma. Because of its beauty and the view of old wooden architecture, Rauma is considering as one of the tourist destination place in Finland. A great number of international tourists visit the UNESCO world heritage site that lies in middle of Rauma town know as old Rauma. (Website of visit Rauma)

The population of Rauma is around 40,000 that include huge number of international students and foreign workers as the city is also surrounded by the industries like sugar

industry, food industry, nuclear power, metal industry, etc. and cultural events, including music, art and sports are held around the year which makes the flow of tourist and visitors frequent in Rauma. (Website of visit Rauma)



Figure 2 Map of Rauma (Website of Matias Tolonen)

Nepal is a small Asian country which is quite famous by its unique and one of the best food cultures in the world. From long time, Nepalese food has been able to cover the restaurant business in Finland and other different countries. And especially in Finland where people are willing to taste different Asian food in which Nepalese food has been counted at the top and favorite.

Rauma being small city but also famous for its beauty it is also consider as one of the tourist destination in Finland and because of its special features lots of Asian restaurant are able to stand and able to run their business in Rauma successfully. As people are happy with Asian food and Asian culture, there is very high scope of establishing Nepalese restaurant in Rauma.

Nepalese restaurant all over the Finland are stable and able to run their business because of its tasty food and the reflection of Nepalese culture that customer can find in restaurant environment. And according to Nepalese culture giving a warm hospitality and creating a good relation with customers is more important than the business which is some different thing that customer can feel from Nepalese restaurant.

3.4 Competitors Analysis

Competitor analysis is the process of identifying the company's main competitors, understanding their objectives, strategies, strengths and weakness, and selecting the competitors that need to be avoid or that need to be taken as opponent in the business. Understanding the customer and developing strong customer relationship is important but still which is not enough. To gain competitive advantage there should be use of understanding customer and market to design market offers that provides more value than the offers of competitors trying to win over the same customer. Thus, beyond understanding consumers, there should be understanding of competitors equally. (E. Clow & E. James 2014, 565)

Companies can lose market share if they do not keep attention to the current situation of market and with consumer behavior trends. Competitor analysis system should be conducted time to time to make sure market share is not lost to competitors. Many companies can use marketing information system to gather market and competitive information on regular and continuous basis. (E. Clow & E. James 2014, 9)



Figure 3 Steps in analysing competitors (Kotler & Armstrong 2016, 569)

3.4.1 Identifying the company's competitors

When two or more than two companies offer the same product or service to same customer in a same market with the similar price then a company is identified as competitors for other company. (Kotler & Armstrong 2004, 565)

For e.g. In a restaurant business Asian restaurant sees other restaurant as its competitors and other Asian restaurant can be its main competitors but a company that sells cloths or shoes will not be competitors or Asian restaurant business. However, the range of company's actual and potential competitors can be much more boarder. One of the biggest threats can be by the emerging companies with the new technology and new ideas.

We can identify the competitors from both an industry and market point of view. An industry is a group of firms that provide product or class of product which are similar to one another. Marketers classify industries by the number of seller, by the number of new emerging companies, cost structure and degree of globalization. From a market

point of view, competitors are those companies that satisfy the same customers. Marketers define competition on the basis of customer needs and market opportunities rather than the traditional category or industry terms. (Kotler 2009, 306)

Nepalese restaurant in Rauma is not new thing that people find there as Asian restaurant. At the present day there is already one Nepalese restaurant existing and also some other Asian restaurant. So for establishment of new Nepalese restaurant in Rauma town and its direct competitors are listed below.

- Ravintola Everest8848 (Nepalese Restaurant)
- Kiinalainen Ravintola Long Gong (Chinese Restaurant)
- Min Yuan Oy (Chinese Restaurant)
- Thai Ravintola Aroy (Thai Restaurant)

3.4.2 Understanding the competitor's objectives

Every company has its objectives and it is very important to understand the current situation of competitors. It is important to know about the competitors places on current profitability, market share growth, service leadership, and other goals. When a company is able to understand about the competitor's objectives and know whether the competitors are happy with their current situation, the company can create and form better strategies to win the customer. (Kotler & Armstrong 2004, 568)

Once a company has identified its competitors and their strategies, it is useful information to know, what each competitor are seeking in the market place and about their behavior. It is important to know whether the company is running for growth or profit and other many factors that shape the competitor's objectives like company size, management, history and financial situation. It is alright to assume that most of the companies strive for the maximum profits and each competitor pursues some mix of objectives: current profitability, market share growth, cash flow, service leadership and technological leadership. (Kotler, Keller, Brady, Goodman, & Hansen 2009, 309)

3.4.3 Understanding competitors' strengths and weakness

It is very important to know about the competitor's strength and weakness so that marketer always have the answer of what can our competitors do? To have answer marketer or a company can gather and try to obtain the information about the competitor's achievements, strategies and performance over past few years. It can be hard or impossible to obtain some information which is confidential. Normally, marketer can understand or learn about the competitor's strength and weakness through the secondary data, interview, experience, or primary marketing research with customer, suppliers, and dealers. (Kotler & Armstrong 2004, 570)

3.4.4 Selecting competitors

For the most of the businesses there are always competitors who are on the same field of business. All the competitors do not need to be concentrate as all competitors can not harm. There can be strong and weak competitors and to increase the company's abilities or to gain more market share and gain more customer a company need to target to the strong competitors as even a strong competitors have some weakness. (Kotler & Armstrong 2016, 573)

Most companies prefer to compute with the weak competitors as it is easy and take less time to tackle them. But in return the company may gain less. On the other hand, when a company computes with the strong competitors to sharpen its abilities and succeeding them can often provide greater return. (Kotler & Armstrong 2016, 573)

To understand and know more about competitor's strength and weakness a tool called Customer Value Analysis (CVA) can be used. CVA is a research method that is conducted to identify how an organization is perceived by its customer and their competitors. It provides the information how they are judged by their customer in comparison to their competitors. (Kotler & Armstrong 2016, 573)

After the company has made customer value analysis and analyzed its competitors, it can focus its attack one of the following classes of competitors: strong versus weak, close versus distant and good versus bad.

- Strong versus weak

Most of the company will like to compete with weak competitors as it requires fewer resources and less time to win them. But the company should also compete with strong competitors to keep up with the best. And even most strong competitors have also some weakness. (Kotler 2003, 254)

- Close versus Distant

Most companies compete with the competitors that resemble them the most. For example, Coca-Cola states that their number one competitor is tap water but not Pepsi. At the same time, the company should avoid trying to destroy the closet competitors, as it can force other to develop and manufacture in large and at the end the company might face the larger competitors. (Kotler 2003, 254)

- Good versus Bad

A company should support its good competitors and should attack bad competitors. Good competitors stay inside the industry's rule and make realistic assumptions about the industry's growth, set the price reasonable price to cost, they motivate others to lower costs and improve differentiate and they accept the general level of their share and profits. Whereas bad competitors try to buy share rather than earned it, they take large risk, they invest in overcapacity and creates the unbalanced or upset industrial equilibrium. (Kotler 2003, 254)

3.5 Customer/consumer Analysis

One of the most important parts of the market is the customers for any kind of business because customers are the ones who create demands in the market. And for most of the businesses' main goal is to fulfill the demand of customers for their business on-going. So, it is important to understand about the customer behavior (needs and wants) and making good relation with them to run a business or to establish a new business. (Kotler, Keller, Brady, Goodman & Hansen 2009, 224)

The aim of customer analysis is to meet and satisfy customer's need and demands well than the competitors. And customer analysis is done to gain the overall information about the customer's daily lives, their plans for the future and the changes that can occur during their lifetime so that a company will be able to provide right service and products to right customer in right time. Successful and correct study of customer helps to make good relation between company and customer. (Kotler & Keller 2012, 245)

3.5.1 Customer behavior

Customer behavior is the study of how individuals, groups, and organization use, buy, and dispose of the goods and services to satisfy their needs and wants. The customer's needs and wants can be different from each other by different culture, situation and individual characteristics. And the study of consumer behavior can be divided into three dimensions which are culture, social and individual. All these factors are interconnected with each other and have influence on consumer behavior. (Kotler, Keller, Brady, Goodman & Hansen 2009, 224)

Studying about the consumer provides the various ideas and experience for improving or introducing of new products, services, and also provides the idea of creating price, crafting channels, and developing other marketing activities. and from the point of view of marketers, it is always very important to find out the new ideas and solution for the emerging trends. (Kotler & Keller 2012, 173)

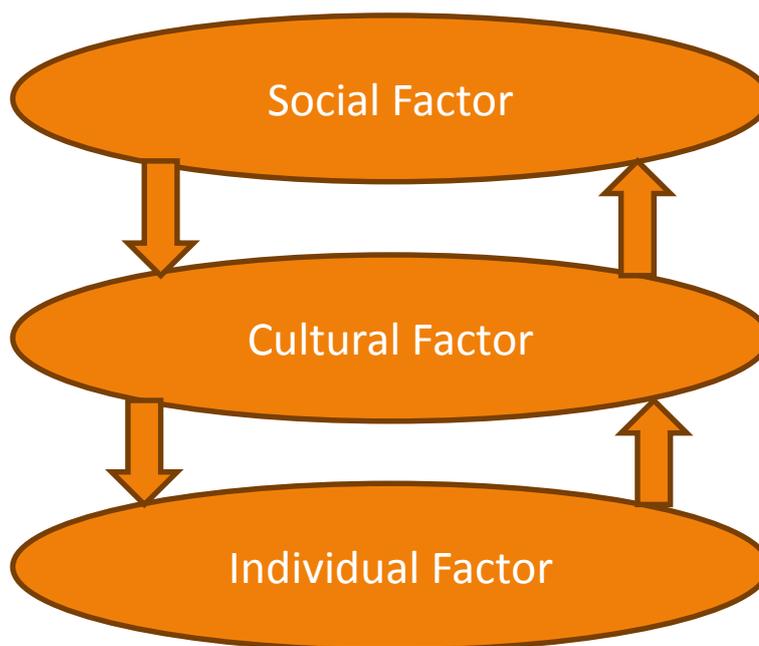


Figure 4: Consumer influencing factor
(Kotler, Keller, Brady, Goodman & Hansen 2009, 224)

3.5.2 Cultural factor

Culture is the one of the factor that determines the consumer buying behavior (consumer's wants). Every society or a group has a culture and sub-culture that has deep influence on the consumer buying behavior. In a culture norms and values are developed that gives guideline for a human behavior to choose and decides on purchase or uses of any goods and services. (Kotler, Keller, Brady, Goodman & Hansen 2009, 224)

Sub-culture consists of nationalities, religions, geographic regions and racial group. When sub-culture grows large a company or marketers develop specific programme to provide the most appropriate and suitable service to reach the needs and demands of a customers. (Kotler, Keller, Brady, Goodman & Hansen 2009, 224)

Culture is the one major cause of a person's wants and needs. Every society or group has its culture which can be differ from country to country or neighbours to neighbours. And every individual learns or adopt basic values, perception, wants and behaviours from the family and other institutions with the culture and tradition. By this

way every individual has different behaviour on selection of goods and services. (Kotler & Armstrong 2004, 180)

3.5.3 Social factor

A person or individual is always participated in many different groups like family, organization, and clubs in a society. And every society is classified into different social class by the combination of occupation, incomes, education, wealth and social status. Many of people in a society have the same social class and also have the almost similar kind of buying behavior of goods and services. As a society consists of several groups of class, marketer's tries to produces the goods and services by targeting a specific group of people from a society by taking care of their social values, income, wealth etc. Every individual's buying behavior depends on their social class, income, status in a society. (Kotler & Armstrong 2004, 183)

3.5.4 Individual factor

The buying behavior of goods and services are also influenced by the individual characteristics. Individual's characteristics like age and stage in life cycle, occupation, economic circumstances, life style and personality and self-concept. Many of these characteristics have direct or indirect impact on consumer behavior, so it is important for marketers to understand and focus on consumer behavior. (Kotler & Armstrong 2004, 188)

- Age and stage of life cycle

People buy goods and services for their entire life cycle and according to their age and phase of their life cycle their needs and wants will change as people become mature

and their necessity also changes. With this fact, marketers often define the target age group to provide the best goods service and fulfill the needs and wants.

(Kotler & Armstrong 2004, 188)

- Economic situation

A person's economic situation also defines the buying behavior. According to the person's spendable income, stability and saving makes a person to choose the products.

(Kotler & Armstrong 2004, 188)

- Occupation

A person's occupation also affects the buying behavior as person occupation is the reflection of their capability to purchase goods and services. Also in much situation occupation plays vital role to choose some specific products. And for a marketer, occupation has been chosen a targeted group to reach their needs and wants.

(Kotler & Armstrong 2004, 188)

- Life style

Life style of a person is a person's way of living. People from same culture or social status or occupation can have different way of living their life. A person's life can be observed by the AIO dimensions- Activities (work, hobbies, sports, social events), Interest (food, family, fashion) and Opinion (social issues, business, products and about themselves). So, different people have different behavior on choosing the goods and products. (Kotler & Armstrong 2004, 188)

- Personality and self-concept

An individual's personality also affects the buying behavior as every individual have his/her own traits. For e.g. A fitness freak would look for fitness equipment whereas a music lover can listen continuously more than other. (Kotler & Armstrong 2004, 188)

3.6 Customer expectation

For a company, it is important factor to understand how their customer forms their expectation? There is always some level of expectation that customer wish to receive from company's performance.

If a company or marketers raises too high expectation then it is more likely to produce unsatisfied or disappointed customer and however if a company sets too low expectation, it won't attract enough customer. That's way a company always need to set the expectation that can be deliver to customer and match the customer expectation. (Kotler 2003, 62)

In general, satisfaction is a person's feeling of pleasure or disappointment which they receive from the company's performance. If the company performance matches the customer expectation, then customers are satisfied and if company performance falls and don't match the expectation then customer are dissatisfied. When a company's performance is too good and customers are highly satisfied or delighted, it is more likely that customer will repurchase or may spread good word of mouth about the company to other customers. (Kotler 2003, 62)

4 IMPLEMENTATION OF THESIS PROCESS

Research methods in education and social science are usually divided in two forms: qualitative research and quantitative research.

4.1 Qualitative research and Quantitative research

Qualitative research is a research that allows us to examine people's experience and thoughts on certain specified topic in detail, by using specific set of research methods such as focus group interview, in depth interview, observation, content analysis, visual methods and life histories or biographies. It covers wide range of techniques and philosophies. It plays vital role to make marketing decision making, primarily as an exploratory design also but in descriptive way. It is often used to generate hypotheses and identify variables that should be included in quantitative approaches. (Malhotra, F. Birks & Wills 2012, 183)

Quantitative research is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods. It is research method that deals with numbers and anything that can be measurable in a systematic way. It is used to answer questions that are related within measurable variables in propose to explain, predict. It can range from simple counts such as the frequency of occurrence to more complex data such as test scores, price or rental costs. (Saunders, Lewis & Thornill 2007, 406-407)

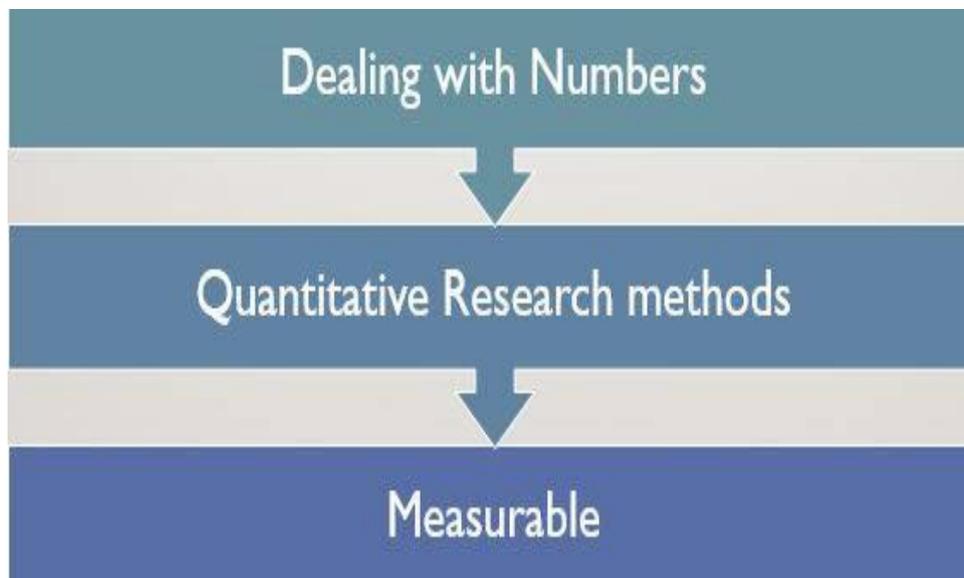


Figure 4 Quantitative research method

(Adams, Khan & Raeside, 2014).

Data collection methods

4.1.1 Choosing the research approach

Most of the research project involves use of theory that may or may not make explicit in the design of research but unusually it can make explicit in the presentation of the finding and conclusions. Research project follows either inductive approach or deductive approach. In Inductive approach data are collected and develop theory as a result of data analysis and in deductive approach theory and hypothesis are developed and design the research strategy to test the hypothesis. (Saunders, Lewis & Thornhill 2003, 85)

In this case deductive approach will be used; the theory part takes place first to make research strategy which contains observation research and in depth interview.

A deductive approach is concerned with ‘developing a hypothesis (or hypotheses) based on the existing theory, and then designing a research strategy to test the hypothesis. In this approach a theory is narrow down into specific hypothesis that can be tested. And then it is narrow down even further and collect the observation to address the hypotheses. This ultimately leads us to able to test the hypothesis with the specific data- confirmation (or not) of the original theory. (Website of research methodology)

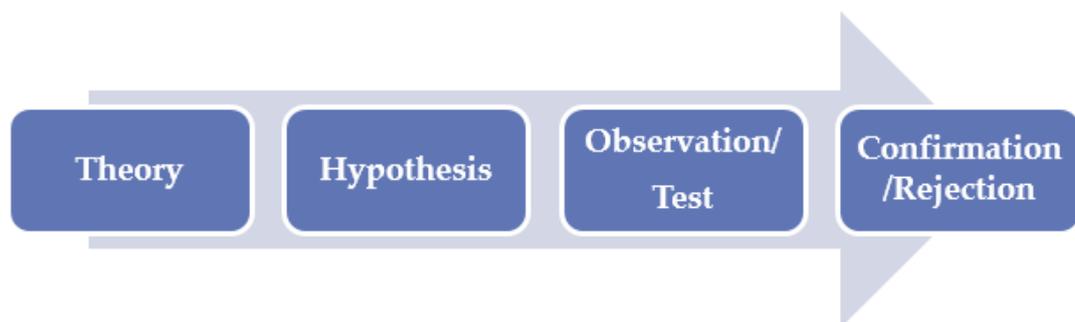


Figure 6 Deductive approach (Website of Research Methodology)

4.1.2 Observation research

Observation research is the process of recording the behavioural patterns of people, objects, and events in a systematic manner to obtain the information about the phenomenon of interest. In most of the observation research, observer doesn't communicate or question to the people who are being observed unless he/she takes role of mystery shopper. (Malhotra, F. Birks & Wills 2012, 350)

In structured observation, observer clearly specifies in detail that will be observed and the techniques that will be used for observation. This reduces the potential for observer bias and enhances the reliability of the data. (Malhotra, F. Birks & Wills 2012, 350)

4.1.3 Interview

An interview is a purposeful discussion between two or more people. A good or discussion can provide valid and reliable information which are relevant for research questions and objectives. (Saunders, Lewis & Thornill 2003, 245)



Figure 7 Form of quantitative interview

(Saunders, Lewis & Thornill 2007, 313)

Each form of interview outlined above has distinct purpose. Qualitative interview is non-standardized (semi-structured and in depth) interview which is used to gather data and which are normally analyzed qualitatively. And the gathered data are likely to used not only getting the answer of 'what' and 'how' but also emphasizes on exploring 'why'. (Saunders, Lewis & Thornill 2007, 313)

In depth interview is an unstructured, direct and personal interview. It is conducted by the single participant and the interviewer to uncover underlying motivations, beliefs, attitudes and feelings on topic. This interview is based upon a conversation that emphasis on a questions asked and listening from the participant answers. The emphasis should be upon full interaction to understand the meaning of participant's experience and life works. (Malhotra, F. Birks & Wills 2012, 255)

4.2 Research process

As a research approach, the author has chosen deductive approach because the research is done by conducting observation and interview. The information which is gained from the observation and interview will be analyzed to decide if there is possibility of establishing a Nepalese restaurant in Rauma.

As already mentioned in this report, research was done by the observation and interview. The author conducted observation in two different Chinese restaurants to understand more about the Asian restaurant in Rauma. From the observation the author was able to gather some important information concerning about Chinese restaurant environment like decoration, hospitality, service, and relation with the customers.

And the other part of research which is interview with existing Nepalese restaurant (Ravintola Everest 8848) owner has provided lots of information concerning about his experience on establishing Nepalese restaurant in Rauma. The author conducted in

depth interview and the purpose of interview was to know the opportunities, problems and difficulties faced by the restaurant owner while establishing Nepalese restaurant. From the interview the author was able to get information on customer behavior and Nepalese restaurant major competitors.

The author has chosen qualitative research as a research method because qualitative research is the method that allows the author to examine people's experience and thought through the observation and interview. As to get the answer of some question which were design for the report, it was necessary for an author to observe the Chinese restaurant environment and restaurant related factors like decoration, food and taste, Chinese culture and restaurant relation with its customer. And from the second part of research in depth interview was conducted to know the experience and opinion of Nepalese restaurant owner about Asian restaurant business.

For a primary data collection, the author has chosen two different tool i.e. observation and interview. In this research both of the research tools were conducted for a different purpose but the research finding can have some similarities. The observation was conducted to know and understand the Asian restaurant environment whereas the interview was conducted to understand the experience and opinion of the market from the Nepalese restaurant owner's point of view.

4.3 Validity and Reliability

Validity and reliability is important. Validity and reliability are considered as basic framework in business research. Validity simply means the trueness and verity of the information that are used. And when other repeat the same study and information then reliability shows.

Validity is concerned with whether the findings are really about what they appear to be about. In other word, it is the challenging part of the information whether they are right or not. (Saunders, Lewis & Thornhill 2003, 101)

Reliability can be estimated through these three questions 1) would it be possible to achieve and replace the measured results obtained in other occasion 2) could other researchers come up with similar results in a similar situation? 3) Is there transparency in how the collected data has been transformed into rational research? (Saunders, Lewis & Thornhill 2003, 101)

5 RESULTS

5.1 Collecting primary data through observation

For an observation the author visited two different Chinese restaurants in Rauma (Kiinalainen Ravintola Long Gong and Ravintola Wen Jing). The observation was done in centre of Rauma city where both restaurants are located. The first observation took place on Sunday (7th of May 2017) afternoon in Ravintola Kiinalainen and the second observation was done on Tuesday (9th of May 2017) afternoon in Ravintola Wen Jing. After the observation it was noticed that both restaurant have almost everything similar. The reason to conduct observation only for Chinese restaurant is because they are considered as the main competitors for Nepalese restaurant. It was structured observation so the author had a guideline that needed to be observed.

	Ravintola Kiinalainen Long Gong	Ravintola Wen Jing
Restaurant atmosphere	Peace, family and friends	Peace, family and friends
Segment	Local business and staff, workers, tourists and other individual in town	Local business and staff, workers, tourists and other individual in town
Seat capacity	20 or above at once	25 or above at once
Decoration	Chinese art and posters	Chinese art and posters
Music	Traditional Chinese songs and music	Traditional Chinese songs and music
Customer occurrence	Continuous customer flow	Continuous customer flow
Service	Table to table service in dinner and buffet service in lunch	Table to table service in dinner and buffer service in lunch
Price	Buffet price fixed Dinner price depending on dishes Overall affordable price	Buffet price fixed (10 euro) Dinner price depending on dishes Overall affordable price
Products	Typical Chinese food Drinks and beverages Asian food Extra spice on the table	Typical Chinese food Drinks and beverages Asian food Extra spice on the table
Menu card	In Chinese, Finnish and English language	In Chinese, Finnish and English language
Customer interaction	Warm greeting and wel- coming	Warm greeting and wel- coming

Figure no. 7 observation results

It has been noticed that when it comes to Asian restaurant, Chinese restaurants are considered as the big player in the market. Because of its tasty and unique food, Chinese restaurant are able to run their business well in Rauma. This restaurant also reflects Chinese culture by its typical Chinese food and the decoration design which shows many Chinese art and culture.

Both of the Chinese restaurants lies in central part of Rauma city which makes it more popular and easy to attract customers. Their first priority customers are considered as local Finnish people so the food is somehow modified (less spicy) little bit to create customer satisfaction.

5.2 Collecting primary data through in depth interview

The author conducted interview with the Nepalese restaurant owner to understand more about market place and the problems and difficulties while establishing a Nepalese restaurant. It was in depth interview and the author design few topics on which the information was gathered. The outcome information from the interview was very useful and helpful. All the information was experience and opinion of the restaurant owner that he faced during the establishment of a Nepalese restaurant in Rauma.

- Problems and difficulties while establishing a Nepalese restaurant in Rauma.

The owner of the restaurant is Nepalese so the first problem was to understand the Finnish legal producers for establishing Nepalese restaurant. According to him, it was a problem to find the related offices where he can consult for the business idea. After presenting the business proposal to municipality office it was in their hand to give permission to establish. He needed to visit Turku or Pori to get some permission (alcohol permission) as many concerned offices are not in Rauma.

It was difficult to find the perfect staff and kitchen worker who had an idea and knowledge of both Nepalese food culture and Finnish language. So, he needed to recruit from Nepal for kitchen work (chef and helper).

As the restaurant location was situated in central of Rauma and which is also one of the cultural heritage place so there were many obligations that he was not allowed to do. For the outer decoration, putting the advertisement banner and for painting also it should be permitted from related authorities.

- Opportunities on establishing Nepalese restaurant

According to restaurant owner, it was a golden opportunity to establish a Nepalese restaurant in Rauma as there was not any Nepalese restaurant established before. According to him, he was encouraged by the other Nepalese restaurants which are established in different cities of Finland and are able to run business successfully.

On the other hand, while presenting the business proposal to municipality office they also study about the market to see the possibility of establishing a Nepalese restaurant in Rauma which ultimately gives the advantages to new comers in the market.

- Customer expectation and their feedback

It is very important to fulfil the customer expectation for the success business. From the point of view of restaurant owner, Finnish customers have a very basic expectation whereas other nationalities like British, American and others have a high expectation from Nepalese restaurant. And Finnish customers mostly expect to have hygiene and healthy environment.

While visiting Asian restaurant it not only about the taste of food but also it makes more interesting and attractive when the restaurant gives cultural reflection of their country. So many customers have given very positive feedback on the decoration and culture that they find in Nepalese restaurant from the restaurant staff and restaurant environment. Concerning about the feedback on food quality and service, most of customer are happy with service and taste.

- Competitors and competition

There are many restaurant businesses located in central part of Rauma including Finnish, Italian, Chinese and others but According to restaurant owner, Finnish and other European restaurant are not considered as very important competitors. For a Nepalese restaurant business its competitors can be only Asian restaurants and among them also Chinese restaurant is considered as the major competitors.

As Nepal and China are neighbouring countries and share some common culture, food and art so it makes hard to tackle each other. According to restaurant owner, the competition level between Nepalese restaurant and Chinese restaurant in Rauma is very high whereas other Asian restaurants are not so harmful competitors for the Nepalese restaurant in Rauma.

- Understanding Finnish Culture

When you want to establish a business in a Finnish market and where Finnish people becomes the major potential customer then it is important to understand the Finnish culture so the business can give high level of customer satisfaction (by Nepalese restaurant owner).

It is important to know that what your customer wants and the way they want? So, to create a good relation between the customer and restaurant it is important to understand the culture of your majority customer. For example, the Nepalese restaurant serves their food by modifying little bit so that customer don't feel it very hot and spicy and additional they also server Finnish coffee to make their customer happy.

6 SWOT ANALYSIS

The overall evaluation of a company's strength, weakness, opportunities and threats is called SWOT analysis. It is a way of monitoring internal and external marketing environment. (Kotler, Keller, Brady, Goodman & Hansen 2009, 101)

SWOT analysis is the process of analysing the strength, weakness, opportunities and threats. After gathering information from the observation and in depth interview, SWOT analysis was used to analyse to find out the strength, weakness, opportunities and threats on establishing a Nepalese restaurant in Rauma. The research was done to understand and gathering related information based on the market environment and also about the competitors and customer behaviour so that, SWOT analysis can be done. And all the information which are categorised in strength, weakness, opportunities and threats are based on the observation and in depth interview.

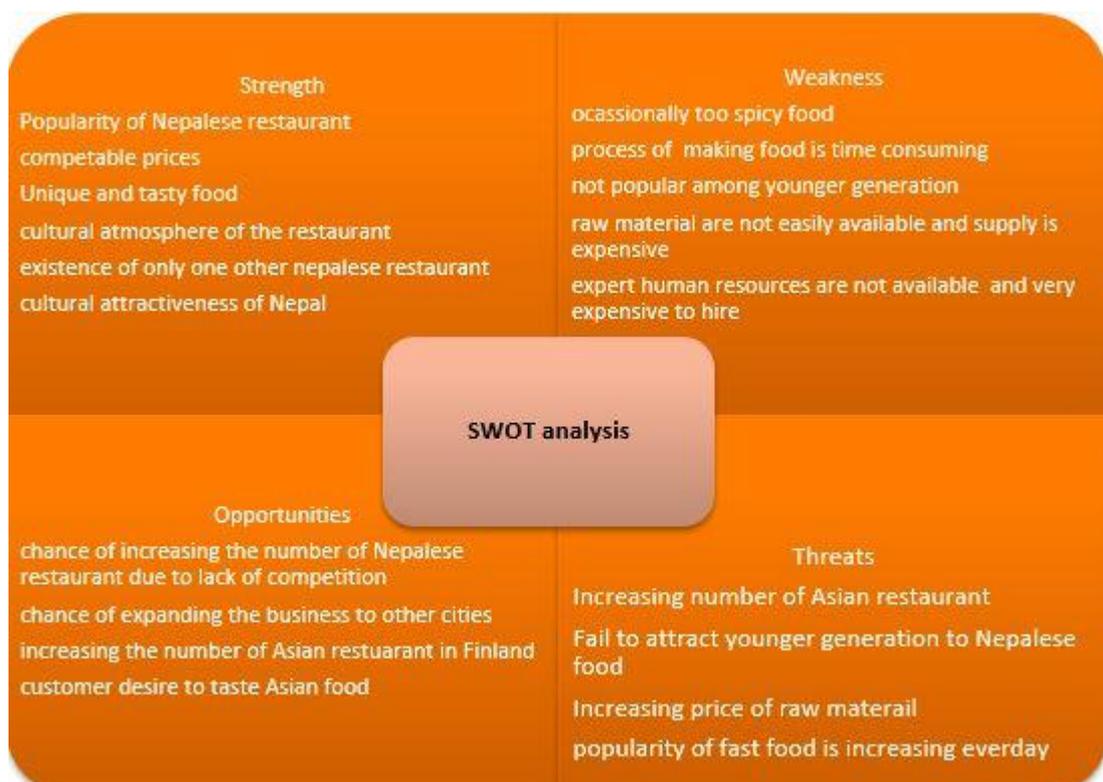


Figure 8 SWOT analysis

Strength

Nepalese restaurants are popular in Finland because of its unique and tasty food. Nepalese restaurants are considered as average standard and mostly suitable for average income households. So, it gives a very affordable price for its customer compare to Finnish or other restaurants. From the Nepalese restaurant customer are mostly happy with the food quality but also the because of its cultural reflection Nepalese restaurant can create its attraction to gain more customers. One of the strength on establishing a Nepalese restaurant in Rauma is that there is only one Nepalese restaurant in Rauma and there is a possibility of getting success on entering one more Nepalese restaurant.

Weakness

Originally Nepalese food are supposed to be spicy and hot but when it's a business in Finnish market it need to be according to customer that they can consume but sometime it can be still hot and spicy for customers. And the process of making Nepalese food takes longer time which can leads customer to wait and unsatisfied.

Rauma is a small city and don't have the best supplier for Nepalese restaurant which leads Nepalese restaurant to make order from other cities and becomes expensive on raw materials. It not easy to find expert worker (chef and kitchen staff) for Nepalese restaurant and sometime it can be big problem to run business because of not availability of suitable worker. Nepalese food or Asian foods are not so popular among the young generation maybe because of not enough publicity and price for young people.

Opportunities

There is an opportunity to establish Nepalese restaurant in Rauma with some new ideas and solution to avoid the problems and difficulties faced by the exited Asian restaurant. And as customers in Rauma are happy with the Asian restaurant in Rauma its can be very positive encouragement on expanding business in other cities in future. As there is only one Nepalese restaurant in Rauma, establishing another Nepalese restaurant will not give a very harmful competition among Nepalese restaurant.

Threats

Threats are the factor creates problems and difficulties in future to your company. When there are too many restaurant businesses in same market it can be harmful for a company to achieve success. As the numbers of Asian restaurant are increasing very frequently it can be threat to establish a Nepalese restaurant in Rauma. The popularity of Asian restaurant will decrease if the popularity of other field (like McDonalds Hesperburger, Burger king and other) increase and it can be harmful for Asian restaurant businesses.

7 CONCLUSION

In this report, research was done by observation and in depth interview. And in the observation part the result from both restaurants came to similar to each other. As the observation took place in only two restaurants out of three total Chinese restaurants. On the other side, in depth interview was conducted based on the experience and opinion of Nepalese restaurant owner while establishing a Nepalese restaurant in Rauma. The information obtained from the interview and observations are the result of qualitative research. Therefore, the information shows the reliability of the research.

The purpose of the research was to find out the possibility of establishing a Nepalese restaurant in Rauma after knowing the possible opportunities and possible solutions. And from the research results and SWOT analysis it has provided very positive answers to the research questions and leaves very high chance of establishing a Nepalese restaurant in Rauma. Therefore, this shows the validity of the research on establishing a Nepalese restaurant in Rauma.

This thesis report is about the market research of a Rauma city. The market research is done to know about the market environment, customers, competitors and other fac-

tors for establishing a Nepalese restaurant in Rauma. The main purpose of doing market research is to know the possibility of establishing a Nepalese restaurant in Rauma. And to establish a new business it is very important to get the information on competitors, customers and market.

To understand more about Asian restaurant business in Rauma and about the customer and competitors, observation and in depth interview were conducted. After gathering the necessary information from the research SWOT analysis was done to find out the Strength, Weakness, Opportunities and Threats on establishing a Nepalese restaurant in Rauma.

From the SWOT analysis it can be conclude that there is possibility on establishing a Nepalese restaurant in Rauma. As from SWOT analysis there are some threats and weakness also but because of potential customers and lack of high competition with existed Nepalese restaurant there is opportunities to establish a Nepalese restaurant.

The reputation of Asian restaurant and relation with customer seems to be very good. Most of the Asian restaurants are located in the central part of Rauma and the place is the covered by the lots of offices and the flow of people, visitors and tourists are very favourable for the Asian restaurant. Even though there are many Asian restaurants in a small area but finding customers have not been the big problems for the Asian restaurant.

From the research it was also understood that there are some threats for the Asian restaurants like most Asian restaurant failed to attract the young generation people and not having enough publicity to attract them. There is a high completion between Nepalese and Chinese restaurant in Rauma which can make harmful for each other whereas other Asian restaurant or local restaurants are not so harmful for Nepalese restaurant.

From the research it can be said that the main competitors for Nepalese restaurant are the Chinese restaurants in Rauma. Chinese restaurant are famous in Rauma as their service and food quality has provided high level of satisfaction to its customers. The Chinese restaurant have provided very friendly environment to the customers. From

the decoration aspects the whole restaurant is designed and decorated by the Chinese art and pictures. Customers can really get the idea about the culture of Chinese.

The theoretical part of the thesis has supported a lot to design the research part of the thesis. As this thesis is done by the deductive method, firstly the theoretical study was done and base on the theory it provided the guide line to make appropriate research.

8 RECOMMENDATIONS AND SUGGESTIONS

From the development of whole market research, it is clear that there is a place for new comers in Rauma as long as they come with new innovative products and ideas. It is also clear that new comers need to understand the market and market environment, for which market research is most recommended. Market research is not only important for new comers but also important for other restaurant business to understand more about market trend, competitors and customers.

Any kind of business will achieve its goals only if it is different from many others. It is very important for any business to have its own unique quality and identity and in restaurant business line if every restaurant have same quality and same service then customer don't mind to choose any restaurant so it is recommended that to establish a business it should have some different quality that people can notice and get attracted.

Sometime people want to get service fast and easy way and they bother to go to restaurant and have a lunch or dinner. Many other restaurants are able to make potential customer and satisfied customer because of their extra service and commitment to make happy customer so, the recommendation for the new comers is that to provide some extra service like home delivery, less price on take a way food and some discount for regular customers.

From the research (interview) it was noticed that many customers have given opinion that Nepalese food following the Indian food style and trends so for a new comer it is

recommended to follow the Nepalese food culture and style. There is problem of staff stability or loyalty in Nepalese restaurant that most of staff don't want to stay in same restaurant so it is recommended that while recruiting staff there should be fixed time contract for the staff and try to hire the loyal employee.

In many cases lack of publicity and advertisement can make huge difference in finding customers. In many cases people want to visit Nepalese restaurant but because not having any idea about its existence in city they cannot visit and for a company it's a loss. So it is recommended to make advertisement and publicity and can also attract the young generation on Asian food.

As all Nepalese restaurants in Finland have almost similar kind of business strategy and similar business ideas. This kind of similarity will give same thoughts and understanding about Nepalese restaurant from different cities. And my recommendation is if you want to establish Nepalese restaurant then to come up with little changes not the same pattern. For example, staffs dress wearing cultural dress instead of casual dress, all plates and dishes from Nepal which can leave very positive impression on customers.

From the starting stage to the final stage of this thesis the author (I) have experienced many useful knowledge and technique to conduct market research for any new business. The author (I) have gained knowledge about the importance of market research and its benefits that can be utilize to start a business with the new solutions and able to decide about the market situation for a new business. It was understood that to establish any business then to understand the market and knowledge of market is first stage to start the business process.

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Appendix 1

Primary data collection through observation

- Restaurant atmosphere
- Restaurant segment
- Restaurant seat capacity
- What kind of decoration is done in restaurant?
- What kind of music played in restaurant?
- How busy is the restaurant?
- How well is the service
- How is the price
- What kind of product or food they sell?
- What language is used in menu
- How is the customer interaction?

Appendix 2

Primary data collection through in depth interview

- What are the problems and difficulties you faced while establishing Nepalese restaurant in Rauma?
- What kind of opportunities you saw while establishing Nepalese restaurant in Rauma?
- How was the customer expectation and customer feedback from Nepalese restaurant?
- Who are the competitors and how harmful are they?
- Is it important to know about Finnish culture?