

# Feasibility of The Cloth Coffee Bag in Finland

Case: Start-up X, Helsinki, Finland

LAHTI UNIVERSITY OF APPLIED  
SCIENCES  
Faculty of Business and Hospitality  
Management  
Degree programme in  
International Business  
Bachelor's Thesis  
Spring 2018  
Khanh Ly Dang

**Key words:** coffee bag, takeaway, reusable, cloth, environmentally friendly, Helsinki, Finland.

## CONTENTS

1	INTRODUCTION	1
1.1	Thesis Background	1
1.2	Thesis Objectives and Research Questions	3
1.3	Scope and Limitations	5
1.4	Theoretical Framework	5
1.5	Research Methodology and Data Collection	6
1.6	Thesis Structure	8
2	THEORY IN BUSINESS IDEA EVALUATION	11
2.1	Business Idea	11
2.2	Business Concept	13
2.3	Feasibility Analysis	14
2.3.1	Industry and Market Feasibility	15
2.3.2	Product Feasibility	21
2.3.3	Organizational Feasibility	23
2.3.4	Financial Feasibility	23
3	CLOTH BAG CONCEPT	25
3.1	Coffee Culture in Finland	25
3.2	Different types of bags	26
3.2.1	Plastic, paper and cloth bag	26
3.2.2	Impacts on the environment and consumer behavior	28
3.3	Cloth Coffee Takeaway Bag	30
4	EMPIRICAL RESEARCH	31
4.1	Data Collection Procedure	31
4.2	Data Analysis	33
4.2.1	Questionnaire	33
4.2.2	Focus group	37
5	FEASIBILITY ANALYSIS	40
5.1	Product Feasibility	40
5.2	Industry and Market Feasibility	42
5.2.1	Industry attractiveness	42
5.2.2	Target Market Attractiveness	48
5.3	Organizational Feasibility	50

5.4	Financial Feasibility	53
5.4.1	Capital Requirements	53
5.4.2	Estimated Earnings	56
5.4.3	Return on Investment (ROI)	57
6	CONCLUSION	58
6.1	Findings	58
6.2	Reliability and Validity	59
6.3	Recommendations for Further Research	60
7	SUMMARY	61
	REFERENCES	62
	APPENDICES	70



## 1 INTRODUCTION

This chapter gives an overview of the thesis and familiarize the readers with the nature of the research topic. The writer, first, explains the thesis background with her motivation behind the decision why she chose to study the subject. Then, the thesis objections, as well as the research questions are discussed. Next, the scopes and limitations of the study are defined, followed by the theoretical framework of the research. After that, research methodology and data collection are pointed out. Finally, the thesis structure given in detail helps navigate better while going through the thesis.

### 1.1 Thesis Background

Coffee has its deep root in the Finnish culture. According to the International Coffee Organization (ICO), Finland ranked first among the top coffee consumption countries in the world and had kept that place for many years (Smith 2017).

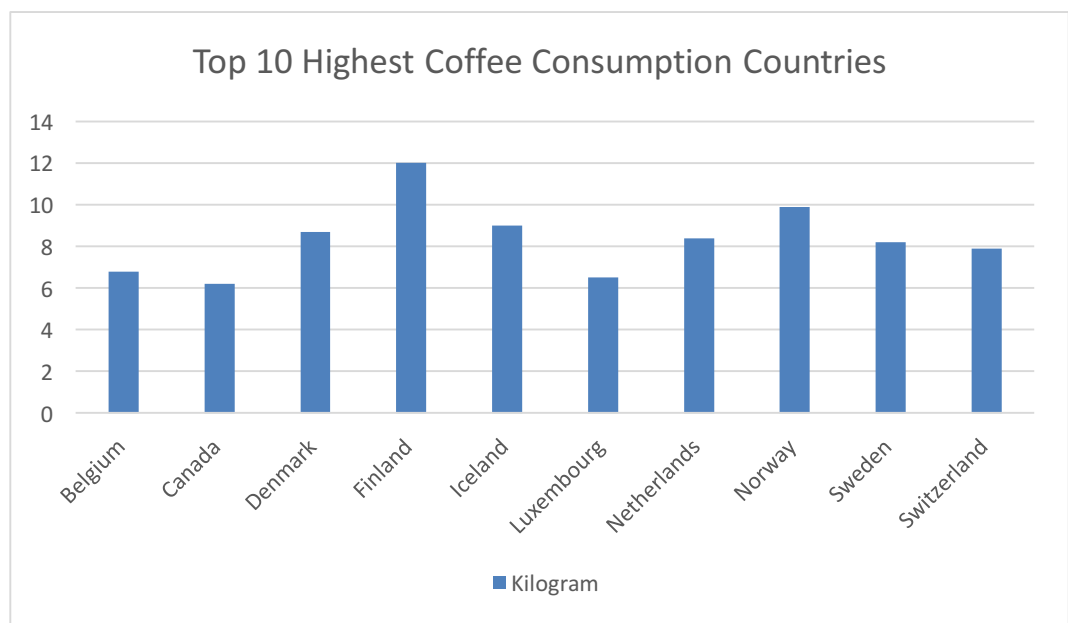


FIGURE 1. Top 10 Highest Coffee Consumption Countries (modified from The Telegraph 2017)

Reported in 2017, an average Finn consumes around 12 kilograms of coffee per year, higher than every other country on the list. As can be seen from figure 1, Finland drank twice as much coffee than the country that placed 10<sup>th</sup> on the list- Luxembourg. Looking at the coffee assumption of the Finn in the previous years, it is no doubt that the number of takeaway coffee in Finland would also rank among the highest.

Besides the coffee consumption, Finland has a reputation for being in the top environmentally friendly countries in the world. According to the Environmental Performance Index (EPI) produced by Yale University and Columbia University in collaboration with the World Economic Forum, Finland ranked first and was announced the greenest country in the world in 2016; followed by Iceland, Sweden, and Denmark (Hsu et al. 2016, 18).

Earlier this year, when the author visited her home country- Vietnam; she realised that people in Ho Chi Minh city used a different and very special type of bag when they buy takeaway drinks. To be specific, the bag was made of cloth, and it had the design of the “T” capital letter which made it more easier for people to carry the drinks around without spilling them all over the place. This takeaway cloth bag is noticed to be used widely in Asian countries, especially in Taiwan where the young usually use them to carry takeaway bubble tea. Noticing that the item does not exist in Finland or in any other European countries, the author thought that it could be a good idea to start selling that kind of bag in such a “coffeeholc” country like Finland. Expansion of the business in European area can be considered if the public reaction in Finland turns out well. Another winning point of this takeaway bag is that it is made of cloth, which makes it possible for users to reuse the bag from time to time and use until the strap is torn or worn out.



IMAGE 1. Cloth bag (retrieved from Instagram @foodholicvietnam 2018)

As the result of the author realization, the topic of this thesis has been proposed. The thesis aims to see how feasible is the author's plan to sell this cloth bag product in Finland.

## 1.2 Thesis Objectives and Research Questions

The thesis is carried out with the main objective of seeing if the business idea can turn into a real profit-making-business in Finland. The author starts with evaluating the viability of her business idea in Finland, and the outcome can be used for further expansion of her the idea in the European market.

After defining the objectives of the research, it is important to come up with a good research question. According to Wilson (Wilson 2014), research questions set boundaries for the author when conducting literature reviews and identify key literature. The author can limit her findings and knows

what documents or information she needs to look for when doing desk research for the study. Hence, making easier to come up with a suitable methodology and analysis as well as produce better results. To form a good research question, the author has to keep in mind that the question should neither be too easy nor difficult. Relevant information and documents to answer the question which allows for proper analysis must be able to be found. Then, the question must also provide a future perspective or further study. It should be able for the author to develop the research topic. Finally, a good research question should avoid the research area that others have already covered. Different area helps the author have a wilder and newer view of the topic, differentiate the work from others' and find unique results. (Wilson 2014, 125-127.)

The main research question of the thesis is defined as:

***How feasible is the idea to sell the environment-friendly cloth coffee takeaway bags in Finland?***

Sub-questions are the narrower and more specific questions that aim to break down the problem and help the author find the answer to the main research question easier. The sub-questions should be relevant to the topic and must support the author answer different aspects of the main research question(s). Therefore, the sub-questions that the author wanted to answer for this research topic are:

- Who would be interested in buying the cloth coffee bag and how much are they willing to pay for it?
- How much do Finns care about the environment and eco-friendly products?
- What marketing methods can be used to reach potential customers?
- How much would it cost to keep the business running and how much profit would it make?

Answering the subquestions will help the author have a better understanding of the concepts, the Finnish market, how it would be if she

starts her own business in Finland and finally answers the main research question.

### 1.3 Scope and Limitations

In research, scope and limitations clarify the area that a study will cover, point out the weaknesses, boundaries, and exceptions of the study. Scope and limitations of a study indicate the level of reliability and the validity of a study. It shows the author how the conclusions and findings were influenced, helps understand the study critically and suggest the directions for further research. (Creswell 2012, 16 & 39; USC Libraries 2018). For the reasons above, scope and limitations need to be taken into consideration when studying any market.

The thesis is influenced by three limitations. First, the thesis focus on the Finnish market in general and the Helsinki area to be specific and therefore, the findings in this study might not be translated to other markets. Second, the evaluation based on a logical calculation and assumption and cannot be applied right away into the Finnish market without making any modifications. Finally, the primary data is conducted in English not Finnish; therefore, the author is unable to reach as many Finnish citizens as possible, and it influences the final results of the questionnaire.

### 1.4 Theoretical Framework

According to the University of Southern California, the theoretical framework is the structure that gives your research a strong base and supports the theories of your research study. A theoretical framework includes defining and explaining the key concepts that are relevant to the subject and main research question. It strengthens your study by giving evidence and grounded knowledge behind your idea and help the reader to evaluate your study more critically. (USC Libraries 2018.) The theoretical framework of this paper can be described as shown in the below figure:

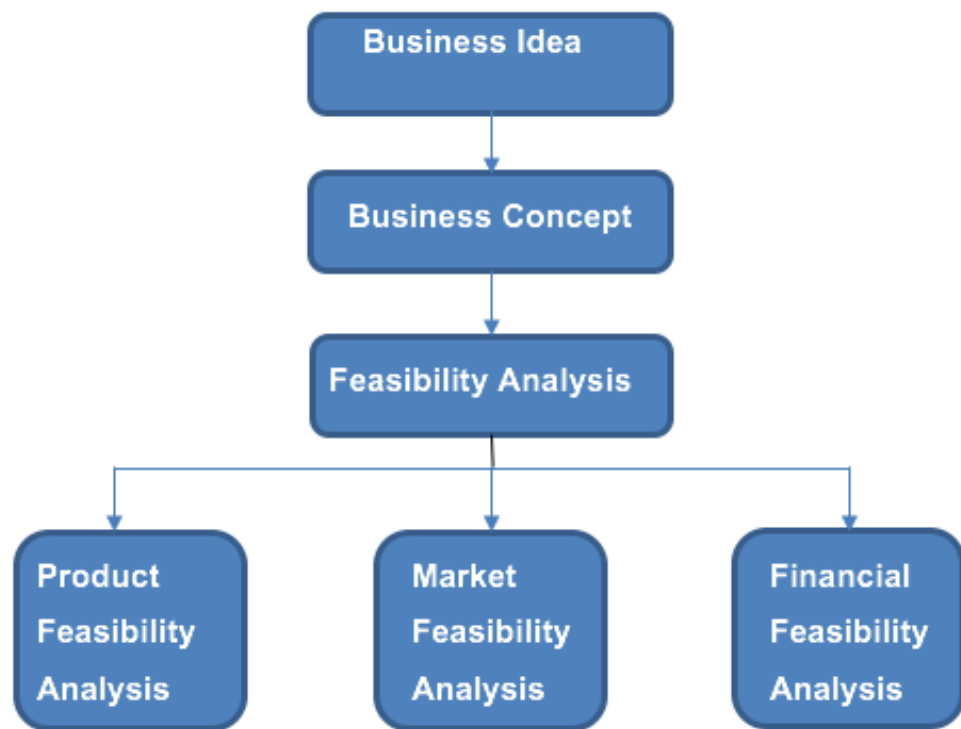


FIGURE 2. Theoretical framework

Ideas appear everywhere and at any time, however, not each and every one of them can turn into a good business idea. Hence, the author will first help define and take a look at the characteristics of a good business idea. Then the theory of a business concept will be described. Last but not least, the theories regarding a feasibility analysis that contains product, market and financial feasibility analysis will be explained. These theories will be discussed in detail and will guide the reader through the implementation chapter later on.

### 1.5 Research Methodology and Data Collection

When conducting a study, it is important that the researcher starts with deciding which research approach is best suitable for the study. There are two commonly-used research approaches, they are deductive reasoning and inductive reasoning. Depends on the nature of the research, the researcher can choose which approach is more suitable to use. In

deductive reasoning, the researcher starts with giving theories, following up with more detailed information, hypothesis, use empirical analysis to test the hypothesis and finalize with providing the results. In inductive reasoning, the researcher usually starts with the topic and the empirical research. Based on the topic and the research procedures, a new theory will be developed, built, and proved. (Creswell 2012, 128). For this thesis, the author has decided to use the deductive approach which is thought to be the most suitable one.

After deciding on the research approach, the researcher needs to decide what research methodology and data collection method will be used to collect the data. There are two main research methods: the qualitative and the quantitative method. Later on, a mixed method which is the mixture of both qualitative and quantitative methods is presented. (Creswell 2008, 4.)

Quantitative research focuses on testing the research problem based on trends by study and seeks for responses from individuals and see how the tendency varies among the studied group. Quantitative research helps answer the question “how much?”, “how many” and “how often?”. This research is executed in to identify the trends, opinions, and behaviors towards the researched topic rather than understanding the reason behind it. Therefore, qualitative data collection methods include different forms of surveys such as questionnaire, online polls and so on. These surveys usually require a large sample size. (DeFranzo 2011; Creswell 2012, 13.)

Qualitative research focuses on understanding the research subject by studying the connection between the subject and human or social issues. Qualitative research helps find answers to the questions “what?”, “why?”, “how things happen in a certain way?” and understand the reason behind the issue. Hence, qualitative data collection methods usually include interviews, focus group, observations and they require only a small sample size. (DeFranzo 2011; Creswell 2012, 17.)

However, according to Creswell (2008), mixed method research started to become more popular since it acquires the benefits of both two research

methods mentioned above. The mixed method is believed to give better result and understanding to the underlying problem. Therefore, the mixed method which includes both qualitative and quantitative methods are used in this study. The data of the study includes both primary and secondary data. Primary data is the data observed and collected for the first time by the researcher, whereas, secondary data is the data that was collected in the past by other people and has already been published (Business Dictionary 2018). In this study, the primary data is collected through an online questionnaire and a focus group meeting where a prototype of the product is given with the intention to test the product's first impression and usability. After that, secondary data gathered from various sources such as online articles, books and other statistical, and is used to support the primary data.

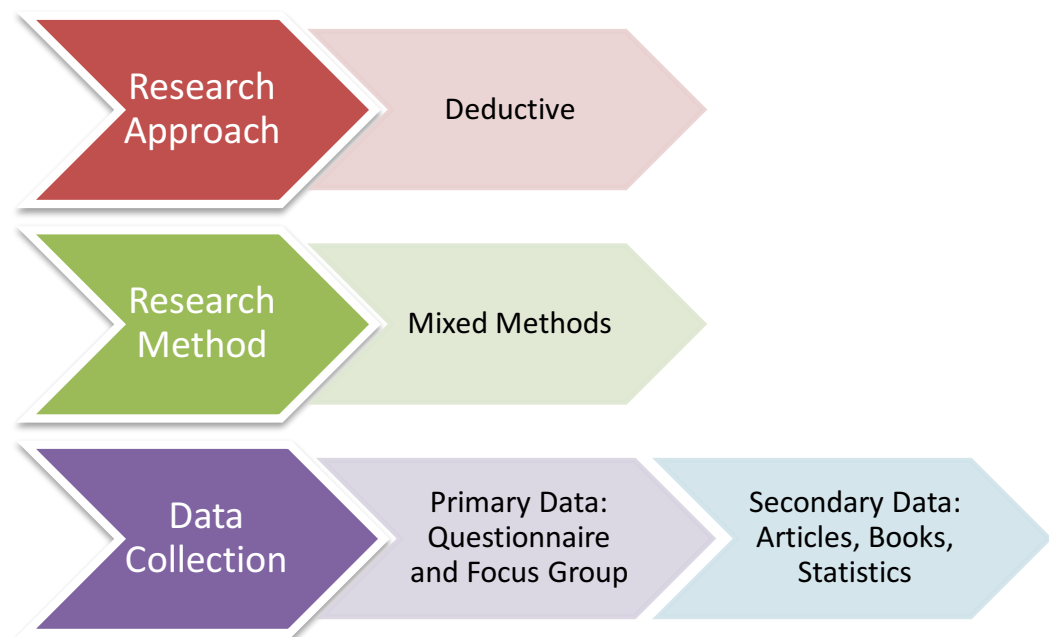


FIGURE 3. Research Methodology of this research study

Figure 3 describes the full research methodology of this study.

## 1.6 Thesis Structure

This chapter explains the structure of the thesis and gives better navigation for the study.



## 1. Introduction

- Thesis background information, thesis objectives and research question, scopes and limitations, theoretical framework, research methodology and data collection, thesis struture

## 2. Theories in business evaluation

- Business idea, business concept, feasibility analysis

## 3.Cloth bag concept

- Finnish coffee culture, types of bags, cloth coffee takeaway bag

## 4.Empirical Research

- Data collection procedure and data analysis

## 5.Feasibility Analysis

- Market feasibility, product feasibility, organizational feasibility, financial feasibility

## 6.Conclusion

- Findings, reliability and validity, recommendation for futher research

## 7.Summary

FIGURE 4. Thesis structure

As can be seen from figure 4, the first chapter of the thesis introduces the topic and gives an overview of the thesis. It helps explain the thesis better by telling the background of the thesis, describing the thesis objectives as well as research questions, explaining the scopes, limitations of the study, the theoretical framework, the research methodology and finally the data collection. Next, the second chapter describes all the theories concerning the business idea evaluation, including the business idea, the business concept and the feasibility analysis. The third chapter tells more about the

business concept of the takeaway cloth bag by analysing the Finnish coffee culture, the types of bags and its impacts on the environment. Then, the fourth chapter of the thesis provides a detailed look at the empirical research with data collection procedure as well as the data analysis. In the fifth chapter, the feasibility analysis is carried out, focusing on the four aspects which are market, product, organization and finance. The sixth chapter concludes all the findings of the thesis, evaluates the reliability and validity of the thesis as well as giving some recommendation for further studies. Finally, a summary is given in chapter seventh to sum up the research.

## 2 THEORY IN BUSINESS IDEA EVALUATION

This chapter of the thesis describes all the relevant theories that stand behind the research and aims to familiarize readers with all the concepts. First, the author explains the importance of a business idea and what defines a good business idea. Then, the details of a business concept are discussed. After that, the theory of the feasibility study is broken down into smaller parts: products, organizational, financial, industry and market feasibility.

### 2.1 Business Idea

Thoughts and ideas appear every single day, at any possible moment, and happen to everyone in the world. However, not all ideas can turn into a business idea and not all business idea are good ones. It is important for an entrepreneur to identify a good business from a bad one since it is the start of every start-up and the turning point of founding a successful business. (Petch 2017.)

To begin with, a compelling business idea needs to fulfil customers' needs. It needs to solve a problem, help customers live their lives easier, and provide a better solution for their lives' issues. An example of a successful business that starts with the thought of finding a solution to solve an existing problem is Uber. Uber is an app-based service that helps people find their carriages easier. (Petch 2017.) The app enables a person to find a nearby vehicle, estimate the cost of the ride and finally helps book the ride. Another good example that can be named is Booking.com. The travel search engine website that helps traveller has a better travel experience when they go on their trip. The website helps with searching for accommodation that suits travellers' budget, checking for flights, booking a car at the travel destination and booking an airport taxi for them. As a result, travellers can have everything well planned and ready for the trips. (Booking.com 2018).

Second, scalability needs to be taken into account when deciding if a business idea is a good one. Scalability is the point where investors look at to see if it is possible for one business to expand to other markets in the future. The more the entrepreneurs put into thinking about scalability, the higher the possibility they have when asking for investments. After all, chances to expand and the growth of business are of the most important parts that investors think about when looking at a business proposal. (Petch 2017.)

Third, revenue mechanism or how can entrepreneurs earn money from their business is the next essential thing. The question to be asked is “how much would people be willing to pay for what is offering?” (Petch 2017). Pricing is important and it is different for each and every business since not all businesses have the same goals and customer groups even when they are selling almost the same kind of products. Hence, once an entrepreneur finds out and decides the product’s or service’s price, the entrepreneur can estimate the profit and see if the business idea is profitable in the long-term or not.

Fourth, the product or service that is offering needs to be stand out from what has already existed in the market. While saying it may seem easy, it is also impossible to keep a product the only one that exists in the market since there are hundred and thousand companies that work in the same field out there. What an entrepreneur can do is to make it harder for the others to copy their idea and make money out of it. That is to say, the entrepreneur can take preventative legal steps such as filling for a patent, copyright, trademark, or whatever legal action that suits the case (Petch 2017). A great example of a patent lawsuit is the lawsuit between Apple and Samsung, the two strongest brands in the electronics industry. They have been suing each other in the battle of smartphones’ and tablets’ design violation for years, and it worths over hundreds million to billions of dollars (Mullin 2017). While keeping the product the only one that exists in the market seems impossible, making sure that there are rooms for innovation is the other important method to separates the startup from other competitors. Innovation and changes need to take place regularly.

The aim is to improve customer experience, keeping up with the market, lowering the costs of production and the selling price.

Finally, passion and a realistic plan with defines goals are the final parts that make a business idea work. A flash of inspiration doesn't help an entrepreneur go to the end of success if the person is not passionate enough or have the determination to make the idea happen. The idea might not come out as first expected but passion and determination will keep the entrepreneur going. For example, Samsung started out as a small trading company that dealt with dried-fish, locally grown groceries and noodles in the 1900s. Nowadays in the 2020s, Samsung is one of the two world-largest information technology company (Kovach 2013). Then, a realistic plan with clear goals is what need to bring ones' idea to reality. Excellent planning and good calculation give a better view of the situation and help figure out how a startup should run their business and make it grow. (Mitchell 2018.)

## 2.2 Business Concept

It takes more than just simply having a good idea to turn it into a successful business. What a startup need after that is to have a business concept. According to Muller (2014); author of Coffee Lunch Coffee – a networking guidebook, business concept connects a business idea to a business plan. It helps an entrepreneur see the connections and relationships between their potential business, the industry, the targeted market which it is in, their targeted customers and their suppliers.

A clear business concept statement often describes the product or service, what it does and its uniqueness to others. The business concept answers the questions who are the potential customers, the reason to buy a certain product and who are the competitors in the field. As a result, after defining the concept of a business, one will learn about the nature of their business. Therefore, enables an entrepreneur to find the answers to the research questions and sub-questions mentioned in the previously. This

step makes it easier for the business planning and implementation steps afterwards. (Delcin 2011; Muller 2012.)

### 2.3 Feasibility Analysis

Feasibility Analysis is an essential step in a start-up process, and its' aim is to see whether it is possible to turn your business idea into an actual and successful business. The idea behind feasibility analysis is to help the entrepreneur decide whether he or she should continue with his or her business idea. If the results of the feasibility analysis turn out to be positive, the entrepreneur can then create a clear business plan and start the implementation process. If the results turn out to be negative, the entrepreneur then knows that his or her idea is not a good one, he/ she can drop the idea and moves on to another business opportunity without wasting a lot of time and money. (Scarborough 2014, 160.)

A feasibility analysis consists of the study of four different components which are Product or Service, Financial, organizational and Industry and Market (Barringer & Ireland 2012, 79-80).

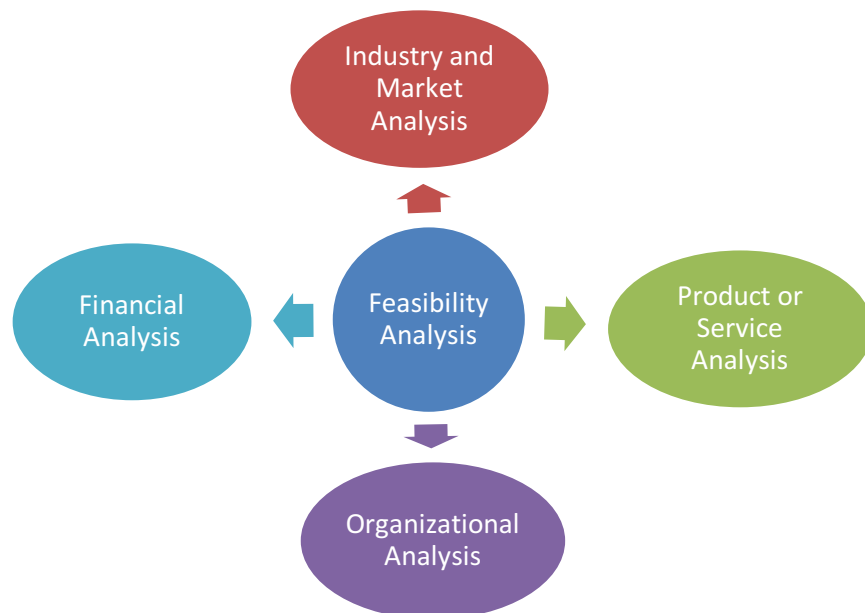


FIGURE 5. Feasibility Analysis (modified from Barringer & Ireland 2012, 79-80)

The four components are discussed in more detail in the below sub-chapters.

### 2.3.1 Industry and Market Feasibility

This phase of the feasibility analysis helps with assessing the industry and market attractiveness that the product or service will be serving and estimate the profit that a startup can make (Scarborough 2014, 161). To break it down, industry emphasizes the group of companies that offer the same kind of products or services, whereas targeted market breaks industry into smaller segments and serves as the group of customers that the seller wants to focus and sell their products or services to (Barringer & Ireland 2012, 124).

#### **Industry Analysis**

The most common tool that is used in industry analysis is the PESTEL analysis and the Porter's Five Forces model. PESTLE analysis studies six external environmental factors that have an impact on an organization: Political, Economic, Social, Technological, Environmental, and finally Legal (Johnson, Scholes & Whittington 2008). Whereas, Porter's Five Forces is a model that was developed by Michael E Porter of the Harvard Business School back in 1979 (Harvard Business School 2018).

First, PESTEL analysis can be used to analyse the macro- environment of an industry. The PESTEL framework helps identify the "key drives to change" and therefore, helps identify and predict the future trends surround an organization. (Johnson, Scholes & Whittington 2008, 54- 55.)

Table 1 below describes some aspects that can be assessed in the PESTEL framework.

TABLE 1. PESTEL framework (modified from Johnson, Scholes & Whittington 2008)

P	E	S	T	E	L
Political	Economic	Social	Technology	Environment	Legal
<ul style="list-style-type: none"> <li>Government roles</li> <li>Political stability</li> <li>Foreign Trade policy</li> <li>Taxation</li> </ul>	<ul style="list-style-type: none"> <li>Macro economic factors</li> <li>Economic growth</li> <li>Exchange rates</li> <li>Consumer confidence</li> </ul>	<ul style="list-style-type: none"> <li>Cultures,</li> <li>Demographics</li> </ul>	<ul style="list-style-type: none"> <li>Technology innovation</li> <li>Materials</li> <li>Technological change</li> <li>Technological awareness</li> </ul>	<ul style="list-style-type: none"> <li>Environmental policies</li> <li>Consumers attitudes toward environment</li> </ul>	<ul style="list-style-type: none"> <li>Laws</li> <li>Health &amp; Safety Laws</li> <li>Industry regulations</li> </ul>

**Political factors** describe how and to what degree a government can affect the economy of a country. It is important that an organization responds, follows and adjust accordingly.

**Economic factors** affect the organization in many ways. The economic situation of a country can determine the general consumer's buying decisions and affects the way people spend their money on goods.

**Social factors** reveal the cultural reasons, belief behind customers' decisions and what drives them. Some social factors that are useful to analysed are population growth, age distribution, health consciousness, and so on.

**Technological Factors** analysed the technological situation that can affect the production process, distributing systems and market communication of a certain product.

**Environment Factors** had become more and more critical for the last few decades when environmental problems arose and became the threat to the world. These factors determine the ethics and sustainability of an organization.



**Legal Factors** include all the laws and regulations concerning the product and the industry from labour, health, safety to consumer rights and laws, and so on. Rules and regulations in business are meant to be strictly followed and it is important that an organization spend more time to study this matter.

(Professional academy 2018.)

Second, figure 6 will help describe the five forces that feature in Porter's analysis framework.

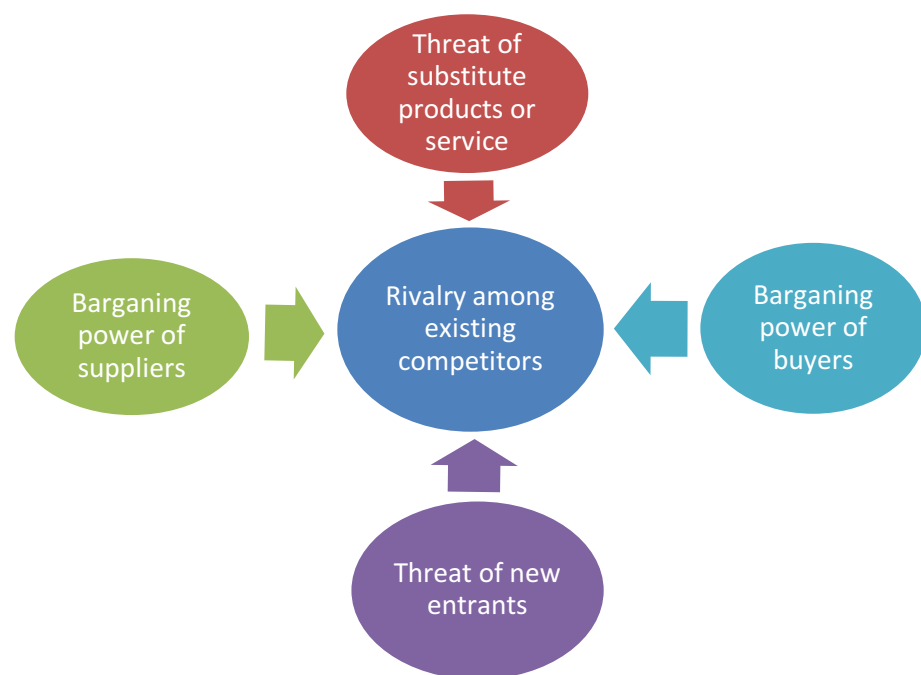


FIGURE 6. Porter's Five Forces Model (modified from Scarborough 2014, 161)

The forces that shape one business are described in more detail in the below section.

### **Rivalry among existing competitors**

The rivalry among existing competitors is the strongest force among the five Porter's forces. It helps the entrepreneur see the intensity of competition between different existing firms in a specific industry of your product(s) or service(s). Rivalry usually exists among companies that

operate and produce goods in the same field and industry. When one company decides to develop or innovate their product(s) or service(s), the rivalry level between companies changes, following up with the perception of competitive pressure. In most cases, the competing companies will quickly adapt to the new change in the attempt to gain more competitive advantages comparing to others companies. Or else, these companies will bear the risk of being eliminated from the competition among businesses and in some case, even face crash or bankruptcy. (Scarborough 2014, 162.)

According to Scarborough (2014, 162), an attractive industry is one that features the following criteria:

- Having a large number or an extremely low (no more than five) number of competitors
- Competitors are of different size or capability
- Fast-growing industry
- The possibility of selling different related products or services or in simple words, it has different aspects to exploit

A great example of rivalry among existing competitors in the same industry is the case of Apple, Nokia, and Samsung. Nokia used to be at the top of the tech industry when it comes to cellphone providers. However, when Samsung and Apple join the battle later on with more competitive operating systems which are Android and iOS, Nokia couldn't quite catch up with the trend. Instead of implementing the Android operating system on their products, they insisted on working with their Windows Phone which is not favoured by most users because of their lacks of apps, too many restrictions, no flash support, Internet Explorer support only and so on (Limaye, 2012). It was only when they stepped down from the throne did they try to announce their first Android phone in 2017 but it was already too little too late by then (Warren 2017). Reported from Forbes in 2017, Apple and Samsung remain at the first and second spots in the world's largest tech companies.

## **Bargaining Power of Suppliers**

The supplier power refers to the ability to affect businesses of the suppliers in an industry. A supplier has strong power when there is only a small number of suppliers exist within an industry (Corporate Finance Institute 2018). A strong supplier has the power over businesses when businesses have to strongly depend on a specific component or raw material to gain profit. They can put pressure on companies by raising the price, lowering the quality or reducing the availability of the needed components or raw materials. An industry is considered more attractive when:

- There are many suppliers in the same industry
- Availability of substitute products
- It is rather easy for companies to switch to another supplier or find substitute components or substitute materials for their products
- Cost of product's components or raw materials accounts for only a small portion of the finished product's cost.

(Wilkinson 2013; Scarborough 2014, 162.)

## **Bargaining power of buyers**

Similar to the power of suppliers mentioned above, buyer bargaining power is the pressure that the consumers can put on the sellers to get sellers to provide higher quality products, services or lower the selling price. The case happens when there is only a small number of customers for your business when it doesn't cost much for customers to switch to other companies' products. An industry is considered attractive when features the below:

- Customers' switching cost is high
- A high number of buyers
- Differentiated products are in high demand
- Information on suppliers' cost, prices, and product features are hard to find online

(Wilkinson 2013; Scarborough 2014, 162.)

### **Threat of new entrants**

When there are too many new potential companies join an industry, the threat to the companies that have already existed in that industry will be created. This situation usually happens in industries where the barriers to entry are low. Low barriers to entry an industry can mean that it doesn't require a company to have high capital, specialized knowledge or many distribution channels access to join the industry. (Scarborough 2014, 162.)

### **Threat of substitute product or service**

The threat of substitute product or service in one industry is high when there are too many companies that offer the similar kind of products and that customers can easily switch from this product to another one. An industry is more attractive for entrepreneurs when:

- Quality products are limited
- Substitute products are not of lower price than the others
- It costs customers to switch to another product

(Scarborough 2014, 162.)

An example of this case is the cosmetics industry. There are hundreds and thousands of cosmetics companies that all sell cosmetics products and customers can easily find products that fit their budget or switch from one product to another if they like.

The PESTEL analysis and Porter's Five Forces framework can help entrepreneurs understand the industry that they want to join at a deeper level and help with their decision-making process. After assessing the attractiveness of an industry, the startup can see if they can gain profit from the business and then decide if they should join the market.

## **Targeted Market Attractiveness**

After looking at the industry analysis, the targeted market analysis is implemented to break the industry into smaller segments. Most entrepreneurs are believed to focus and serve a specific market rather than serving a broad market due to lack of resources. Target market analysis is done through market segmentation and market demand. (Barringer & Ireland 2012, 124 & 126.)

Market segmentation is the process that divides the market into distinct groups based on geographic (country, city), demographic variables (age, gender, income level), psychographic variables (culture, lifestyle). After doing the analysis, the entrepreneur can decide which market is the most suitable for their product launch and put more effort to introduce the product to that specific market following the market characteristics. (Barringer & Ireland 2012, 124.)

Then market demand helps the entrepreneur understand the trends and customer needs in a specific market. By looking at customer needs and the current trends, the entrepreneurs learn what actually drives the market and therefore, offer the product that matches exactly with what the customers are looking for. (The business Plan Shop Ltd 2018.) Both primary data and secondary data are used in this part to help define the target market. Secondary data that is collected through desk research provides the current trends and information regarding the market while primary data confirms those findings.

### **2.3.2 Product Feasibility**

The reason behind product feasibility analysis is to find out if it is actually possible for a company to produce the product, sell it at a reasonable cost and profit from it. The product feasibility analysis helps find the answer for the first sub-question “Who would be interested in buying the product, service and how much are they willing to pay for it?” and see if the startup

can provide the product to the customers while still gaining profit. (Scarborough 2014, 165.)

Both primary research and secondary research will be used in this analysis. Firsthand data collection and analyzing in primary research is necessary as much as gathering data that has already available in secondary research. Some effective research tools that are often used in primary research are questionnaires, customers survey, focus group, interview, and prototypes. (Garner 2010; Scarborough 2014, 165.)

**Questionnaires and customers survey:** Short and easy to answer questions will be asked. Questions should be asked carefully so that it won't show any bias to the results and should contain answer with a simple ranking system.

**Focus group:** Asking a small group of 8 to 12 potential customers to give feedback on your product or service. This type of primary research will help entrepreneurs find out what customers do and don't like about their products or service and therefore, beneficial for making changes or future developments.

**Interview:** Similar to focus group. This research involves a one-on-one interview between the entrepreneur and only one potential customer. This analysis is usually drawn while dealing with product and service that is financially sensitive and requires personal or private answers.

**Prototype:** is the early sample of a product and is given to a number of potential customers to test out the product. A prototype is used when startup wants to see how customers react to the product and see if there is any problem with the product.

(Garner 2010; Scarborough 2014, 165.)

### 2.3.3 Organizational Feasibility

The organizational feasibility analysis is carried out to see if your business has enough management skills or resources to be launched. There are two components in the organizational feasibility analysis that startup should consider, they are management prowess and resource sufficiency.

#### **Management prowess**

Management skills should be carefully evaluated. It is essential that a company has a certain level of understanding and expertise in the industry of their business or product and that they have enough passion towards their product and industry. This is applied to both solo entrepreneurs and individuals in one company.

#### **Resource sufficiency**

The focus of this section is on nonfinancial resources. The reason for this analysis is to identify the nonfinancial resources and check for their availability. The start-up should list 6 to 12 most important nonfinancial resources that are critical to the business idea's launch and check if the listed resources are provided.

(Barringer & Ireland 2012, 91-92.)

### 2.3.4 Financial Feasibility

Last but not least, we will dig deeper into the financial feasibility analysis. The analysis is carried out to find out if it is financially possible for the business to actually run. The most important elements that entrepreneurs should look at in this analysis are capital requirements, estimated earnings and the return on investment. Exact figures and numbers are not required at this early stage since it is impractical, time-consuming and impossible to avoid unexpected expenses, however, the financial estimation should still be at a reasonable degree of certainty. (Barringer & Ireland 2012, 93; Scarborough 2014, 166.)

## Capital Requirements

Every company needs capital to run the business. The capital needed will usually be spent on equipment purchases, buildings, technology, tangible assets, marketing, employees training and so on. All the anticipated capital purchases and operating expenses needed to be listed and explained carefully. If the money is sponsored by friends, family or raised, a repaying plan should be carried out. (Barringer & Ireland 2012, 93; Scarborough 2014, 166.)

## Estimated Earnings

Estimated earnings should be forecasted so that entrepreneurs and investors can see how much profit they can make. Aside from rational calculation, a company's potential financial performance can also be estimated by comparing it to similar existing companies in the industry. This comparison can be executed with the help of available financial reports, observation or by other means. (Barringer & Ireland 2012, 93-94; Scarborough 2014, 167.)

## Return on Investments

Return on Investments (ROI) should be measured after a startup estimated their capital requirements and estimated earnings. In general, return on Investments is carried out to see how profitable your business are. (Scarborough 2014, 167.)

One of the most commonly used ROI formulae will be shown below

$$ROI = \frac{\text{Estimated Earnings (Return)}}{\text{Capital Requirements (Investment)}}$$

FORMULA 1. Return on Investment (ROI) (Scarborough 2014, 167)



### 3 CLOTH BAG CONCEPT

The coffee takeaway bag has been designed ever since the takeaway-drinks concept was born. It was created with the purpose of helping people carrying their drinks easier when they are in a hurry and want to grab a drink on-the-go really quickly. The designs of the takeaway holder bag are varied; however, they are still restricted to the form of either plastic or paper bags in Europe and especially in Finland. This chapter of the study describes further the concept, differences, and advantages of using takeaway bags that are made of cloth.

#### 3.1 Coffee Culture in Finland

It came to the author surprise when she first found out that the Finns were at the top of the world biggest coffee drinkers with around 12 kilograms of coffee consumed a year per capita (The Telegraph 2017). According to logical calculations and assumptions of the Nordic Coffee Culture which dated back to 2015, around 14% of Finnish men and 6% of Finnish women consumed up to 10 cups of coffee each day, and the average consumption number is calculated to be 4-5 cups per day (Kolbu 2018). In 2017, an article mentioned that a typical Finn drinks 8 to 9 cups per day and the number could even be up to 30 cups to some people (Wood 2017). Just by looking at the numbers given above, it can't be denied to say that coffee took a very important part of the Finnish culture.

The famous quote "But coffee, first!" might not be applied to everyone but at least that was the case of Erja Korhonen. In an article from "This is Finland" in 2015, Erja- a TV scriptwriter admitted that it is impossible for her she to start the day without taking two big mugs of typical Finnish-style-coffee. The "all-about-Finnish-culture" website also stated that the connection and feeling between the Finns and their coffee has existed for over a century and that the importance of coffee was shown in Finnish novels, painting, and even essays since the very early 20<sup>th</sup> century. According to the article, what made coffee is so important in Finland is that it was an essential part of the social interaction activities in such a cold

and shy country. Most Finnish workplaces have their “coffee break” between work shifts and it helps break the ice and brings colleagues closer to the other. (Curtet 2015.)

### 3.2 Different types of bags

The grocery bags have been invented in the late 20<sup>th</sup> century with the purpose of helping consumers to carry their goods around easier.

Nowadays, the bags can be made of plastic, paper, and cloth. These three types of bags will be discussed in the below sub-chapters.

#### 3.2.1 Plastic, paper and cloth bag

Figure 7 describes the history and evolution of bags from the past until now.



FIGURE 7. Grocery bags timeline (modified from Reusable Bags 2018)

#### Paper bag

Paper bags are usually made of kraft paper. In the past, people used paper bags to wrap food and other goods in daily life grocery shopping but it was never meant to be used as a way of carrying goods. It wasn't until

the 1850s that Francis Wolle invented the machine that helped mass-produced paper bags. (RikkiLynn 2016.)

### **Plastic bag**

The plastic bag was invented around the 1960s by Swedish company Celloplast. Plastic bags are made of thin flexible and thin plastic film that can be used to contain and transport goods. The plastic bags were then offered to customers by grocery stores and only became popular in the 1980s in the US when world largest supermarket chains, Safeway and Kroger, decided to change from using paper to the plastic bag. The intention behind the change was not only because of the economic benefit cut but also because people thought that using plastic bags instead of paper bags would help save more trees and the environment. The switch caused controversial opinions from consumers. Some argued that they preferred using the paper bags since it can stand straight in the back of their vehicles while other thought that it was more convenient to carry plastic bags around. However the controversy was, the plastic bag was still more favourable by business since it was simply much cheaper for them to offer to customers than the paper bag. (Bing 2010; Petru 2014.)

### **Cloth Bag**

Cloth bags, usually referred to as reusable shopping bags, is the kind of bag that can be reused from time to time. Consumers can use cloth bag as long as they want, until the bags are worn out, torn or until consumers got bored of the bag. Reusable shopping bags were invented in the late 1990s to replace plastic bags, soon after people found out that using plastic wouldn't help save the environment but instead, caused more pollution to areas from lakes, rivers to soil and lands. However, the reusable bags were not favourable by both sellers and consumers because of the high cost of production and high selling price. It wasn't until recently that the bags have gained more reputation with the rise in environmental awareness. (Bing 2010.)

### 3.2.2 Impacts on the environment and consumer behavior

This sub-chapter of the thesis will break down the pros and cons of all three types of bags by analysing the impacts that they have on the environment.

Many studies have been carried out to evaluate the impacts of all three types of bags on the environment and the conclusions as of this moment might give us confusion.

#### **Impacts on the environment**

Plastic bags have always had the worst reputation out of the three types of bags being used. The most common reasons behind this bad reputation are because they never biodegrade or fully break down and then hardly ever been recycled. Each year, used plastic bags are found on the streets, in the rivers, oceans, landfills and they endanger wildlife animals and the environment in many different ways. These plastic bags get into the soil, break down to tiny flakes of plastic after a period of time and slowly release toxic chemicals which are harmful to trees, animals even and the water that runs underneath that layers of soil. The fatal impacts that plastic bags have on animals are usually the results of ingestion, suffocation, drowning, and entanglement. (Thompson 2017; Greener Idea Staff 2018.)

Having a bad reputation, however, plastic bags seem to have the smallest carbon footprint out of the three since it requires fewer resources in the production process considering using each type of bag just once. To study this problem thoroughly, the report from the Environmental Agency (UK) had investigated how many times should each kind of bags need to be reused in order to overcome the negative effect that they had on the environment when compared to that of plastic bags. The result from the report shown that a paper bag must be reused at least 3 times while that number of a cloth bag went up to 11 to 131 times to break even with a plastic bag. Both climate impacts and resources used in the production

process have been considered in the study. (Edwards, C & Fry, J 2011; Thompson 2017.)

The results of the report from the Environmental Agency also shown that manufacturing a paper bag required four times the amount of water that was used to manufacture a plastic bag, not to mention fertilizers and other chemicals that were used during the tree farming and manufacturing period. The best parts about using paper bags are that they are compostable, recyclable and can be used for other purposes once people don't want to use them anymore. (Thompson 2017.)

Reusable bags are commonly made of cotton or nonwoven polypropylene (PP) –a more durable type of plastic. Just like the name, this type of bag can be reused easily and is thought to be the most eco-friendly among the three types of bags. However, it turned out that reusable bags actually required more resources to produce and they released more carbon into the environment. (Thompson 2017.)

In the end, all bags have some sort of bad impacts on the environment at different levels and aspects and what makes the greatest difference turns out to be the consumers' actions and behaviors. The level of environmental pollution actually depends on how many time consumers decide to reuse the bags in reality. Tote bag seems to be the best option for people who chose to reuse the bags for more than once. To study further this matter, consumer behaviour regarding the use of reusable bags in Finland is discussed.

### **Consumer behaviour**

According to an article from Yle in 2013, the use of the reusable bags seemed to be on the rise at food stores across Finland. The sales number is reported to be increased by nearly 30 percent compared to that of 2012. Moreover, it seemed that the attitudes of Finnish people towards reusable bags had changed significantly. Finnish people really cared about nature and environment. They truly believed that bringing and using their own reusable bags at grocery stores is both money-wiser and more

environmentally sensible. In the article. In conclusion, reusable bags are believed to be more favourable especially by the Finns. (Yle 2013.)

### 3.3 Cloth Coffee Takeaway Bag

The takeaway drinks bag was designed to help people carry their drinks around without having to hold the cups carefully in their hands all the time. The designs of the takeaway bag are varied by materials and the number of cups one was carrying. As mentioned previously at the beginning of this third chapter, the materials of the takeaway drink bags are still restricted to plastic and paper in Europe in general and in Finland to be specific. On the other hand, the reusable takeaway drink bags are trendy in many Asia countries such as Thailand, Taiwan, and Japan. They have gotten used to using the reusable bag when buying takeaway drinks to cut down the use of plastic bags and help save the environment. This concept seemed to be fit perfectly into the lifestyle of the Finns and therefore, drive the author into thinking about designing and selling this version of the takeaway bag here in Finland. (Dieu 2018. Translated from Vietnamese by Dang.)

Apart from the material, the cloth coffee takeaway bag is special because of its unique, yet very simple design. As can be seen from Image 1 at the very beginning of the research paper, the cloth takeaway bag consists of a cloth cup holder which is connected with a single strap. The cup holder helps to reduce the temperature of the cup when being exposed to the skin of the buyer while the strap enables the buyer to carry the drink on their shoulder without trouble. Thanks for the strap, busy consumers no longer have to hold their cup in their hand all the time anymore.

## 4 EMPIRICAL RESEARCH

This chapter describes in detail the empirical research process of the thesis. First, the data collection procedure is described. Then, the data is analysed carefully and the results are concluded. Mixed method research is used in this chapter. The author collects primary data by conducting questionnaire and doing the focus group to understand the trend better. The secondary data from articles, news, books, and previous statistical reports play a supportive role to give more validity and reliability to the study.

### 4.1 Data Collection Procedure

The data collection procedure is presented with a detailed timeframe in the table below.

TABLE 2. Data Collection Procedure

<b>Timeframe</b> <b>Activities</b>	<b>March 2018</b>	<b>April 2018</b>	<b>May 2018</b>
<b>Secondary Data collected</b>	Research method, theoretical framework,	theories, business concept, industry and market analysis	
<b>Questionnaire</b>		Design questionnaire, post on social media network, data analysis	
<b>Focus Group</b>		Design questions, recruiting participants	Launch, data analysis
<b>Results &amp; recommendation</b>			Conducted and presented

Table 2 above gives the readers a complete look at the whole data collection process. As can be seen, the thesis starts at the end of March 2018, and the timeframe of the thesis is estimated to be nearly three months. At the end of March, secondary data is collected from articles, books and statistical results to find out more information related to the subject of the thesis. Then, the findings are used to build up the base of the thesis by forming the suitable research method, theoretical timeframe, and the theories related to the business idea. The secondary data related to the industry and market continues to be collected from the beginning of



April. The process lasts until the middle of April before the entrepreneur think it is ready to move on to the empirical research.

At the near end of April, questions for the questionnaire are prepared and ready to be posted on social media network and the same goes for the focus group. The questionnaire is posted several Facebook groups that include mostly students and people who live in Finland. After that, the author prepares prototypes of the product and ready to give the sample to the focus group to try them out. Feedbacks are then collected afterwards to see customer experiences and how people think when using the product samples in reality. Based on the answers, comments, and feedback received from the questionnaire and focus group, the author can gain a deeper understanding of the product samples and make further development if needed. Finally, all the results conducted from primary and secondary data are analysed to come up with a final conclusion for the feasibility analysis study.

## 4.2 Data Analysis

This sub-chapter reveals in detail how the primary data were conducted by telling how the questionnaire and focus group were delivered.

### 4.2.1 Questionnaire

The questionnaire is posted on three different Facebook groups that targeted mainly on Finnish people, students and people who live in Helsinki. Each of the groups has roughly 1000 to 1200 members. However, readers should keep in mind that the members can join different groups, meaning that there might be same members within these three groups. The author intended to target on young adults and students because, after years of buying coffee takeaway and spending time in café shop, she realizes that young adults tend to spend more on takeaway than any other age group. Time pressures and the fact that they don't have to take care of their family expenses are believed to be the main reasons. After a few days, the questionnaire receives 324 responses before closing

to conduct data for the feasibility analysis. Some small errors and mistakes that might have led to misunderstanding have been fixed and corrected by doing modification to the question and answer provided by the author. The in-time-correction resulted in the participant's ease of understanding and the author's ease of conducting statistical results. All the errors and mistakes are corrected while keeping in mind the original means of both the questions and answer to ensure the reliability level of the questionnaire. However, please keep in mind that the language of the questionnaire is English not Finnish, and therefore, it might have some influences on the results of this survey.

First, part 1 of the questionnaire asked the respondents to provide their basic background including information about gender, age, nationality and where the participants live at the time the questionnaire is given. Figure 8 and 9 represents the distribution of gender and age of the respondents.

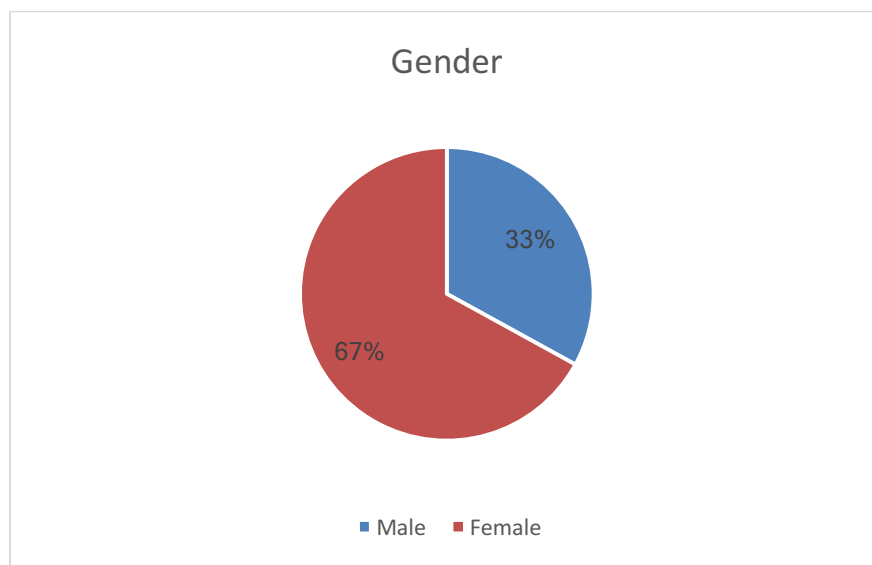


FIGURE 8. Distribution of participants by gender

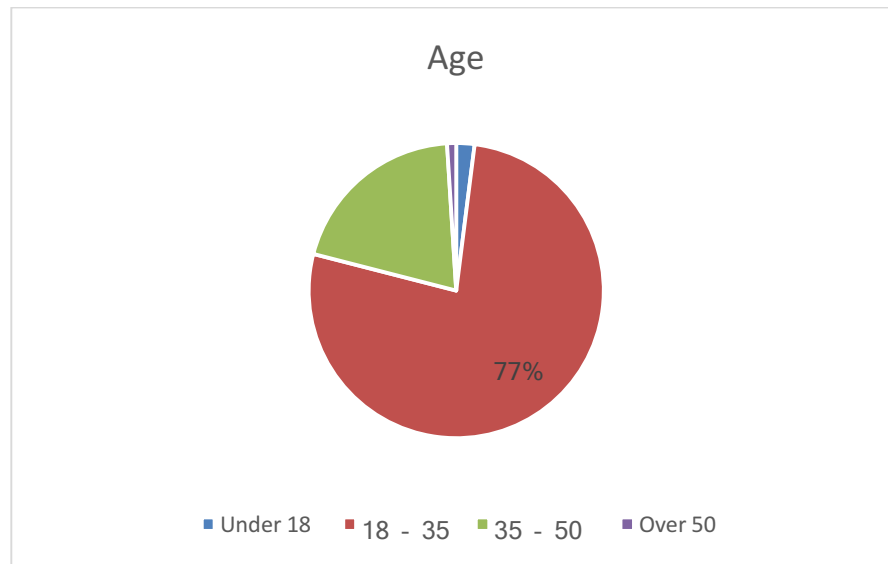


FIGURE 9. Distribution of participants by age

From figure 8, 33 percent of the participants are males and females accounts for 67 percent of the respondents. Figure 9 illustrates the distribution of participants by age. As can be seen, the majority of participants are young adults from 18 to 35 years old. This age group accounts for 77 percent of the number of people participated in the questionnaire and can ensure the reliability of the questionnaire since it has targeted the right customer group. The targeted customer group can be confirmed to be correct after the author sees a comment from one participant that is older than 50 years old. In his comment, he actually stated that “Imma old man and I don’t use my money on coffee anymore”, quoted. In the questionnaire, Finnish people account for 59 percent of the participants, followed by 19 percent Asian and 13 percent other European people. Out of 324 participants, 96 percent of them are living in Finland at the moment.

Second, part 2 of the questionnaire introduced the idea of cloth takeaway bag to the public to see their first impressions. This part also tackles on participants’ takeaway and drinking, hence, helps the author understand more about the market and industry.

The first question from this part asks if the respondent is a to-go person or not. Around 30 percent of the people admit that they usually buy

takeaways, 21 percent say they like to sit down and enjoy their coffee whereas half of the participants admit that they do both, depends on the situation. When asked about how often would they buy takeaway coffee, around 30 percent answer that they buy 1 to 2 cups per week and 16 percent buy 4 to 5 cups per week, which is a quite surprising number to the author. 89 percent of the participants usually hold their cups in their hands after the purchase while the rest use different methods to carry the cups, some stated that they don't buy takeaway at all.

The next four questions are meant to find out the concerning level of the participants toward the environment. Figure 10 represents the number of people who are concerned about the environmental impacts caused by the takeaway bag. The concerning level is measured on the scale of 1 to 5, with 1 means they don't care at all, and 5 means they are very much concerned about the issue.

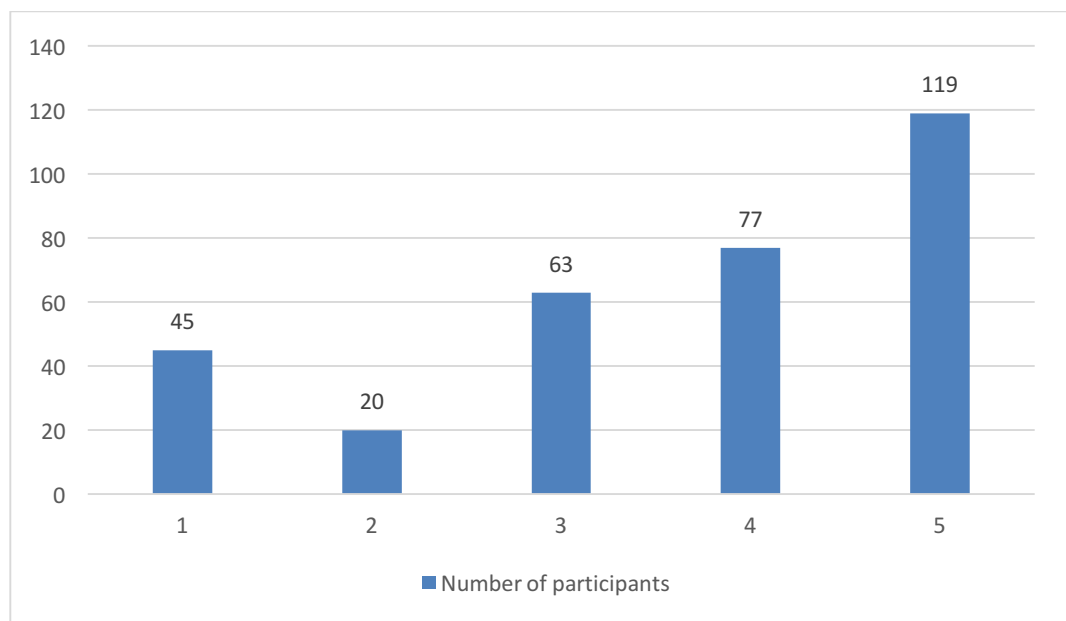


FIGURE 10. The concerning level of participants about environmental impacts caused by takeaway bag

As can be seen from column 4 and 5, the majority of participants care about the environment. This number takes up to 196 people, which is equivalent to around 60 percent of the total participants. When asked

whether if they like the paper takeaway bag or not, as expected, only 15 percent of participants like it, 31 percent stay neutral and 54 percent don't like the paper bag for many reasons. The next question finds out that 33 percent of participants use their own reusable bag when they go grocery shopping, 26 percent buy plastic bags at checkout, 16 percent usually use their backpacks, and 25 percent use both checkout bag and reusable bag depends on the situation. This result shows that the majority of participant still prefer to use the reusable bag than the plastic bag and nearly half of the participants willing to pay a little more for a sustainable to-go bag.

Finally, a photo of the reusable cloth takeaway bag is given in addition to four questions to find out the first impression and reaction of participants toward the bag. 29 percent of participants absolutely want to try the product out, 17 percent kind of like the idea. This result already seems like a good sign. When asked about their thoughts, half of the participants think the bag is pretty easy to use, 62 percent agree that the bag is environmentally friendly, 33 percent agree that the bag looks trendy, 26 percent think it is ok while 41 percent disagree. The next question targets at the participant buying decision, 36 percent equivalent to more than one-third of the participants are willing to buy the bag if they can find it. The author considers this result as a good sign since this is only from the first impression. The last additional question asks if the participants have any comment on the subject and it has received many answers such as they wonder if the product is really easy and efficient to use, what materials are used and that the buying decision depends on the price, weight and comfortability. The last comment section is very important and the researcher is grateful for all the constructive comments and information from the participants.

#### 4.2.2 Focus group

Questions for focus group are designed in parallel with the time that the questionnaire is carried out and some more questions are added after the author receives the questionnaire's result. The author intended to

introduce the prototype of the takeaway cloth bag to a group of students from the age of 18 to 25 who live and study in Helsinki – the capital city of Finland with the highest population, the busiest city and the city that is believed to be the most dynamic in Finland. At the beginning of May, the prototypes of the product are presented to a group of 8 students (4 males and 4 females) to test out the product. These 8 participants are friends of friends that the author especially asked to join the focus group for a quick one hours meeting session at the author address in Helsinki. All participants meet the author's requirements. Four out of eight participants are Finnish, one is Vietnamese, and the other three are from other European countries (excluding Finland). The study intends to find out how young adults feel using the product in reality.

The meeting starts with a warm greeting, and the intention of the focus group is introduced to the participants. Then the prototype of the product is given to each participant with an explanation of how to use the product. After that, the participants are asked to go to a café shop of their interest and use the reusable takeaway bag after making purchases. All the expenses are covered. After 30 minutes, all participants return to the author place to continue with the focus group meeting. Some cookies and croissants are served so that they can have them with the coffee.

Next, the participants are asked to answer a feedback paper to tell about their first impression after using the reusable takeaway bag, how they feel, think about the product, how was the product when compared with other alternatives and if they have any questions and/ or recommendations. Then, the comments are collected and summarized as follows:

- The bag looks nice. It is very light but the participants would like to see some other designs of the bag
- The Vietnamese girl admits that she knows about this bag but hasn't had a chance to use it
- The bag is easier to use than they thought
- Some didn't think the bag would be of any help and that they could use their hands as well. The thought remained the same until they

also had to hold other objects such as books, smartphones, jackets, etc

- Some said that they can own one of the product and can use it in reality
- Six out of eight participants like the product and the other two stay neutral, they neither like nor dislike the product
- Three out of eight participants wonder if they can remember to bring the bag with them if they own the product in real life. They afraid that they might forget it at home and keep buying the bags at checkout
- Two absolutely guarantee that they can remember to bring the reusable takeaway bag with them when they go outside since they are used to bring reusable bags in their backpacks and bags
- The participants share thoughts with the others and decide that they can buy the product if it is not too expensive. They suggest below two to three euro would be reasonable and acceptable
- When asked about the paper bag and the reasons that they might not like to use it; some said that they don't want to deal with bag later since it takes place, easy to spill the drinks, handles easy to be torn
- When asked if they would like to receive the product as a small gift from the café shop, the answer is yes to all

The meeting lasts for another 15 minutes before the author thanks all the participants for joining, experiencing the product and answering the feedback paper.

Finally, the author would like to show her great gratitude to the participants joining both the questionnaire and/ or the focus group for their contribution, comments and opinions about the product.

## 5 FEASIBILITY ANALYSIS

This chapter determines the feasibility of the business idea by looking at both primary and secondary data collected previously. First, the product feasibility is looked at by utilizing the data from the previous empirical research chapter. Then, analysis on industry and market feasibility is carried out, followed by a detailed analysis on organizational feasibility. Finally, the financial feasibility analysis of the product is carefully executed.

### 5.1 Product Feasibility

Previously in chapter 4 “Empirical research”, the procedure, as well as the results from both the questionnaire and focus group are presented. In this chapter, the product feasibility analysis is executed based on the data collected, and the findings are conducted. Two components of the product feasibility analysis which are “product desirability” & “product demand” is being proposed.

#### **Product desirability**

Product desirability is found out to find out if the product is desirable and serves the customers’ needs (Barringer, B & Ireland 2012, 82).

From the data collected in the questionnaire, around half of the participants would like to try the product, and more than one third are willing to pay for the product. In focus group, most of the participants like the product and the others didn’t hate it. They shared that the buying decision would depend mostly on the product’s price since they absolutely don’t want to pay much for just another packaging, takeaway bag. The most suitable price should be no more than 3 euro.

It can be concluded from the research results and the participants’ comments that the customer would most likely buy the product out of curiosity. First, the product is not totally needed; there are other alternatives to the product. However, the product can attract and intrigue young customers with more varieties of features and designs, and attract



order customers with the fact that it is reusable. Then, from the focus group results, the product can be advertised to different café shops. They can be sold as additional items from the shop or can be given to the customer as a small reward for buying more than 8-10 times. It will be more financial benefit for café shops to give a reusable bag rather than to give one free coffee. In overall, it is difficult for the product to stay in the market for a long period of time.

### **Product demand**

Product demand describes how willing customers are to spend their money on the product and can be conducted from a buying intentions survey and other secondary statistical data (Barringer, B & Ireland 2012, 84).

The data conducted previously in the questionnaire comes in handy and can be used to evaluate the product demand in this part. The result shows a lightly positive sign that 149 out of 324 participants (approximately 46 percent) would like to try the product after the first glances, of which 109 participants are from 18 to 35 years of age while the rest are from the age groups of “35 to 50”, “under 18” and only 2 people over 50. That is to say, the product is most highly appreciated by the young adults.

The questionnaire result reveals what keep them from buying the product is the unfamiliarity, uncertainty in ease of use and pricing. Many participants stated that they had not seen this product anywhere in Finland. Therefore, it would be better if the entrepreneur can convince the café shop to make the purchase and give the bag to the customer as a small gift. After the bag has been introduced to the public and gain more recognition, it can be sold in the café shop (can be designed accordingly to the brand) as well as in stores and supermarket chains. The product's price should also be considered and shouldn't be expensive. Further decisions can be developed after further sampling results are conducted.

## 5.2 Industry and Market Feasibility

Industry and market feasibility indicates how appealing the industry and the targeted market are to the product being proposed. In this chapter, industry attractiveness and target market attractiveness can be presented.

### 5.2.1 Industry attractiveness

This part of the thesis analyses the factors that directly or indirectly affect the business using PESTEL framework and Porter's Five Forces that has been described previously in chapter 2.

As mentioned, PESTEL stands for 6 factors which respectively are political, economical, social, technological, environmental and legal factor. The author will go through each one of the factors to find out the attractiveness of the Finnish industry.

## **PESTEL Analysis**

### **Political Factors**

Finland is ranked seventh in the least long-term politically risky country, among the least corrupt countries and the top ten best business environments in the world according to an article from "Invest in Finland". Finland has a high and balancing level of political stability, followed by a high living standard, good education system and a clean and secure environment. Laws and regulations are strictly and voluntarily followed by the public. It can be concluded that Finland offered one of the safest environment for businesses. (Invest in Finland 2018.)

### **Economical Factors**

Despite suffering from the global financial crisis ( 2007 – 2008), the European Debt crisis (since 2009) and the EU sanctions against Russia (since 2014); Finland economic is predicted to return to growth according to the statistical data provided by Bank of Finland. As such, Finland GDP is expected to grow by 1.7% this year and by 1.4% in 2019, thanks to the

increase in investment, private consumption and exports. Moreover, having the GDP per capita among the highest in the world, Finland citizens are offered a high living standard. (Bank of Finland 2017; Banco Santander, S.A 2018.) As a result, the takeaway bag doesn't seem to have an economic threat that can prevent its' sales in Finland.

### **Social Factors**

Mentioned previously, the Finn has a long history of enjoying their coffee. In fact, Finland even ranked first place in the world most coffee consumption per capita. This coffee culture directly affects the selling decision of the author and is part of the reason why the author would want to start this business in Finland.

Then, the image below indicates the population density in Finland retrieved in 2018 from World Population Review.

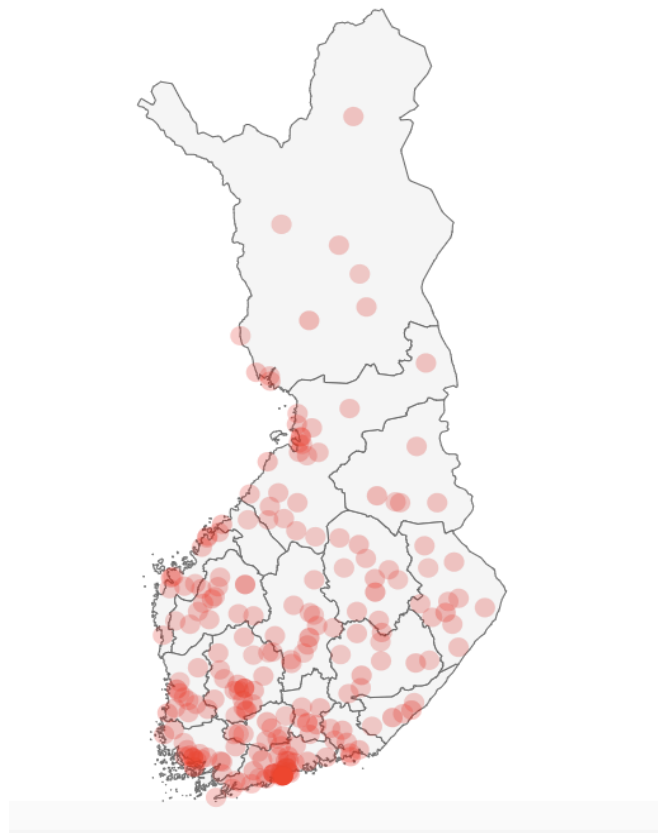


IMAGE 2. Population Density (retrieved from World Population Review 2018)

As can be seen from the image, Helsinki has the highest populated city in Finland with the total of nearly 630,000 people in 2017. Being the capital city of Finland, Helsinki is expected to be the most dynamic and the busiest city in the country. (World Population review 2018.)

TABLE 3. Age structure of the population in Finland (modified from Statistics Finland 2017)

<b>Age</b>	<b>Females</b>	<b>Males</b>	<b>Total</b>
15 – 19	143,840	152,215	296,055
20 – 24	159,738	168,014	327,752
25 – 29	172,102	182,223	354,325
30 – 34	170,593	181,676	352,269
<b>Total</b>	<b>646,273</b>	<b>684,128</b>	<b>1,330,401</b>

According to table 3, the age structure of population as of 31 December 2017 for the age group from 15 to 34 years old in the whole nation is 1,330,401 people, equivalent to 24,1 percent of the entire country's population. Assuming that the percentage of young adults stays the same in every city within Finland, then Helsinki with the population of approximately 630,000 people will have around 151,200 people who are from 15 to 34 years old, quite similar to the targeted age group.

### **Technology Factors**

Although reusable, the cloth takeaway still received questions concerning its materials, recycle possibility and resources need in production. In this part, the technological factors that can affect the author's business idea are analysed. In 2017, the Finnish Forest Association has published an article about how the technologies used in textiles have been developed and stated that producing textiles from wood fibres will grow beyond

imagination in the next few years. The new technology with more environmentally friendly features enables Finland to reduce the plastic waste, reuse the decommissioned paper machines in new production and avoid the carbon disulphide – a toxic chemical composition in production. (Euronews 2017; Kauppi 2017 & Mäntyranta 2017 .)

One of the technological changes are made, new material can be either a threat or an opportunity for business development. Further study is definitely needed once the material is finally announced and familiarized.

### **Environmental Factors**

Finland has always been famous for minimising waste and promoting the circular economy. The Circular economy is used to describes a term where all materials are fully reusable and recycled, and it has gained full support from the Finnish Government. By 2025, Finland is expected to be the first runner in the circular economy race by Prime Minister Sipilä. For that, improvement in collecting, sorting and processing reusable materials such as plastics, metals and textiles are to look out for. Raw and harmful materials are expected to be replaced soon by other substitute clean materials as well. (Halenius 2016; Ministry of Environment 2018.) As can be seen, the environmental situation of Finland very much supports and opens for the author's business idea since it fits right in the category with all the suitable requirements.

### **Legal Factors**

The World Bank provides readers with a detailed Report about Doing Business in Finland 2018 which covers important aspects show as Table 4 below.

TABLE 4. Doing Business in Finland 2018 Indicators (retrieved from World Bank report)

<b>Starting a business</b>	Procedure, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanism in the construction permitting system
<b>Getting electricity</b>	Procedures, time, cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' right in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing process
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

According to the report, ease of doing business can be determined to be quite easy. Finland is ranked 13<sup>th</sup> in the list of the world most easy to do business in overall. When looking at each indicator ranking, Finland is ranked 26<sup>th</sup> at easy to start a business, 37<sup>th</sup> at dealing with constructive permits, 20<sup>th</sup> at getting electricity, 27<sup>th</sup> at registering property, 62<sup>th</sup> at protecting minority investors, 12<sup>th</sup> at best paying taxes, 34<sup>th</sup> at trading across borders, 46<sup>th</sup> at enforcing contacts and finally, 2<sup>nd</sup> at resolving insolvency. All the procedure, time, cost and so on have been described clearly in the report. (World Bank Group 2018.)

Regarding the employment laws, there is only one change in the law, in which the government has longer the maximum length of the probation period of permanent employees, might not make it easier for the employees (The World Bank, 2018). Moreover, keeping in mind that the author is a non-European citizen and is an undergraduate, resident permit and work permit related issues need to be carefully looked at. Applying for

the right permit card is very important and is the start of the whole business process, especially for the author's case and status.

### **Porter's Five Forces**

This part implements the Porter's Five Forces Framework to help make a complete analysis of the industry attractiveness.

#### **Rivalry among existing competitors**

The competitors of the author's takeaway cloth bag that can be mentioned are the plastic and the paper takeaway bags. They are both cheaper in term of purchasing price and production. What differentiates them from one another is the materials, the meaning of use and the intention of use. These two substitutes don't have any specific brand that the customers can be loyal to. Therefore, by creating special design and logo for the reusable bag with nice and trendy hashtags, the author hopes to attract more loyal customers. The switching costs between these three products are low and therefore, very dangerous for the author's business.

As mentioned in the "technological factors" in PESTEL analysis, new technology has already been developed to create a wood-based textile which can either be a threat or an opportunity to the author's product.

#### **Threat of new entrants**

The barriers to entry the market are low since the production process doesn't require huge capital, resources such as land, offices and so on. This already poses a competitive situation for the author's business idea.

#### **Threat of Substitute Products**

Substitute products such as paper bag and plastic bag already existed. The price of both of these is low and therefore, easy for customers to switch between products. However, for a sustainable product, the customers would be more likely to buy the paper bag and our cloth bag instead of the plastic bag. What makes the cloth bag special is that

product hasn't been introduced to the public anywhere in Finland. In other words, if we can make a strong debut at the beginning, customer attraction and loyalty is easier to be kept remained later on.

### **Bargaining Power of Buyers**

The number of customers is expected to be small at first since they are not familiar with the product at all. However, depends on the material of our product and the environmental awareness of the Finns, the author's bag can still be highly appreciated. Substitute options, therefore, couldn't be applied. The buyers have a certain power over the product's price. The price shouldn't be too high since the product is not a totally fundamental part of one's life.

### **Bargaining Power of Suppliers**

The suppliers don't have much power over the production of the product since there are many substitute and alternatives for choosing textiles and fabrics suppliers. Materials needed for the production can be imported from countries like China, Bangladesh, Vietnam for cheap materials costs and production costs. Otherwise, depends on what kind of materials we are looking for (in the future maybe wood-based textiles or some other more eco-friendly materials), different suppliers can be chosen.

## **5.2.2 Target Market Attractiveness**

Most start-ups concentrate on a specific market to avoid risks such as lack of resources and broad competition (Barringer & Ireland 2012, 124). To study the target market attractiveness, the author takes a look at market segmentation and market demand and decide what market is most suitable for the reusable takeaway bag.

### **Market Segmentation**

The decision on the targeted market is made based on geographical and demographical segmentation that are analyzed during primary and



secondary data collection process. As mentioned in chapter 4 Empirical Research, the customer age group that the product is aiming for is young adults from 18 to 35 years old who live in Helsinki area. With a coffee culture for a few decades, Finland as a country is already a suitable market for the author's product. However within Finland; due to a rather small population and uneven population distribution, Helsinki as the capital city is then chosen to be the target city mostly because of its dynamicity and most high-density population. According to World Population review, there are roughly 629,512 people who are living in Helsinki in 2017 and 8% of which are foreign citizens from 140 different countries (World Population review 2018). Besides, the reason for choosing the above age group is that young adults who are busy studying and working are more likely to buy takeaway coffee than any other age group. To attract this customer group, the author should keep in mind that the price of the product shouldn't be too high and there should be different designs to make the product more appealing and attractive.

### **Market Demand**

Market demand is conducted through the questionnaire and focus group mentioned previously also in chapter 4. The questionnaire collected 324 respondents whereas 77 percent of which belongs to the targeted age group and 96 percent live in Helsinki area. The respondents matched with the targeted group that the author is aiming at. When asked about takeaway habit, almost 50 percent picked takeaway as their usual purchasing method (specifically with 30 percent always buys takeaway, 50 percent both buy takeaway and stay at the café shop). Taking a closer look at the questionnaire result, 110 out of 249 respondents from the targeted customer group buy 1 to 5 cups of takeaway coffee per week. This number is equivalent to 44 percent of the targeted customer group and can be considered as a good sign. 96 percent of the respondents care about the environment. Half of the total respondents use reusable bags when grocery shopping (the number includes both people who use reusable bags and backpacks) whereas 25 percent try to use reusable bags if they can. 40 percent out of the 46 percent of the participants wants

to try the bag when given the product's photo, and 31 percent out of 36 percent who want to buy the product is from the targeted age group. As the first impression only after given the photo of the product, this result already gave the green light to the product launch.

Based on the logical calculation that has been done previously in chapter 5.2 Industry Attractiveness in the Social Factors of the PESTEL analysis, there are around 151,200 people in the targeted age group that the author is aiming at (assuming that all percentages stay the same in the whole country). Then from the questionnaire results above, with 31 percent people from the targeted age group who want to buy the product, we have the equation below with "x" stands for the number of young adults in Helsinki who want to buy the product:

$$\frac{100}{324} = \frac{x}{151,200}$$

X is then equal to approximately 46,666 young adults who are potentially willing to spend their money on the author product in Helsinki, noting that the calculation is based on logical assumption.

As the product matches with the target market's culture, ideology, and social movement; the author believes that the product can be a successful launch if priced and marketed right.

### 5.3 Organizational Feasibility

Organizational feasibility of a business idea is being analysed by doing self-assessment to see if either a solo entrepreneur or individual in a company has the sufficient skills set and resources to acquire a successful business. Two components of this feasibility analysis which are management prowess and resource sufficiency are being looked at.

#### **Management Prowess**

As mentioned in chapter 2; management prowess evaluates the skills in management, the level of understanding the industry/ market and expertise, as well as passion towards the industry and the product.

The below table provides a broad look at the management prowess assessment of the entrepreneur and the people that the entrepreneur is planning to work with in this project. The evaluation assesses the whole team skills set and not just the entrepreneurs. The reason for this consolidated assessment is to evaluate the potentiality of the business idea fully. The entrepreneur on her own doesn't have all the knowledge and experiences, but she believes in her personal aspiration and that working with the right people can bring out the best results. Table 5 measures the management prowess in the form of a checklist. The evaluation can be done as followed: "low potential" equivalent to (-1), Moderate potential equals "0" and "High Potential" receives (+1) point. The final result can be calculated at the end of the table.

TABLE 5. Management Prowess Assessment Checklist (modified from Barringer & Ireland 2012, 107)

	Low Potential (-1)	Moderate Potential (0)	High Potential (+1)
Goals & Aspirations			✓
Experience in the related field & industry		✓	
Entrepreneurial experience	✓		
Depth of professional & social network	✓		
Creativity among team members			✓

Financial management experience & expertise		✓	
Academic degree (Both graduating & graduated)			✓

The total score of management prowess after the calculation is “+1” and shows a positive sign.

### Resource Sufficiency

As mentioned in chapter 2, the resource sufficiency evaluation focus on nonfinancial resources. Table 6 with a similar form to table 5, listed down the most important nonfinancial resources from the author point of view. The table includes the method of acquiring the resources and the degree of difficulty to acquire the resource with “hard” equivalent to (-1), moderate equivalent to (0), and finally “easy” rated as (+1). The calculation is done afterwards and the final results show how feasible is the business plan.

TABLE 6. Critical nonfinancial resource (modified from Barringer & Ireland 2012, 93)

Resource	Acquisition method	Hard (-1)	Moderate (0)	Easy (+1)
Office, Equipment, Furniture	Owned			✓
Contract manufacturers/ outsource providers	Contacted and agreed			✓
Key management employees (now and in the future)	Co-work friends & hired		✓	

Key support personnel (now and in the future)	Hired		✓	
Key equipment needed to operate	Rented, Owned		✓	
Support of local and state government if application	Contacted		✓	
Ability to form favorable business partnership	Persuaded and agreed	✓		

The total score of resource Sufficiency is “+1” after calculation, showing another positive sign.

#### 5.4 Financial Feasibility

Considered to be one of the most critical parts of the feasibility analysis, financial feasibility analysis helps evaluate the profitability of a startup and see if the business idea is viable. After all, every business has to rely on profits to survive, maintain and expand the operation. The financial feasibility analysis can be broken down into three categories “capital requirements”, “estimated earnings”, and “return on investment (ROI)”.

##### 5.4.1 Capital Requirements

Based on desk research about textiles and fabrics suppliers and a personal reason which is the author’s main nationality is Vietnamese, the author chooses to import the takeaway bags that are manufactured in Vietnam. The price for one reusable takeaway bag when being bought in a unit of 1000 is 0,36 cent (calculated at the currency exchange rate of 13 May 2018 retrieved from Nordea Bank, Finland). Previously in target market attractiveness sub-chapter, the logical calculation has pointed out

that there are potentially 46,666 young adults in Helsinki area who are willing to buy the takeaway bag. To make the first sale, based on the result previously, the author decided to import a unit of 5000 product which equivalent to around 10 percent of the 46,666 adults who potential want to buy the reusable bag for the first operating month.

The business is in the form of an e-commerce webshop and the office is held at the author's flat. Computers and other equipment are owned by the author and her other two co-workers. All travels are made using public transports.

Table 7 shows a throughout look at the capital required to make the first sale.

TABLE 7. Total Startup Cash Needed (to make the first sale) (retrieved from Barringer 2018)

<i>Capital investments</i>	<i>Amount</i>
Property (office)	0
Furniture and fixtures	0
Computer equipment	0
Vehicles	0
<i>Operating Expenses</i>	<i>Amount</i>
Legal, accounting, and professional services	€600
Advertising and promotions	€50
Deposit for utilities	0
Electricity	€27
Salary & wages	€4,403.28

Payroll taxes	€396,72
Tools & Supplies	0
Starting inventory (5000 products)	€4,178.79
Travel	€164,1
Cash (working capital)	0
<b>Total Startup Cash Needed =</b>	<b>€9,819.89</b>

From table 7, a sum of nearly €10,000 is required as the capital to make the first sale, excluding other unexpected spendings. This amount will be divided and equally funded by all three members of the startup.

Further explanation of table 7 is given as followed. Since the bags are imported from Vietnam, international shipping costs are calculated together with customs duties taxes. Breaking it down, the international shipping cost is calculated based on DHL international shipping price when shipping a parcel from Vietnam to Finland: €131,99 per one parcel with a dimension of max. 120x60x60 cm and weight up to 31,5kg (DHL 2018). A unit of 5000 product weights 350 kilograms, equals to 11 parcels. Each parcel can contain 454 products; therefore, one parcel worths €163.44 before customs and import taxes. The image below is screenshotted from Tulli Customs Duty calculator, and the price after taxes for one parcel is €379.89. For 11 parcels, equal to 5000 product, the price after taxes is calculated to be €4,178.79

+

=

x

=

Use calculator to calculate customs duties

*The result given by the customs duty calculator is indicative only.*

### Results

The goods and shipping costs	295.43 EUR
Customs duty (3.7 %)	10.93 EUR
VAT (24 %)	73.53 EUR
<b>Total</b>	<b>379.89 EUR</b>

Selected region: Areas that are not part of the EU customs territory or the EU fiscal territory

RECALCULATE

IMAGE 3. Customs Duty Calculator (retrieved from Tulli 2018)

The business might not be profitable immediately since the product is unfamiliar to the public. The author decided to persuade coffee shops in Helsinki to buy the reusable takeaway bag and give it to the customers in exchange for a free cup of coffee after their ninth drink. The entrepreneur intended to convince them by pointing out that the price of one bag is lower than a cup of coffee and therefore, financially benefit for the coffee shop. Moreover, it blows a new breeze into the conventional sales plan and attracts more curiosity toward the coffee shops themselves as well as the author's product. This part can be explained with more depth in further research for the marketing methods of the business idea.

#### 5.4.2 Estimated Earnings

After the discussion between the author and the other two members, based on the questionnaire and focus result, they have decided to sell the product for €3 per each product.



The estimated sales revenue = €3 \* 5,000

= €15,000

Estimated Earnings = Estimated Sales Revenue – Capital Requirement

= €15,000 - €9,819.89

**= €5,180.11**

The author believes that after the reusable bags become more familiar to the public, the item can become a part of everyday's life and can be sold in supermarket chains. The author expects the estimated earnings to be higher after 2 to 3 months.

#### 5.4.3 Return on Investment (ROI)

Return on Investment is usually one of the most critical ratios that investors and startups want to look at. The ratio measures the performance and evaluates the efficiency of an investment spent on a company. However, return on investment (ROI) ratio is not applicable in this case. The reason for that is because this startup doesn't require a capital investment since the business is home-based and all the furniture, fixtures and computers are already available. This method helps to minimize the investment to the lowest which is 0 and therefore, making this business idea easier to carry out.

## 6 CONCLUSION

This chapter concludes and brings together all the findings after being analysed and evaluated. First, the first sub-chapter conducts the results and answers the research sub-questions mentioned at the beginning of the thesis before moving on to the main research question. After that, the reliability and validity of the thesis are assessed. Finally, some recommendations for further research and study is suggested in the third sub-chapter.

### 6.1 Findings

The study has conducted an enormous amount of information, and therefore, the author would like to go through and answer the sub-questions first before answering the main research question as a conclusion for the study at the end of this part.

The first sub-question asked “*Who would be interested in buying the cloth coffee bag and how much are they willing to pay for it?*”. Based on the questionnaire results, customers from 18 to 35 years old would be most interested in buying the author’s product, and they are willing to pay for no more than €3.

Next, the next sub-question wanted to *find out the extent of concern that the Finnish people have over the environment and eco-friendly products*. As mentioned in the questionnaire’s result, 60 percent of the total participants are very concerned about the environmental situation. When asked about grocery shopping habit, over half of the participants prefer to use the environmentally friendly bag.

Then, the author wondered *how she could reach potential customers*. After doing the analyses and after the focus group, she decided to familiarize the product to the public by persuading the coffee shops around Helsinki to buy her product and give them to customers as rewards and gifts instead of giving them one free coffee. This method intrigued the customers and made them curious about the author’s product.

After that, the author wanted to know *how much would the business cost, and how profitable is the business idea*. This question has been answered in the previous chapter. To make the first sale, the business requires a total of €9,819.89 and all the money required is spent on operating expenses. The business is calculated to gain a profit of €5,180.11 if the products are fully sold and everything goes as planned.

Finally, the main question proposed at the beginning of the study is:

***How feasible is the idea to sell the environmental-friendly cloth coffee takeaway bag in Finland?***

The answer to this question has now been found. It is feasible to sell the product in Finland in one condition that all reasonable assumptions and predictions happen as planned. The product is new to the public even though it is not a completely new industry or new market. The product with an eco-friendly purpose posed an alternative way of carrying takeaway drinks around, and it matches the culture as well as the lifestyle of the country.

## 6.2 Reliability and Validity

This chapter points out the reliability and validity of the research. Reliability stands for the repeatability of the findings whereas if the research has been done a second time, it would have produced similar results. Validity refers to what extent that the research can be trusted. (Creswell 2012; 159 – 162.)

The data collection process helps to ensure that the findings are reliable. The study used a mixture of both secondary data and primary data in the procedure. Secondary data were conducted through articles, news, and statistical reports from previously and it was used to prove, confirm and strengthen the findings conducted from the primary data. Moreover, the primary data is conducted by using internal consistency reliability approach whereas both the questionnaire and the focus group that study on customer behavior produce similar results. However, due to the fact

that the primary data is carried out in English not Finnish, it might have created a barrier and influences the results of the data conducted. For that reason, the reliability of the findings might not be completely accurate.

Then, the primary was collected and reported as percentage number so that the author can find out the general trends of the potential customer group. The evidence based on response processes and were logically calculated with the reasonable assumption to come out with as precise the results are as possible. That is to be said, the validity of the study is to the extent that everything happens according to the author's predictions and that the author has successfully created good business partnerships and connections with the coffee shops in Helsinki.

### 6.3 Recommendations for Further Research

The research wanted to see the feasibility of a reusable takeaway coffee bag business idea. However, due to the fact that the product itself is a completely new product to the public and the differences in population as well as cultural aspects, it is uncertain to ensure that the reusable takeaway bag can become a big hit in Finland. Therefore, the author suggests giving a sampling period for the product is essential. A detailed report after making the first sale helps evaluate the results more precisely and produce a better prediction for estimated earnings.

For further research, the author suggests some related potential topics. First, this thesis is a feasibility analysis that is done for a new product that wants to enter Finland; therefore, if the business idea is approved, then a detailed business plan is very much needed. Together with a business plan, carrying out a customer behavior study and a suitable marketing methods study helps set the feasibility of the product launch to its' max. Then, the study can also be applied to other drinks and not just coffee since most takeaway drinks use the same cups, the customer groups can also be expanded. Finally, the study can be used as a primary data for further product expansion if all predictions and assumptions are correct.

## 7 SUMMARY

The final chapter summarizes the feasibility of the business idea. The main objective of the study is to evaluate how feasible it is to sell the environmentally friendly reusable takeaway coffee bag in Finland as the product already succeeds in Asian countries.

First, the author introduces the background, goals, objectives and gives a clear structure of the study. Then, research methodology, scopes and limitations are defined.

Second, the next two chapter explains all the theories related to the study. Chapter two focus on giving the definition of the business idea, business concept and feasibility analysis. Whereas, chapter three provides a close look at the concept of the takeaway bag.

Third, the empirical research of the study is carried out in accordance with the theories provided previously. The data collection procedure is given in full details, followed by the primary collection process conducted through doing the questionnaire, focus group and prototype of the product. The primary data aims at finding out the potential customer's takeaway habits and their first impression towards the product.

Fourth, chapter 5 implements the feasibility analysis theories and provides a depth analysis of the product, industry, market, organizational and financial feasibility.

Finally, chapter 6 concludes all the findings and the research main questions and sub-questions are clearly answered. The business idea is feasible but turning it into reality might be different due to the fact that the results of the study are based on reasonable assumptions and logical calculation. Further studies are suggested to bring out the best results of the business idea.

## REFERENCES

### Printed Sources

Barringer, B. & Ireland, R. 2012. *Entrepreneurship: Successfully Launching New Ventures* (4th Edition). New Jersey. Pearson Education, Inc.

Creswell, J. 2008. *Research Design: Qualitative, Quantitative, Mixed Methods Approaches* (3rd Edition). California. Sage Publications, Inc.

Creswell, J. 2012. *Educational Research: Planning, Conducting, and Evaluating Quantitative and Qualitative Research* (4th Edition). Boston. Pearson Education, Inc.

Edwards, C. & Fry, J. 2011. Evidence- Life cycle assessment of supermarket carrier bags: a review of the bags available in 2006 (report: SC030148). Bristol. Environment Agency.

Johnson, G.; Scholes, K. & Whittington, R. 2008. *Exploring Corporate Strategy* ( 8<sup>th</sup> edition). Harlow. Pearson Education Limited.

Scarborough, N. 2011. *Effective Small Business Management: An Entrepreneurial Approach* (10th Edition). New Jersey. Pearson Education, Inc.

Wilson, J. 2014. *Essential of Business Research- A guide to Doing Your Research Project*. California. SAGE Publication Ltd.

### Digital Sources

Banco Santander, S.A. 2018. Finland: Economic and political outline. Santander [accessed 10 May 2018]. Available at:  
<https://en.portal.santandertrade.com/analyse-markets/finland/economic-political-outline>

Bank of Finland. 2017. Forecast for 2017 – 2019. Bank of Finland [accessed 10 May 2018]. Available at:  
<https://www.bofbulletin.fi/en/2017/3/forecast-tables-for-2017-2019/>

Barringer. Appendix 3.1 Full Feasibility Analysis. Pearsoned [accessed 13 May 2018]. Available at:  
[http://wps.pearsoned.com/wps/media/objects/5599/5733471/Appendix\\_3\\_1.pdf](http://wps.pearsoned.com/wps/media/objects/5599/5733471/Appendix_3_1.pdf)

Bing, T. 2010. History of Reusable Grocery Bags. Articles Factory [accessed 2 May 2018]. Available at:  
<http://www.articlesfactory.com/articles/environment/history-of-reusable-grocery-bags.html>

Booking Holding Inc. Booking.com. [accessed 13 April 2018]. Available at:  
[https://www.booking.com/index.html?label=gen173nr-1DCAEoggJCAIhYSDNYBGhliAEBmAEuuAEHyAEM2AED6AEBkgIBeagCAw;sid=73e2ce09f1954004e3f798cabd1bb0e5;lang=en-us;sb\\_price\\_type=total;soz=1;lang\\_click=top;cdl=en-gb](https://www.booking.com/index.html?label=gen173nr-1DCAEoggJCAIhYSDNYBGhliAEBmAEuuAEHyAEM2AED6AEBkgIBeagCAw;sid=73e2ce09f1954004e3f798cabd1bb0e5;lang=en-us;sb_price_type=total;soz=1;lang_click=top;cdl=en-gb)

Business Dictionary. Definition: primary data. Business Dictionary [accessed 1 May 2018]. Available at:  
<http://www.businessdictionary.com/definition/primary-data.html>

Business Dictionary. Definition: secondary data. Business Dictionary [accessed 1 May 2018]. Available at:  
<http://www.businessdictionary.com/definition/secondary-data.html>

Corporate Finance Institute. What is Industry Analysis?. CFI [accessed 21 April 2018]. Available at:  
<https://corporatefinanceinstitute.com/resources/knowledge/strategy/industry-analysis-methods/>

Curtet, P. 2015. Exploring the Finnish Affinity For Coffee. This is Finland [accessed 27 April 2018]. Available at: <https://finland.fi/arts-culture/exploring-the-finnish-affinity-for-coffee/>

DeFranzo, S. 2011. What's the difference between qualitative and quantitative research?. Snapsurveys [accessed 1 May 2018]. Available at: <https://www.snapsurveys.com/blog/qualitative-vs-quantitative-research/>

Delcin, C. 2011. Business Concept Development: A Clear Path to Success. PowerHomeBiz [accessed 20 April 2018]. Available at: <https://www.powerhomebiz.com/blog/2011/05/business-concept-development/>

DHL. 2018. Sendungen online frankieren. DHL [accessed 14 May 2018]. Available at: <https://www.dhl.de/popweb/gw2/nepal/ProductOrder.action?insert=true&checkOnInit=false>

Dieu, T. 2018. Dùng quai vải thay túi nylon đựng nước: đây là cách bảo vệ môi trường rất đáng yêu của giới trẻ Sài Gòn. Kenh14 [accessed 2 May 2018]. Available at: <http://kenh14.vn/dung-quai-vai-thay-tui-nylon-dung-nuoc-day-la-cach-bao-ve-moi-truong-rat-dang-yeu-cua-gioi-tre-sai-gon-20180321235624831.chn>

Euronews. 2017. Finland fights plastic pollution with "green" bags. Euronews [accessed 11 May 2018]. Available at: <http://www.euronews.com/2017/05/05/finland-fights-plastic-pollution-with-green-bags>

Foodholicvietnam. 2018. Image. Cztusblended [accessed 2 April 2018]. Available at: <https://www.instagram.com/p/BgXoWz7geen/?hl=en&taken-by=foodholicvietnam>

Garner, S. 2010. The four types of primary market research. GoForth Institute [accessed 22 April 2018]. Available at: <http://canadianentrepreneurtraining.com/the-four-types-of-primary-market-research/>

Greener Ideal Staff. 2018. How Do Plastic Bags Affect Our Environment?. Greener Ideal [accessed 2 May 2018]. Available:



<https://greenerideal.com/news/environment/0613-how-do-plastic-bags-affect-our-environment/>

Halenius, L. 2016. Eliminating waste in a circular economy. ThisisFINLAND Magazine [accessed 11 May 2018]. Available at: <https://finland.fi/business-innovation/eliminating-waste-in-a-circular-economy/>

Harvard Business School. The Five Forces. Harvard Business School [accessed 20 April 2018]. Available at: <https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-five-forces.aspx>

Hsu, A. 2016. 2016 Environmental Performance Index. Report. Yale University [accessed 12 April 2018]. Available at: [http://epi2016.yale.edu/sites/default/files/2016EPI\\_Full\\_Report\\_opt.pdf](http://epi2016.yale.edu/sites/default/files/2016EPI_Full_Report_opt.pdf)

Invest in Finland. 2018. Safe Playground. Invest in Finland [accessed 11 May 2018]. Available at: <https://www.investinfinland.fi/safe-playground>

Kauppi, A. 2017. Finnish innovation challenges plastic: New-generation paper bag fights against plastic waste in oceans. Finnish Forest Association [accessed 11 May 2018]. Available: <https://www.smy.fi/en/artikkeli/finnish-innovation-challenges-plastic-new-generation-paper-bag-fights-against-plastic-waste-in-oceans/>

Kolbu, C. Maxed Out: A Closer Look at Coffee Consumption in Finland. Nordic Coffee Culture Blog [accessed 27 April 2018]. Available at: <http://nordiccoffeeculture.com/maxed-out-a-closer-look-at-coffee-consumption-in-finland/>

Kovach, S. 2013. How Samsung Went From A Dried Fish Exporter To The Top Names In Tech. Business Insider [accessed 20 April 2018]. Available at: <http://www.businessinsider.com/history-of-samsung-2013-2>

Limaye, J. 2012. The 5 Biggest Weaknesses of Windows Phone. Techtree [accessed 21 April 2018]. Available at:

<http://www.techtree.com/content/features/1110/the-5-biggest-weaknesses-of-windows-phone.html>

Mäntyranta, H. 2017. Wood-based textiles are being developed in several Finnish projects – huge market potential is in sight. Finnish Forest Association [accessed 11 May 2018]. Available: <https://www.smy.fi/en/artikkeli/wood-based-textiles-are-being-developed-in-several-finnish-projects-%E2%80%92-huge-market-potential-is-in-sight/>

Ministry of the Environment. 2018. Circular Economy. Ministry of the Environment [accessed 11 May 2018]. Available at: [http://www.ym.fi/en-US/The\\_environment/Circular\\_economy](http://www.ym.fi/en-US/The_environment/Circular_economy)

Mitchell, W. 5 Crucial Ingredients of the Perfect Business Idea. StartupBros [accessed 17 April 2018]. Available at: <https://startupbros.com/5-crucial-ingredients-of-the-perfect-business-idea/>

Muller, A. 2012. How to Turn an Idea into a Startup: Begin with a Business Concept Statement. Forbes [accessed 20 April 2018]. Available at: <https://www.forbes.com/sites/kauffman/2012/06/11/how-to-turn-an-idea-into-a-startup-begin-with-a-business-concept-statement/#5aa859c8451c>

Mullin, J. 2017. Supreme Court won't hear Apple v. Samsung round two. ArsTechnica [accessed 16 April 2018]. Available at: <https://arstechnica.com/tech-policy/2017/11/supreme-court-wont-hear-apple-v-samsung-round-two/>

Petch, N. 2017. Five Signs That You Have A Great Business Idea. Entrepreneur Middle East [accessed 13 April 2018]. Available at: <https://www.entrepreneur.com/article/290111>

Petru, A. 2014. A Brief History of the Plastic Bag. Triple Pundit [accessed 2 May 2018]. Available at: <https://www.triplepundit.com/2014/11/brief-history-plastic-bag/>

Professional Academy. 2018. Marketing Theories – PESTEL Analysis. Professional Academy [accessed 10 May 2018]. Available at:

<https://www.professionalacademy.com/blogs-and-advice/marketing-theories---pestel-analysis>

Reusable Bags. History of Reusable Shopping Bags. Reusable Bags [accessed 2 May 2018]. Available at:  
<https://reusablebagz.weebly.com/history.html>

RikkiLynn. 2016. The History of the Paper Bag. Brokencartons [accessed 2 May 2018]. Available at: <https://www.brokencartons.com/blog/?p=141>

Smith, O. 2017. Mapped: The world's most eco-friendly countries – where does the UK rank?. The Telegraph [accessed 2 April 2018]. Available at:  
<https://www.telegraph.co.uk/travel/maps-and-graphics/most-and-least-environmentally-friendly-countries/>

Statistics Finland. 2017. Population. Statistics Finland [accessed 13 May 2018]. Available at: [http://www.stat.fi/tup/suoluk/suoluk\\_vaesto\\_en.html](http://www.stat.fi/tup/suoluk/suoluk_vaesto_en.html)

Stoller, K. 2017. The World's Largest Tech Companies 2017: Apple And Samsung Lead, Facebook Rises. Forbes [accessed 21 April 2018]. Available at:  
<https://www.forbes.com/sites/kristinstoller/2017/05/24/the-worlds-largest-tech-companies-2017-apple-and-samsung-lead-facebook-rises/#63b9f3ebd140>

The Business Plan Shop. 2018. How to do a market analysis for a business plan. The Business Plan Shop [accessed 12 May 2018]. Available at:  
[https://www.thebusinessplanshop.com/blog/en/entry/market\\_analysis\\_for\\_business\\_plan#market-need](https://www.thebusinessplanshop.com/blog/en/entry/market_analysis_for_business_plan#market-need)

The World Bank. 2018. Business Reforms in Finland. The World Bank [accessed 11 May 2018]. Available at:  
<http://www.doingbusiness.org/reforms/overview/economy/finland>

Thompson, C. 2017. Paper, Plastic or Reusable?. Stanford Magazine [accessed 2 May 2018]. Available at: <https://medium.com/stanford->

magazine/paper-plastic-or-reusable-cloth-which-kind-of-bag-should-i-use-c4039575f3f1

USC University of Southern California. 2018. Organizing Your Social Sciences Research Paper: Limitations of the Study. USCLibraries [accessed 20 April 2018]. Available at:  
<http://libguides.usc.edu/writingguide/limitations>

USC University of Southern California. 2018. Organizing Your Social Sciences Research Paper: Theoretical Framework. USCLibraries [accessed 15 April 2018]. Available at:  
<http://libguides.usc.edu/writingguide/theoreticalframework>

Warren, T. 2017. The first Nokia flagship Android phone is launching on August 16<sup>th</sup>. The Verge [accessed 21 April 2018]. Available at:  
<https://www.theverge.com/2017/7/25/16024456/nokia-8-hmd-launch-august-rumors>

Wilkinson, J. 2013. Supplier Power (one of Porter's Five Forces). The Strategic CFO [accessed 21 April 2018]. Available at:  
<https://strategiccfo.com/supplier-power-one-of-porters-five-forces/>

Wood, J. 2017. Why Finland Drink More Coffee Than Any Other Country. Culture Trip [accessed 27 April 2018]. Available at:  
<https://theculturetrip.com/europe/finland/articles/why-finlands-coffee-culture-reigns-supreme/>

World Bank Group. 2018. Doing Business: Reforming to Create Jobs, Economy Profile of Finland. World Bank Group [accessed 11 May 2018]. Available at:  
<http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Profiles/Country/FIN.pdf>

World Population Review. Finland Population 2018. World Population Review [accessed 11 May 2018]. Available at:  
<http://worldpopulationreview.com/countries/finland-population/>

World Population Review. Helsinki Population 2018. World Population Review [accessed 13 May 2018]. Available at:

<http://worldpopulationreview.com/world-cities/helsinki-population/>

Yle. 2013. The demise of the Finnish plastic bag. Yle Uutiset [accessed 2 May 2018]. Available at:

[https://yle.fi/uutiset/osasto/news/the\\_demise\\_of\\_the\\_finnish\\_plastic\\_bag/6620329](https://yle.fi/uutiset/osasto/news/the_demise_of_the_finnish_plastic_bag/6620329)

## APPENDICES

### APPENDIX 1. Questionnaire targeting Finnish customers and people that lives in Finland

An introduction was given to the respondents to explain the purpose of the questionnaire.

**Part 1:** This part requires the respondents to answer 4 basic questions about their personal background

1. What is your gender?
  - ☐ Male
  - ☐ Female
2. How old are you?
  - ☐ Under 18
  - ☐ 18 – 35
  - ☐ 35 – 50
  - ☐ Over 50
3. Are you a Finnish?
  - ☐ Yes
  - ☐ No
4. Do you live in Finland?
  - ☐ Yes
  - ☐ No

**Part 2:** This part asked the respondents to answer 10 questions about their drinking and takeaway habits. Some of the answers include evaluation on the scale of 1 to 5 as below:

- 1) Totally disagree/ dislike
- 2) Disagree/ dislike
- 3) Neutral/ It doesn't matter
- 4) Agree/ Like
- 5) Totally agree/ I love it

1. Are you a to-go person or do you like to enjoy your coffee?

- ☐ I'm a to-go person, I'm very busy
- ☐ I like to sit down and enjoy my cup of coffee
- ☐ I'm both, it depends

2. How often do you buy takeaway coffee?

- ☐ 4 – 5 times per week
- ☐ 1 – 2 times per week
- ☐ I bring my own takeaway coffee
- ☐ Rarely

3. How do you carry your takeaway drink?

- ☐ I hold it in my hand
- ☐ I use paper takeaway bag
- ☐ I put it in my bag
- ☐ Other

4. Are you concerned by the environmental impacts of the takeaway bag?

	1	2	3	4	5	
Not at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes, totally

5. How do you like the paper takeaway bag?

	1	2	3	4	5	
I hate it, my coffee spills every time I'm in a hurry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I like it, it is very helpful!

6. What kind of grocery bag do you use?

- ☐ My own reusable grocery bag
- ☐ I buy at checkout (plastic bag most of the time)
- ☐ I use my own backpack
- ☐ Both reusable and plastic/ checkout bags
- ☐ Other :...

7. Are you willing to pay more for a sustainable to-go bag?

- ☐ Yes
- ☐ No

8. Would you like to use a reusable coffee bag?

A photo of the Cloth Takeaway Bag was given to see general public reactions toward the product

	1	2	3	4	5	
No, I don't like it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes, I like it!

9. How do think about the takeaway bag?

	1	2	3	4	5
Easy to use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmentally friendly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trendy/ Fashionable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Would you use this reusable takeaway bag if you can buy them?

- ☐ Yes, I will buy and take it with me
- ☐ No

**Part 3:** The author asked if the respondents have any comment regarding the questionnaire



## APPENDIX 2. Focus group screening questionnaire

*The author starts the meeting with a warm greeting:*

“Good afternoon everybody. I hope everybody has a nice day! My name is Ly Dang. I’m currently doing my Bachelor thesis on a topic that requires information about coffee and takeaway habits.

Thank you for joining me today in this meeting. The meeting will last for no longer than an hour if everything goes smoothly as planned.

First, I believe that all of you are living and studying at Helsinki at the moment, can I confirm the information? Yes, alright.

Next, I’m giving you this product sample (handing the takeaway bags to the participants at the same time) and I would like you to go to the coffee shops nearby to buy for yourself one takeaway drink of your choices. After the coffee is ready, use this bag to carry the cups back to this place where we will carry on with the next activity. There are three coffee shops in the area, and the furthest store is located a kilometre from this location so it wouldn’t take more than 30 minutes to go forth and then back. I will cover all the costs of your drinks, so feel free to choose whatever you like.

Before you go, I would like to explain you a bit about this bag and the reason why I’m asking you to buy a takeaway drink and bring it back here.

I believe none of you has seen this bag anywhere in Helsinki or in Finland before? That’s right. This bag is a new item here and I want you guys to be the first one to try it out.

This bag here is a reusable takeaway bag that is specially designed for takeaway drinks. You can bring one drink at a time only. However, you don’t to always hold the cups in your hand anymore. You can carry the strap of this bag on your shoulder and walk with your hands busy holding something else instead. Moreover, the bag is made of cloth and it is

environmentally friendly as you don't have to cut down trees for the paper bags or use the notorious plastic bags anymore.

Ok, if everything is clear, I will not waste any of your time and let you guys go now. See you here in 30 minutes!"

*The participants go out to get their drinks. In the meantime, the author prepares some croissants and cookies. The meeting continues after the participants return to the flat.*

"Do you guys enjoy the drinks? Ok, now that you guys have used the takeaway bag, I would like to ask you to answer to some of my questions given in the paper on the table in front of you. All the questions are related to your first impression and feeling while using the product sample for the first time.

Any information collected through this feedback will be solely used for my thesis. Your personal information will be disclosed to the public, and only I can know who participated in this meeting today. By answering the questions, you agree to provide the most honest possible answer to me. If you have any further questions or if you want to buy the product, please contact me at:

lizdang8396@gmail.com"

1. What is your first thought about this bag? How do you think about it? Do you like the design?
2. Is the product heavy?
3. Is it easy to use? And if not, how difficult is it for you to use it, please describe?
4. Do you want to own and use this product in reality?
5. If you don't want to use the bag, why is that?
6. How much would you willing to pay for this bag? Please give me a minimum and a maximum amount.
7. Do you like using the paper bag? Why and why not?

8. How would you feel if you are given this bag as a gift for your fifth or tenth purchase?
9. Do you have any further comment or recommendation?

Thank you for your precious participation!