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**LAUNCHING MARE'S MILK IN FINLAND:
CASE STUDY OF A FINNISH MARE'S MILK PRODUCER**

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Abstract

The goal of the present paper is to find out the current state of mare's milk market in Finland, find out target groups for the possible products made out of mare's milk and ways to market the products in Finland. In this thesis Finland has been compared to selected benchmarked European countries. The commissioner has been used as a case study in this thesis to reflect to the situation around the commissioner. The research is conducted with the help of primary and secondary research. In the end of this thesis basic productizing and marketing plans are introduced and target groups suggested for the possible Finnish mare's milk products.

The thesis is a qualitative practice-based research by nature and it was conducted during the autumn of 2013. The implementation of the thesis consisted of the following stages: (1) writing of literature review and collecting of secondary data, (2) data collection via themed personal interviews, and (3) data analyses and reporting. Eight experts of different fields were interviewed for this thesis. The interviews were recorded. The collected data was analysed with the help of Porter's five forces and Marketing mix analyses. The commissioner was kept in mind through out the thesis providing a case study in the analytical section as well.

On the basis of the results of this research, it can be concluded that mare's milk as a concept is new to Finnish people, thus unknown. Benchmarking from European countries that are more familiar with mare's milk has been successful and it is possible that the practices could be brought to Finland. The industry is new which means that there is a lot of work to be done before products made out of mare's milk would have a large market in Finland.

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APPENDIX 1: The interview frames

1 INTRODUCTION

1.1 Background

The demand for functional foods is growing steadily in the Western countries. People are all the time more interested in their own health and well-being. In some countries for example the number of organically produced products and the demand for them has increased significantly. These micro trends create new possibilities also in Finland.

From a historical perspective producing and using mare's milk as foodstuff is not new. Already for centuries mare's milk has been used for example in certain parts of Asia for different purposes, such as drinking it as fermented milk. However, during the last few decades mare's milk has been used very little in Finland even though in parts of Europe it has been used more widely.

The viewpoint of this thesis is to view mare's milk as something that has health benefits; a functional food. The aim is to create a marketing strategy for a new product and find out the current situation of mare's milk industry in Finland. There are only a small number of previous researches or theses that concentrate on mare's milk or marketing of mare's milk, thus the topic is new in Finland.

This thesis is commissioned by Suvirinteen Tila (Translated by author: Suvirinne Farm) and the CEO; Suvi Peiponen. The CEO is planning to start raising horses at the farm and producing mare's milk with the mares. Also certified organic grains are being grown at the farm and the plan is to start feeding the horses with organic fodder. The organic plan also includes other elements typical for organic farming.

The commissioner for this thesis wanted to find out about the possibilities of mare's milk in Finland and how such an unknown and new product for Finnish market could be marketed. Also, what kind of target group the products should be marketed for and would the possible organic aspect be important. The commissioner had also asked to find out possible co-operating partners but despite the efforts there are no potential partners found so far.

1.2 Aim of the thesis

The aim of the thesis is to provide information for launching mare's milk products in Finland. Information about the current state of mare's milk market in Finland and benchmarked information from other European countries that mare's milk is more common at; Austria and the Netherlands. Also information about the possibilities that mare's milk and mare's milk products could have in Finland has been discussed in the forms of target group and ways to market the possible products. All the information has been gathered and discussed keeping in mind the launch of new mare's milk products in Finland made out of Finnish mare's milk. The thesis has been written in accordance to provide the best possible information for the Suvirinne Farm to develop in the right direction.

The theoretical section aims to provide thorough information about mare's milk and the functionality of it, information about designing and launching a new product to a market and about marketing theories that are related to new product development. In the theoretical section for example product life cycle, launch marketing and productizing are being introduced. Theme interviews of experts of different fields were conducted and the interviewees were chosen according to their knowledge towards the same topics that are introduced in the theoretical section. The interviewees' fields included horse industry, experiences with mare's milk in different European countries, organic farming, productizing and the launch of a new product to a market. The analytical section of this thesis binds the theoretical section and the findings of interviews together and provides conclusions and answers to the topics that are seen as relevant for the commissioner to know or think about.

This thesis consists of three parts; theoretical section, empirical study and analytic section. The theoretical section has been divided into three different categories. The first section introduces the concept of functional food, the second section provides information about mare's milk and the third section introduces some theories of marketing and launching of a new product. The empirical study is a qualitative study and it was conducted by interviewing professionals of different fields, such as experts of

mare's milk, horse industry, organic production, productizing, marketing of functional foods and launch marketing. Finally all the collected data was analyzed by using content analysis methods.

Throughout the thesis three aspects have been discussed and analyzed from different angles. The three aspects include mare's milk, functional food and new product launching. The research questions have been designed in accordance to these three aspects. The research questions are:

- What is the current state of mare's milk market in Finland?
- How mare's milk could be marketed in Finland?
- What would the target group of mare's milk products be?

1.3 Important terms

Conceptualization or product conceptualization is the action of turning an idea or knowledge into something that everybody can see and understand.

Fermented milk is milk that is kept in a certain place in certain conditions in order for it to go sour. The sour milk preserves longer and is good for digestion.

Functional food is somewhere between food and medicine. Food is something that people can eat or drink and medicine is something that is used to cure, alleviate or prevent diseases. Functional food is positioned somewhere in between because when eaten it has some similar effects as a medicine would have.¹

Launch marketing is seen as the last function after research and development process. Launch marketing means bringing a product to a market and monitoring the implementation to ensure the success of the process.²

Mare is a female horse.

¹ Niva, Jauho 1999, 2-5.

² Rope 1999, 18.

Productizing means turning an idea, a technology or knowledge into a sellable product and/or business.

Stallion is a male horse.

2 FUNCTIONAL FOOD

2.1 Functional food in literature

Several books about functional food have been selected to this thesis. One very comprehensive and one of the first such wide publication is *Ruoan ja lääkkeen välimaastossa* (Translated by author: Somewhere Between Food And Medicine), written by Mari Niva and Mikko Jauho. The publication discusses functional foods in several different points of view and questions some of the ideas that people might have. For the book the writers have interviewed consumers and also share a lot of their opinions and how the customers have understood some ideas, which is a big part of the publication. The publication also talks about the criteria and definition of functional foods and discusses do the sentences used in marketing mislead consumers or is it clear what each term means. One of the themes, as the title of the publication states, is discussed with consumers; where the line can be drawn between a food and a medicine and is it even possible to divide those two from each other when it comes to functional food.³

Hyvä ja paha ruoka (Translated by author: Good And Bad Food), edited by Mononen and Silvasti, talks about the effects of food production and consumption from many different angles. In the book there is a section that was written by Mari Niva and that concentrates entirely on functional food. The history of functional foods is discussed starting from when functional foods entered markets and how people's thoughts towards food have changed since those times. Also, how functional foods are defined, what they have to include so they can be called functional foods and what have been the

³ Niva, Jauho 1999.

expectations towards functional foods. The book also talks about people's attitudes towards functional foods, how the opinions have changed and how some of the functional foods have become normal every day groceries in people's refrigerators.⁴

A publication written by Leena Suontama is named *Miten kertoa terveystuotteista elintarvikkeista?* (Translated by author: How To Tell About Functional Foods?) The publication tells what the concept of functional foods is and that the same functional food might be described and even called with different names but they all mean the same. The publication tells about some of the different laws that affect functional foods in Finland and in the European Union. Other cultural aspects are also taken into account in the publication as the writer describes how different health claims can be used in different countries around the world.⁵

Another interesting book about functional foods is called *The Functional Foods Revolution* which was written by two directors of the Centre for Food & Health Studies in London, Michael Heasman and Julian Mellentin. The book introduces the term of functional foods very thoroughly and provides definitions on the angle of food and health. The book tells about the appearance of functional foods in different cultures and different countries, and about some actual brands that represent functional foods; what are their functions and how they have been accepted in different countries. There are three specific countries chosen for closer examination; Japan, USA and Finland. Finland is one of the pioneer countries in the world, and the first one in Europe, in the field of functional foods; Xylitol being the very first functional food.⁶

2.2 Legislation

There are no laws laid down about functional foods in Finland, actually the only country in the world that has laws regarding the topic is Japan. On the other hand functional foods are classified as normal foodstuff and on the other hand they are positioned

⁴ Mononen, Silvasti 2012.

⁵ Suontama 1999

⁶ Heasman, Mellentin 2001

somewhere between food and medicine. When marketing functional foods, it is allowed, by law, to make claims about health benefits but stating relations between nutrients and diseases is forbidden.⁷

The concept of functional food is unclear because of the name “functional”. All the food that humans eat has a function in human body so in fact, all food is functional. However, an actual functional food is something that affects the health of a person somehow positively. When talking about functional foods, in Western countries it has been presented that the food should affect a human physically; such as affecting a physical function or genes.⁸

2.3 Properties

Functional foods can be divided into two categories; functionality as food’s natural quality and functionality as a technological quality. Natural quality can be described as food that naturally contains something that is good for humans, as an example food naturally containing a lot of fiber, vitamins or minerals, such as oatmeal or fruit. Many these kinds of foods have always known to be healthy, however, new researches about the ingredients that actually make these foods healthy are known better and the relations to health can be scientifically explained and described. People have different opinions on should these traditionally healthy foods be categorized as functional foods or should they still be addressed as normal healthy foods that are included in a normal balanced diet. Functionality as a technological quality is wanted to be delimited quite precisely. This is because usually consumers relate to these kinds of foods critically; a clear division between naturally healthy foods and technologically improved foods to make them healthier is seen. Functionality is described as a technological quality when something has been added or taken away from a natural food, and since the manipulations are done, it is not seen as natural anymore.⁹

In many cases consumers are not unanimous about the criteria that a product needs to have, include or not include in order for being a functional food. Since there are no laws

⁷ Suontama 1999. 11-13

⁸ Suontama 1999. 3

⁹ Niva, Jauho 1999, 43.

in Finland, and majority of the countries around the world, about functional foods defining it precisely is hard. Both, consumers and representatives of grocery stores think the same and both agree that a clear law and approval procedure about the topic would make the matter easier. Even though there are some words and terms that are allowed to be used in certain situations, when a product contains a certain amount of certain ingredient, there are not enough of them for representatives to describe their products as they would like to which leads to confusion on which other words are allowed for use and which are not.¹⁰

Marketing a functional food is problematic for many reasons. First of all, there are no clear regulations what can be said about a functional food product. If there is a health benefit in one product, a marketer wants to tell about it. It must be also remembered that sometimes a marketer is just saying claims about a product and hoping to sell more instead of the product actually containing something that is beneficial for health; it has been noticed that when claiming a product has health benefits it sells better. On the other hand marketing of functional foods is made difficult since not many claims can be said straight but it has to be said by somehow going around it and telling it in other words. This makes marketing functional foods and developing the product and entire market area harder.¹¹

2.4 Functional food in Finland

Finland is a remarkable country around the world regarding functional foods. The first Finnish functional food innovation was Xylitol in 1972; birch sugar that is good for teeth. The next big hits were the alternative for salt, Pansalt and Benecol; the first cholesterol lowering margarine. Also probiotic dairy products were first introduced in Finland. Among these mentioned products there are also several other functional foods that first came out in Finland so it can be said that Finland is one of the most remarkable countries when talking about functional foods.¹²

¹⁰ Niva, Jauho 1999, 69-70.

¹¹ Suontama 1999, 8-9.

¹² Heasman, Mellentin 2001, 179-183.

When looking at the future of Finland's functional food development, it first might look very bright. There are for example a growing biotechnology cluster, a lot of expertise and innovative individuals in Finland, also experience of successful functional food development is present. All this suggests that "Finland has a true geographic concentration of expertise that has been built over a long term¹³." Finland would have the potential to continue being one of world leaders in the subject, and even growing, but there are some facts that might prevent it from happening. Finland suffers from poor business development and marketing skills, lack of leadership, poor sharing of knowledge and lack of cooperation, also achieving international scales is seen problematic. A solution for the situation would be sharing and talking more about what is going on in each company so that combining ideas would be possible. It is still possible that Finland continues developing in the functional food aspect but it seems that Sweden might be passing Finland in it anytime.¹⁴

3 MARE'S MILK

3.1 Mare's milk in literature

Mare's Milk – Curing Nourishment is a book about mare's milk and the properties of it. It was originally written in German language in Austria and it has been translated to English language. One of the two writers is a doctor and the other one is a trained nutrition and health consultant, he also owns a horse farm where mare's milk is produced. The book first tells about the history of mare's milk and foaling very briefly and then focuses on what mare's milk includes. Each vitamin and mineral has been introduced and the effects on human body discussed. In addition, the book introduces several diseases and malfunctions that can be cured or symptoms eased with mare's milk.¹⁵

As the Table 1 tells, all three introduced milks, human's, which is called mother's milk, horse's, which is called mare's milk and cow's milk are similar but also have distinctive

¹³ Heasman, Mellentin 2001, 196.

¹⁴ Heasman, Mellentin 2001, 196-198.

¹⁵ Seidl, Derler-Töchterle 2005.

differences. Raw mare's milk contains less fat than cow's milk but twice the amount of whey protein. Casein protein % is lower in mare's milk which means it does not curdle so cheese cannot be made out of it¹⁶. 45% of mare's milk's protein is whey protein; the amount of the whey protein out of all proteins in mother's milk is 47% so mare's milk is very close to mother's milk in the protein composition. That is the reason mare's milk is suitable for babies and toddlers. They also include many of the same amino acids that babies need.¹⁷

Breed	Water%	Fat%	Casein Protein %	Whey Protein %	Lactose %	Ash % (minerals, vitamins etc.)
Human	87.1	4.5	0.4	0.5	7.1	0.2
Horse	88.8	1.9	1.3	1.2	6.2	0.5
Cow	87.3	3.9	2.6	0.6	4.6	0.7

Table 1. The comparison of mare's milk to the milk of other mammals.¹⁸

There are not many scientific researches made about the benefits of mare's milk. In fact, one of the only studies has been conducted in the University of Jena, in Germany 2009, where a group of interviewees suffering from various types of skin conditions were given mare's milk over the period of six months. Over 90% of the participants reported that the condition of their skin had improved. Also 75% of the participants, suffering from different types of problems with respiratory or intestinal systems, liver or circulation, reported that the unwanted symptoms had decreased.¹⁹

3.2 Traditions and properties

When the mare is still feeding her foal with her milk, milking of the mare can be started during the days. The foal and the mare still spend the nights together in order for the foal to get enough milk and the mare to keep producing milk. The foal will not suffer from milking because the mare produces enough milk for both; for milking and for the

¹⁶ Seidl, Derler-Töchterle 2005, 39.

¹⁷ Seidl, Derler-Töchterle 2005, 39.

¹⁸ Lehtola, Saastamoinen 2011.

¹⁹ Study of Friedrich-Schiller University of Jena, Germany 2009.

foal. Also, the milking is started when the foal is about eight weeks old so that the foal is old enough not to depend only on the mare's milk; it can be fed with fodder such as hay or grass. However, even when milking the largest amount of mare's milk still goes to the foal.²⁰

Mares have been milked for hundreds of years in Russia and in parts of Asia. For example in Mongolia milking mares and producing other products out of the milk is traditional. Kumis or Koumiss is a traditional drink made out of mare's milk; the milk is fermented in a traditional leather bag which gives it a sour taste. During the fermentation process some alcohol is also produced in the milk, alcohol % is somewhere between 0,7-2,5²¹. People who have been producing the drink for ages believe that it has health benefits, such as helping with gastrointestinal tract and metabolism; it also has benefits to other organs such as kidneys and nervous system. Koumiss is also found to be high in vitamins A, B1, B2, B13, D, E, and C. Nowadays also cow's milk is used to produce Koumiss, even though the fat content and the milk protein is different in the two different milks.²²

Besides the traditional Koumiss-drink that has been produced in Russia and parts of Asia, mare's milk has found its way to many other products as well²³. In the European countries, that produce mare's milk, the milk is used for many different purposes varying from drinking it straight to using it in cosmetics. Many farms produce their own products that are for example dried mare's milk powder, liqueur, facial cream, shampoo, soap²⁴ and chocolate²⁵.

In the parts of Asia where Koumiss is produced, the fermentation process is done also because the Asians believe that "raw mare's milk is a strong laxative so it is better to ferment it before consuming²⁶" which turns the lactose into an easier digestible form.

²⁰ Seidl, Derler-Töchterle 2005, 20.

²¹ Mtv, Studio55 2011.

²² Traditional Russian Foods, 2011.

²³ Traditional Russian Foods. 2011.

²⁴ Horsemilkery de Lage Wierde 2013.

²⁵ Tengri news. 4/2011.

²⁶ Mayor. Wonders & Marvels, 2009.

“Mare's milk is usually not consumed raw, because it tends to have a strong laxative effect, although this effect is sometimes used medically. Instead, mare's milk is almost always fermented into koumiss. Mare's milk contains significantly more lactose than cow's milk. Fermented mare's milk is prepared by lactic acid fermentation. Fermentation destroys lactose in milk, converting it into lactic acid, ethanol, and carbon dioxide.”²⁷

However, different sources present opinions that differ quite a lot. The conflict can be noticed between the opinions of the suitability of mare's milk to people who suffer from lactose intolerance.

“The high content of lactose (milk sugar) is a characteristic feature of maremilk. For people suffering from intolerance towards lactose, the consumption of maremilk is advisable. Maremilk is advisable due to its specific composition of substance, containing all the necessary enzymes for digesting carbohydrates.”²⁸

Some of the sources²⁹ suggest that mare's milk's lactose cannot be tolerated by lactose intolerants where one source suggests mare's milk being a good option for a lactose intolerant person instead of cow's milk and can be drunk raw. In addition the latter quote³⁰ suggests that mare's milk includes enzymes that help in digesting the lactose and that would be the reason why also lactose intolerant people would tolerate mare's milk. The two other sources do not mention anything towards the enzymes and suggest that mare's milk should be fermented before consuming since it is not suitable to drink raw.

Even though the number of actual researches about the topic is low, several user experiences and comments can be found. Some people have been very happy with the results that mare's milk has provided, for example many people report that their skin conditions have cured altogether or the mare's milk products have acted as a significant help for their skin. Many people have also said that mare's milk has helped with metabolism problems, high blood pressure, high cholesterol and left people feeling better and more energized overall.³¹

²⁷ Abdel-Salam et al. 2010.

²⁸ Seidl, Derler-Töchterle 2005, 33.

²⁹ Tengri news. 4/2011 and Abdel-Salam et al. 2010.

³⁰ Seidl, Derler-Töchterle 2005, 33.

³¹ Horsemilkery de Lage Wierde 2013.

3.3 Finland in comparison with international aspect

The first time mare's milk was found being good for people in Finland was in 1946 when newborn babies were treated with mare's milk at the Helsingin Lastenklänikka Childrens' hospital in Helsinki, Finland. Mare's milk was found to be good for example for treating diarrhea. Also the content of mother's milk and mare's milk is more similar in protein and fats than when comparing mother's milk to cow's milk.³²

At the moment there is only one farm that produces mare's milk in Finland, Kylämäen tila³³ (translated by author: Kylämäki Farm). Also, there is one Belgian mare's milk brand that has entered Finnish market; Equimilch. Equimilch produces body cream that is said to have a positive effect in curing psoriasis and eczema and mare's milk capsules that contain dried mare's milk powder that is said to have several health benefits as the University of Jena-study had shown. Equimilch uses the study conducted in University of Jena, Germany as their ground information and bases the health benefits of the cream on that study.³⁴

In Austria and the Netherlands there are tens of farms that produce mare's milk and products out of it. Most common products, that are also easy to find online, are skin care products. The history of the skin care products dates back to ancient Italy and France where people wealthy enough used to bathe in mare's milk and use it for other beauty purposes. Bathing in the milk was luxurious and suitable only for the few wealthy people because of the price of it. Already back then people believed in the health benefits of mare's milk. They thought it was pampering and nourishing to skin³⁵. Still today mare's milk products are more widely available in the central Europe than in Finland, probably due to the longer history some European countries have with mare's milk compared to Finland.

³² Lehtola, Saastamoinen 2011

³³ Salon Seudun Sanomat 3/2011

³⁴ Equilimilch-products 2011.

³⁵ Saudi Jomana, STYX, Naturcosmetic GMBH

4 LAUNCHING OF A NEW PRODUCT

4.1 Marketing in literature

There are several books written about marketing and all the different aspects to it but one of the most important and well known ones are written by Philip Kotler. He is an American author and has written marketing books suitable for both European markets and American markets. To mention one of Kotler's books, *Principles of Marketing* is a remarkable one, and there are several different editions of it. This book is a very good tool to read all the basics about marketing and what is related to it. It is also widely used as a school book for marketing courses to learn the basics of marketing.³⁶

Another marketing book that states important facts and gives hints is called *Essential Guide To Marketing Planning* and is written by Marian Burk Wood. This book is all about planning and it gives tools to plan the different actions related to marketing planning. The whole big topic "marketing planning" has been divided to smaller parts, which makes it easy for the reader to choose the chapters that are interesting and beneficial.³⁷

A marketing book from a Finnish author, Timo Rope, *Voita markkinoinnilla* (Translated by author: Win with Marketing) is much shorter than the two books mentioned above but is able to state and tell about all the most important areas of marketing. All the chapters of this book have been written so that they aim for profit for the company. The book is written in a very engrossing way and acts as a support and provides ideas for a company with the decision making they have to do about marketing.³⁸

Rope has also written many other books about marketing. The pace of published books has been one a year or every two years for more than twenty years which makes him one of the most important Finnish authors in the field of marketing. One of the early productions is a book about launch marketing, named *Lanseeraus markkinointi* (Translated by author: Launch Marketing). Rope has written it in 1999 so it is fairly old

³⁶ Kotler et al. 2010.

³⁷ Wood 2007.

³⁸ Rope 2011.

but is still today valid and a good tool for the topic. The book tells about the different stages of launch marketing; how the starting point is defined, through what are the main decisions about launch marketing, to how the actual launching is done.³⁹

A book that talks more about marketing on the angle, how to get consumers desire a company and the products, is Timo Rope's *Markkinoinnilla menestykseen* (Translated by author: To Success With Marketing). The book states that "the one that is liked will succeed". The book talks a lot about segmentation, image and how to communicate with the customers. Everything is stated very clearly and the lessons learned from the book are easily transferrable to real life situations. The writing style Rope uses in his books is quick to read and understand because of the every-day words and language that he uses.⁴⁰

Elintarvikeyrityksen brändin rakentaminen (Translated by author: Building the Brand of a Food Industry Business) is a small book about the brand building of a business in food industry. The book is written by Sara Raijas and it is a book of Pro-Agria's union of rural center. The book tells the basics for small and medium sized companies of how the branding needs to be planned, what the actions are and how the brand can be measured and improved. In more detail the book introduces an analysis, a strategy, talks about communication and marketing. The book also gives examples about the topics by introducing different small cases about Finnish companies that have been branded in the recent years.⁴¹

4.2 Marketing mix

Marketing mix introduces four words that start with the letter P that are all closely related to marketing a product. The four P-words are product, price, place and promotion.

³⁹ Rope 1999.

⁴⁰ Rope 2005.

⁴¹ Raijas 2008.

4.2.1 Product

The first part, where everything begins, is the product. “Product means the goods-and-services combination the company offers to the target market⁴².” If the actual end product is not clear yet, the new product development is important.⁴³

“A firm can obtain new products in two ways. One is acquisition – by buying a whole company, a patent or a license to produce someone else’s product. - - The other route to obtaining new products is through new-product development in the company’s own research-and-development department.”⁴⁴

The key issue about the decisions regarding a product is to provide a competitive advantage over substitute products. The advantage needs to be something concrete and easily understood that the customer understand the benefit over other products. Even though it seems that many products compete with prices, it needs to be understood that the competitiveness is not the fact that the product has lower price than the competitors’ products but that the product has price competitiveness.⁴⁵

Around the core product there are two stages; additional benefits and the image of the product. Core product is the main product what is got when only the product is bought. Additional benefits include extras such as education about the core product, maintenance and installation; additional extras that can be agreed or bought additionally to the product when purchasing it. Image of the product includes for example possible different colors, style, design and name; this can be called “icing on the product” and it makes the product as appealing as possible to customers.⁴⁶

Even though usually all the parties like new products; customers because of the variety new products bring to their lives and possibly solve a problem they had, and companies because they are crucial for the growth of a company, there are also risks involved.

⁴² Kotler et al. 2008, 158.

⁴³ Kotler et al. 2008, 551.

⁴⁴ Kotler et al. 2008, 551.

⁴⁵ Rope, 1999, 73-74.

⁴⁶ Rope 1999. 75.

Innovation is expensive and it can take a lot of time before a company can start selling any products and make profit. Also, markets can be uncertain and unpredictable which increases the risk of commercialization.⁴⁷

Sometimes a new product is not successful in the market because there was not a real and big enough demand for the product. However, there are also several aspects that influence the success of a new product.⁴⁸

“Several studies suggest that new-product success depends on developing a unique superior product that offers customers better quality, new features and higher value in use. Another key success factor is a well-defined product concept prior to development.”⁴⁹

4.2.2 Price

“Price is the amount of money charged for a product or a service⁵⁰.” Price is the only element in the marketing mix that brings profit to a company. Previously it has been thought as the most important aspect affecting the buyer decision.⁵¹ However, today other factors drive the buyer decision stronger than the price; want and need are much stronger drivers in affecting the buying decision. After the want or need is there, it is only natural that the buyer wants to get the product as cheap as possible. But it is important to understand that people do not buy only because something is cheap.⁵²

Pricing of a product can be done by following two types of different strategies; absolute pricing strategy or relevant pricing strategy. With the absolute pricing strategy all the costs need to be covered with the price of the product. Relevant pricing strategy compares the prices of the competitors to the product and decides the price based on those. The relevant price must be always seen by the situation at a certain market at a certain time through customer’s eyes.⁵³

⁴⁷ Kotler et al. 2008, 551.

⁴⁸ Kotler et al. 2008, 552-554.

⁴⁹ Kotler et al. 2008, 552-554.

⁵⁰ Kotler et al. 2008, 639.

⁵¹ Kotler et al. 2008, 639.

⁵² Rope 2011, 74-75.

⁵³ Rope 2011, 76-77.

Price should be determined so that the production costs are covered. In addition to that with price the marketing strategy can be determined. The nature of the market, demand and competitors' prices and strategies should be investigated when deciding on the pricing strategy of a product. The price ceiling is determined by the customers' perceptions of the value.⁵⁴ "Effective, customer-oriented pricing involves understanding how much value consumers place on the benefits they receive from the product and setting a value that captures the price⁵⁵."

4.2.3 Place

Place includes the decisions that a company has to make regarding where to make the product available for customers. The number of channel levels needs to be chosen, in layman's terms this means the number of the different organizations that the product goes through before it is sold to the customer. The different organizations that may be involved are manufacturer, wholesaler, jobber and retailer. Figure 1 introduces the different alternatives of numbers of the channels.⁵⁶

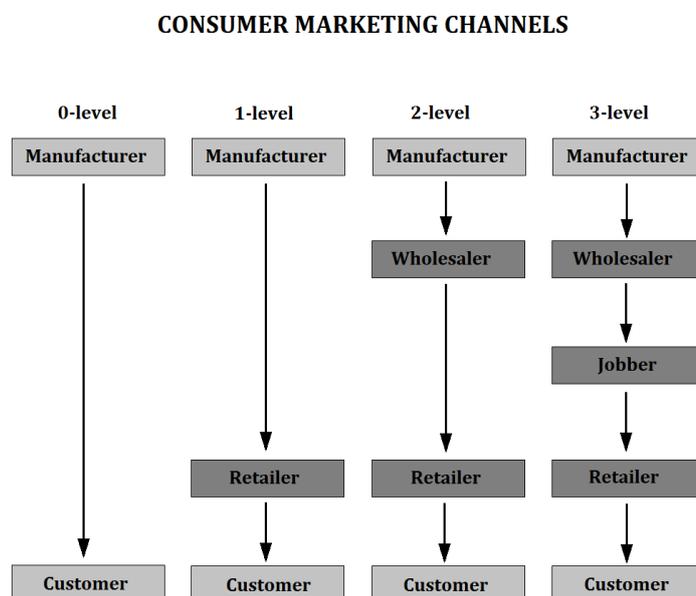


Figure 1. The levels of consumer marketing channels.⁵⁷

⁵⁴ Kotler et al. 2008, 639.

⁵⁵ Kotler et al. 2008, 639-640.

⁵⁶ Kotler et al. 2008, 884.

⁵⁷ Bhasin 2010. Figure modified by author.

The products that are thought of in this thesis will most probably go straight from the manufacturer to the retailer so Channel 2 or Level-2, as it is mentioned in Figure 1, will be used in this case. This can include multi-channel distribution systems, which means making the product available for customers in more than one channel. The two channels that could be relevant for the product/s dealt with in this thesis are a store and on Internet.⁵⁸

4.2.4 Promotion

The third P, Promotion, includes advertising, sales promotion, public relations, personal selling and direct marketing. Each category includes different tools to communicate with consumers. The unique set that each company chooses to make out of these different channels is called promotion mix or marketing communication mix.⁵⁹ “Promotion includes all the ways you tell your customers about your products or services and how you then market and sell to them⁶⁰.” One of the main goals of promotion is to develop the product to the extent that price is not the most important principle for selecting the product⁶¹. At the same time that these kinds of communication channels need to be thought of, the visual design; color, shape, font, design, of the product itself plays a big role as well. Also the new world of technology brings new opportunities to the conventional styles of communicating with customers.⁶²

When choosing and planning the promotion mix, a company should try to be as cohesive as possible. Different channels should give the same message and information. If for example mass media advertisement states one aspect and company’s sales literature another, it results to overall confusion. In addition if the company’s webpage is not updated or tells wrong information, consumers end up being very confused and are most probably not interested in buying the product.⁶³

⁵⁸ Kotler et al. 2008, 884, 890.

⁵⁹ Kotler et al. 2008, 691-692.

⁶⁰ Tracy, 2013.

⁶¹ Rope 1999, 74.

⁶² Kotler et al. 2008, 692-693.

⁶³ Kotler et al. 2008, 696.

Another key point in promotion is to choose the target audience. “The market communicator must identify the target audience, determine the communication objectives, design a message, choose the media through which to send the message and collect feedback to measure the promotion’s results⁶⁴.” The target audience may be potential buyers, who make the buying decision or influence it.⁶⁵

Even though promoting and advertising usually takes a big portion of a company’s funding, it is usually very cost-effective.⁶⁶ “Small changes in the way you promote and sell your products can lead to dramatic changes in your results. Even small changes in your advertising can lead immediately to higher sales”⁶⁷.

When starting to promote a totally new product, it must be kept in mind that the buyer might not be ready to buy the product right away, when it is first introduced. Figure 2 introduces Kotler’s Buyer-readiness stages. The decisions evolve step by step and the last step is the purchase. When a new product is brought to market, advertising and marketing needs to be adapted to the stage where most of the target audience is at. When approaching the target audience like this, the chances of them starting to prefer the product and end up buying it are higher than if the marketing does not match the readiness stage of the consumers.⁶⁸

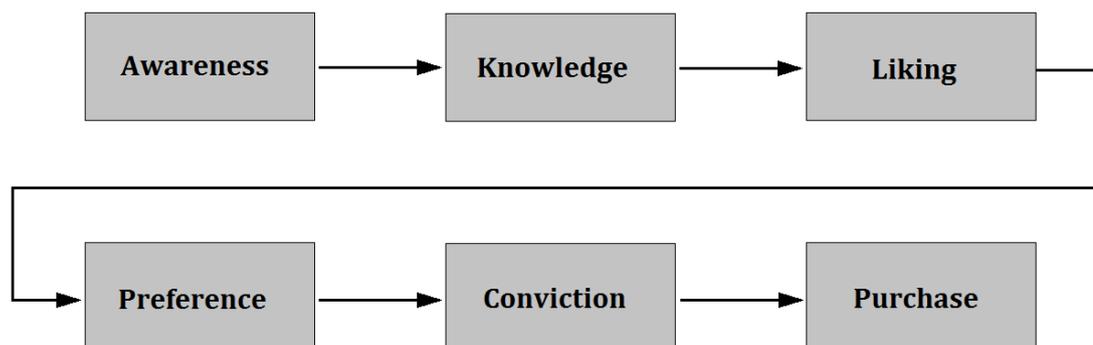


Figure 2. Buyer readiness stages.⁶⁹

⁶⁴ Kotler et al. 2008, 701.

⁶⁵ Kotler et al. 2008, 701.

⁶⁶ The Times 100 Business Case Studies 2013.

⁶⁷ Tracy, 2013.

⁶⁸ Kotler et al. 2008, 701-703.

⁶⁹ Kotler et al. 2008, 701. Figure modified by author.

4.3 Porter's five forces

The case study in this thesis will be analyzed with the help of Porter's five forces. This analysis method includes five different aspects that need to be taken into account when a company is thinking of entering a market. The aim of the Porter's five forces- figure is to help a company consider entering a market from different angles and prepare themselves for what is there to come. "Awareness of the five forces can help a company understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack⁷⁰."

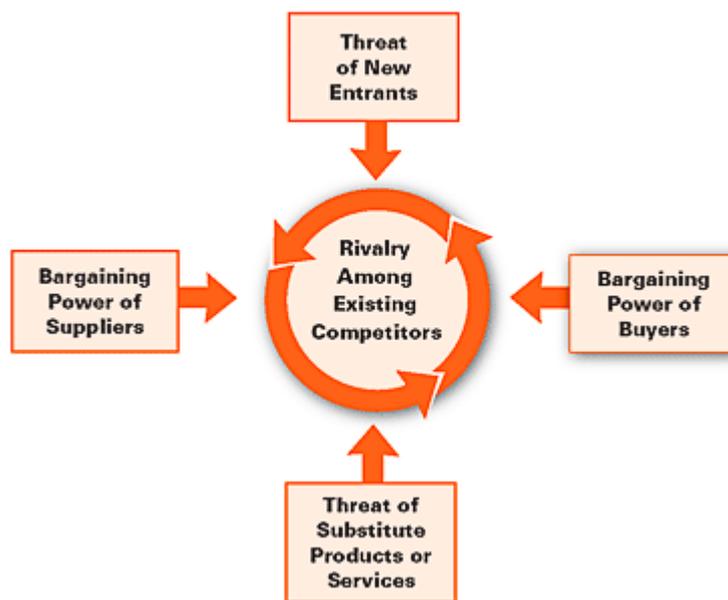


Figure 3. Porter's five forces.⁷¹

In the middle of Figure 3, Porter's five forces, is the market that a company would be entering. At the same market there are all the other existing competitors as well. "Rivalry among existing competitors takes the familiar form of jockeying for position - using tactics like price competition, product introduction, and advertising slugfests⁷²." If the rivalry is intense in the field it can be in most cases explained with for example the possibilities that the competitors are similar in size and power, the growth is slow in the industry, the companies lack differentiation and/or there is high exit barriers from the industry.

⁷⁰ Porter 1987, 25.

⁷¹ Porter 1987, 27.

⁷² Porter 1997, 7.

There are in addition four other aspects that affect a company when entering a market. Threat of new entrants means all the possible newcomers to the same market that a company is competing in. Some industries are easier to enter for new companies than others. If for example large and pricy equipment and other special demands are required in order to enter the market, fewer companies will probably take the action. Also, if there are already companies in the industry that have acquired strong brand knowledge fewer new companies are interested in entering the market since it might prove difficult to get consumers to change from using a known brand to using products of a small new company. Limitations or requirements set by government might also lower the amount of new companies wanting to enter a market.⁷³

Bargaining power of suppliers means the raw materials that a company is using.⁷⁴ “Powerful suppliers may constrain your profits if they charge higher prices⁷⁵.” The bargaining power of suppliers also includes suppliers lowering prices or changing the quality of the purchased goods or services. If a company cannot raise their prices at the same pace as the supplier is raising prices difficulties arise. Suppliers are therefore able to make companies unable to continue their actions. Sometimes it is hard and costly for a company to change suppliers which gives them more power. Also, the fewer suppliers there are in the industry, the more powerful each one of them is.⁷⁶

Bargaining power of customers means that there might be a situation where customers start playing a company against its rivals in order to benefit from it. Customers might start demanding for lower prices, better quality or more additional services to go with the product. The demands need to be met by a company; otherwise a company might start losing customers. The buyers are powerful if for example they are concentrated and make purchases in large volumes or if a company’s products are standardized and can be purchased from another company instead. Also, if a company’s products do not save the buyer’s money in any way the bargaining power of customers is high.⁷⁷

⁷³ Porter 1997, 3-5.

⁷⁴ Porter 1987, 26-28.

⁷⁵ Porter 1987, 24.

⁷⁶ Porter 1997, 5.

⁷⁷ Porter 1997, 6.

The threat of substitute products or services means substitute products that “can lure customers away⁷⁸”. A substitute product has a similar function that a company’s product has. Sometimes the threat of substitutes is indirect when it is harder for a company to foresee the upcoming change in market.⁷⁹ A company should be able to upgrade the quality of a product or differentiate it in order to keep the customers interested and buying the products⁸⁰. “If an industry does not distance itself from substitutes through product, performance, marketing or other means, it will suffer in terms of profitability - and often growth potential⁸¹.”

When all the five aspects are being analyzed a complete picture of everything that influences a company’s profitability in the industry can be acquired. Understanding the overall picture of the market is beneficial for a company that is wanted to be steered to success. Changing trends and possible constraints can be spotted early enough in order for the company to change what is needed, or even reshape the affecting forces into something that suits the company better. While understanding towards everything that might affect a company’s profitability grows it also makes the company less vulnerable to attacks from outside at the same time.

4.4 Target market and segmentation

Segment is the customer target group that a company would like to have as their customers. The main point in setting the segment is that there is a group on market that feels that a certain product is like made for them. Choosing a segment is important because if a company wants to sell for everybody they are, in fact, selling for nobody. The segment should be narrowed down to as small as possible, which is in most of the cases hard; many companies would like to have a big segment and are afraid of narrowing it down too much. When examined many companies that already are on the market, it can be realized that the segment might be quite small and the company is still doing quite well. In theory too small of a segment is possible but in practice it is not.⁸²

⁷⁸ Porter 1987, 24.

⁷⁹ Porter 1987, 31.

⁸⁰ Porter 1997, 7.

⁸¹ Porter 1987, 31.

⁸² Rope 2005, 46-47.

Segmentation is built in each different field differently and ready-made segments do not exist. A company needs to come up with their own segmentation process and end up choosing a segment in the end. Choosing more than one segment, or combining different characteristics from different segments, is possible. People in different segments make their buying decisions based on different values and thoughts; for some people for example ethical aspect is very important and for another that plays no role but the fact that a product is inexpensive is important.⁸³

Segmentation is very important and having no segment is not possible. A segment can be chosen for example by defining the target customer group's values, attitudes and hobbies. Also geographical segment can be set. For many small sized companies geographical segment is the most important, those kinds of companies want to act locally. Segmentation has been known since the 1970s, however there are still many companies today that have not defined their specific segment. Segmentation acts as a key source for many different actions and makes the company decisions easier; that is how important choosing the right segment for the product is.⁸⁴

The image the company wants to give is a part of marketing and also linked to the brand building. Working with the image of the company is essential in marketing. Good images are not born, they are made.⁸⁵ It is important that a company chooses those characteristics that it feels are important for the positioning of the company. Typical image positioning words are:

- domestic product or product that has been produced in a certain country (clothing)
- organic (groceries)
- ecological (detergents)
- sporty (cars and clothing)
- artsy (culture)
- functional (groceries)
- professional (tools)

⁸³ Rope 2005, 49-51.

⁸⁴ Rope 2005, 51-52.

⁸⁵ Rope 2005, 53.

The field of operation, that uses these criteria a lot, is mentioned between brackets. It is vital for the company to define which criteria are said about the product when marketing it. This gives a clear message for marketing communication and target marketing to the right target group.⁸⁶

4.5 Productizing in literature

Vesa Tiensuu tells in his pilot study about the challenges of productizing in a micro size company. The book is named *Tuotteistaminen tutuksi* (Translated by author: Get to Know Productizing) and the aspect of the book is how to transfer an idea, technology or knowledge into a working business. All the parts of productizing are discussed in a micro entrepreneur's point of view. The main topics move around understanding what productizing is, what the point of view is, what are the challenges and how to solve the possible problems. There are several graphs used in the book to support and clarify the ideas introduced in the text.⁸⁷

Couple of books about conceptualization have been chosen to support this thesis. *Tuotekonseptointi* (Translated by author: Product Conceptualization) by Tuukka Keinonen and Vesa Jääskö talks about product conceptualization. First the book tells widely about product conceptualization in general; about the stages, what is needed for it and how the results can be reached. The book also includes example cases where conceptualization has played a role. One chapter is entirely about conceptualization in an uncertain environment which gives the reader a more truthful aspect to the process. Also, one chapter is devoted to looking into future and finding ways to predict what there is to come. This book is also significant because it is the first book that talks about product conceptualization in Finland. The book is only first of its kind and the writers have said to continue the work that they started by this book.⁸⁸

Visioiva konseptointi (Translated by author: Visioning Conceptualization) is also a book about conceptualization. As the name of the book indicates, the book wants to give tools to vision the future by visioning and predicting the products used in the future. Trying

⁸⁶ Rope 2005, 57.

⁸⁷ Tiensuu 2005.

⁸⁸ Keinonen, Jääskö 2003.

to predict the future is hard but many companies are interested in it and want to try to benefit from it. This book tells how the conceptualization is started and what the stages of concept design are. The book also introduces Tutti⁸⁹, a future's product concepts-project that was conducted by three groups from three different tertiary institutions in Finland. There were six different global scenarios chosen to the final stage of Tutti-project. The scenarios were created with the help of PESTE-analysis and different important driving forces for each scenario. These scenarios were divided into three categories; community-driven, technology-driven and market-driven. The areas examined were delimited by choosing themes to look into. The themes indicate the topic that the products are designed for.

4.4.1 From an idea to a concept

Idea generation, the search for new product ideas, should be proactive and systematic. Many times it is better to a company to come up with several new ideas and lift the best ones up from the big bunch for production. Ideas can come from inside the company when they are called internal idea sources, or outside the company, for example from customers, when the action is called external idea source.⁹⁰

Before starting the actual product development, a clear mission statement of the product to be developed must be made. For that defining concepts are needed, with those all the possible alternative overall solutions can be perceived. When the definitions are being made commitments to one specific concept should be avoided even though one would already know that one or two specific concepts are most probably being selected in the end for further development.⁹¹

When innovating and discussing the different opportunities, thinking of all the alternatives and even coming up with something that will most probably never happen is allowed. Some of the ideas that are present during product designing will never go to production, but are there to support the designing process early on and to work as tools

⁸⁹ Tutti – project 2005.

⁹⁰ Kotler et al. 2008, 555.

⁹¹ Kokkonen et al. 2005, 19.

for discussion. It is not new that product design is related to actions that do not aim directly to solve a design problem but more likely are developed to define the problems in designing and to identify options.⁹²

If trying to predict the future and trying to foresee what kinds of products would be desirable in the future, scenarios can be created. Scenarios are consistent, credible and logical predictions about the future. They picture and describe the future from the present moment onwards towards what the world could possibly be. Playing with different scenarios proposes different kinds of variables that might be true in the future. It has to be taken into account that when scenarios are proposed, not all of them are necessarily positive for the company; one scenario could be an example where there is not even a market for the products of the company.⁹³

A company needs a strategy for being able to control its functions in the long run. Strategy includes the core idea of the functions and how to make it successful on the market. Not every company has a strategy that is written down but every company has a strategy at least in the employees' heads so that everyone is working towards the same vision. A good strategy is always aimed for the future and what would be the ideal stage of the company. In order to being able to be aimed for the future and plan the possible future visions a company needs to be able to look at the past and recognize patterns. When a company has a good understanding of everything that has happened and affected the company in the past, it can better plan the future and make it happen. Strategic thinking is a trend of the 21st century and practicing strategic thinking a company can anticipate and structure its functions better which makes it possible for the company to succeed in the future.⁹⁴

4.4.2 From a concept to an actual product

When the ideas that came out of innovation have been gone through the part of actually turning the innovation ideas into something bigger and more concrete can start.

⁹² Keinonen 2003, 10.

⁹³ Kokkonen et al. 2005, 36-37.

⁹⁴ Rajjas, Harmoinen 2008, 24-25.

Conceptualization is an innovation activity. When doing product conceptualization, uncertainty must be tolerated and an opportunity must be given to define the design problem based on what is learnt during the whole process.⁹⁵

The idea of productization is wider than innovation. Productization includes all the actions that are taken in attempt to create new business areas. Productization usually begins with an idea and ends in business concept. Productization means turning the actions into more concrete and defining the productization into sellable goods and services supporting the goods in four different levels: product concept, marketing concept, operating concept and business concept.⁹⁶ Concept design is the hardest and the most important part of product design. The whole process of explorative study period can take as much as two years and the purpose of it is to find new ways to understand the product. What and what kind of product is being designed is defined and during the process the concept of the product is created.⁹⁷

Concept design is not an unambiguous concept, because concepts can be adapted to different purposes. According to one view concept design can be divided into four categories. There are two categories that strongly aim for the future that are visioning and emerging concept design. These two do not necessarily lead to developing a commercial product. The two concepts that are directly related to product development are defining and solving concept design.⁹⁸

When concept planning is started, a lot of importance is put on finding out the source information. This is necessary because when planning a radically new kind of product there is only a little bit of information and knowledge that can be transformed from an organization's previous expertise. Unlike in product planning, in product conceptualization not always there is a defined technology base, target market, users, or a specific market penetration time for the product.⁹⁹ When conceptualization is done well it can be described as follows: A good metaphor clears the idea with only one

⁹⁵ Keinonen 2003, 51.

⁹⁶ Tiensuu 2005, 9.

⁹⁷ Fujimoto 1993, 59-65.

⁹⁸ Kokkonen et al. 2005, 17.

⁹⁹ Keinonen 2003, 118.

sentence, is easy to remember and to tell again and is widely understood. An easy and widely used way of perceiving the characteristics of a concept idea is to compare it to some products from another sector.¹⁰⁰

After the development stage concept testing starts; it is good to use target consumers for the concept testing. The concepts can be introduced to consumers by different ways depending on the product. When customers have had the time to get to know the product, questions can be asked about it in order to find out how the customers react to it. The answers need to be analyzed thoroughly so that the company can get the most benefit out of the whole concept testing process.¹⁰¹

4.6 Product life cycle

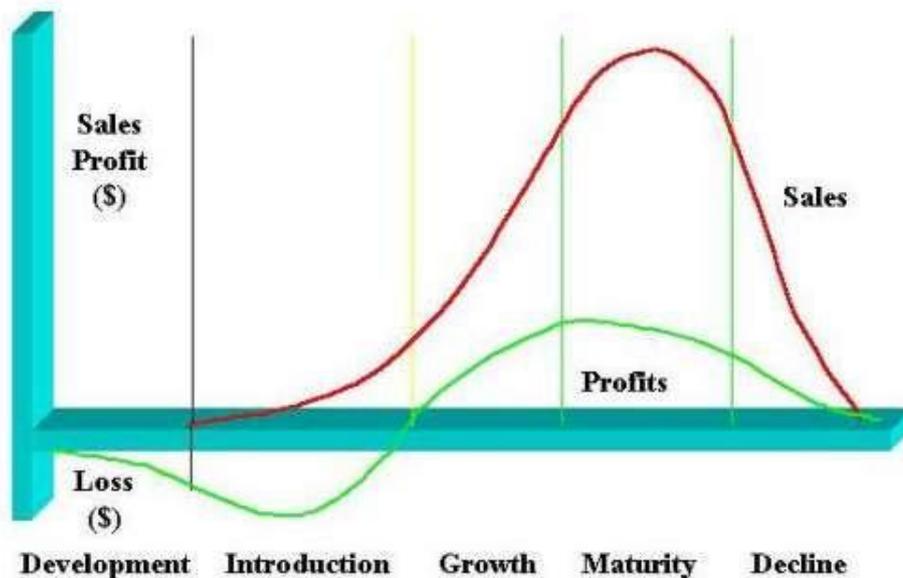


Figure 4. Curve indicating product life cycle.¹⁰²

Majority of the graphs indicating product life cycle start in the phase where the product is already on the market and starting to generate profits but actually the life cycle starts already before the launch. The first steps include the idea of the possible product and thinking and testing how it could be turned into an actual product. In the beginning the

¹⁰⁰ Keinonen 2003, 53.

¹⁰¹ Kotler et al. 2008, 559.

¹⁰² York University materials.

idea does not generate any profit and it only has costs. However, this phase is important to go through so that the product or service can be modified to a stage that it can be sold and it would not have any problems or dysfunctions in it.

In product life cycle which is introduced in Figure 4 Launching of a new product is situated somewhere on the areas of late development-stage and early introduction-stage. There are some steps that need to be completed on the development stage that are related to launching, as well as on the introduction-stage. There needs to be a timetable and a budget planned for the process. Also different kinds of analysis about the market environment, competitors and the company can be done. Based on the analyses that are completed basic strategic decisions needs to be done in order to proceed to the next level; company's competitive strategy and the strategic goals have to be thought of and chosen. These decisions are also linked to the image of the company.¹⁰³

There are four questions to think of when completing a launch marketing process; 1. When will the actual launching take place? 2. What are the chosen target groups of the product? 3. What is the chosen marketing strategy? 4. How will the launching be implemented? These questions help a company to bring a product to the reach of customers as it has been planned in production and marketing plans.

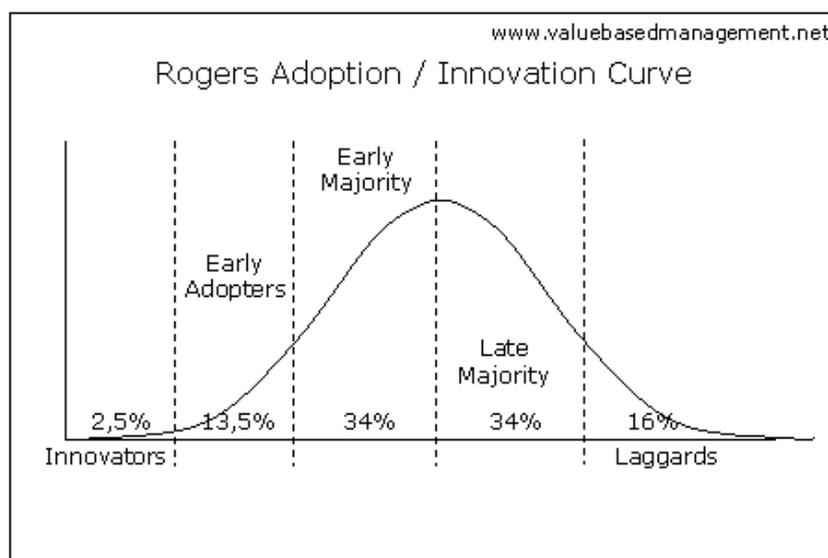


Figure 5. Innovation adoption curve.¹⁰⁴

¹⁰³ Rope, 1999, 34-35.

¹⁰⁴Value based management, 2013.

Related to product life cycle there is a Figure 5 called Roger's innovation adoption curve. When a new product is launched, only the people who are in this curve called "Innovators" are interested in the product and will buy it. As time goes by, more and more people will buy the product till the market reaches the tipping point where almost everyone that are in the target market already have the product. From there on less and less people will buy the product till nobody is interested in it. A company has several options that it can do in order to reaching the poor selling times later or avoiding them altogether. It can be done for example by modifying the original product or introducing new products to the market.¹⁰⁵

5 EMPIRICAL STUDY

5.1 Methodology of a case study

This thesis is a case study and the theory of case study has been introduced in this paragraph. The analytic section of this case study has been conducted with the help of Porter's five forces and marketing mix, those analytic tools have been introduced earlier.

Doing a case study is typical when the purpose is to come up with development proposals. The case can be a company or a process or product of a company that is examined in the real situation and atmosphere. The purpose of the study is to gather and develop in-depth and detailed information about the actual case in realistic environment. When completing a case study it is more important to search and get a lot of information about a small area than a little information of a bigger area related to the subject; the result of the study is not aimed for generalization of the subject.¹⁰⁶

Case study is suitable for studying poorly understood processes and atypical situations and typically there is only one case that is studied. The case can be concentrated around a person, a group, an organization, an event, a function a process or a geographical area,

¹⁰⁵ Rogers 1995, 204-211.

¹⁰⁶ Ojasalo et al. 2009, 52-53.

the main point is that the case is understood as a certain entity. Case study can be used for almost anything where the case can be delimited by categorically, functionally or by situation.¹⁰⁷

5.2 Methodology of a qualitative research

When choosing a method for a research to be conducted, there are three most important points to be taken into account. The chosen way to conduct a research has to provide the needed information reliably, functionally and economically. There are four qualitative research types introduced in the book *Markkinoinnin tutkiminen ja johtaminen*: (Translated by author: Marketing Research and Management) an in-depth interview, a theme interview, a group interview and a projective method. From these four alternatives theme interview has been selected for this thesis. The methods of conducting theme interviews are personal interview, which is also called face-to-face interview, and a phone interview. These two methods will be explained later.¹⁰⁸

A theme interview is a qualitative research method. The interviewees are interviewed separately and the interviewer plans the questions beforehand. The questions have been selected to match a certain theme that the interviewer wants to gather information about and the theme can be delimited to a broader or a smaller area. The length of the interview can be as much as two hours.¹⁰⁹

All interviews are interactional but the conversation might vary a lot depending on the interview situation and what kind of information is wanted to be gathered. "Interview provides a way of generating empirical data about the social world by asking people to talk about their lives. In this respect, interviews are special forms of conversation¹¹⁰."

"There is always a possibility of the interviewer being for example bias or misunderstandings in the conversation, there is however a simple cure for these kind of errors; it is necessary that the interviewer asks the questions properly so that the respondent can give out the desired information.¹¹¹"

¹⁰⁷ Ojasalo et al. 2009, 53.

¹⁰⁸ Lahtinen et al. 1995, 54-55.

¹⁰⁹ Lahtinen et al. 1995, 95.

¹¹⁰ Holstein, Gubrium 1997, 113.

¹¹¹ Holstein, Gubrium 1997, 113.

When conducting a personal interview, observing the interviewee is possible. “Conversation analysis is a field that focuses heavily on issues of meaning and context in interaction¹¹².” This includes facial expressions, gestures and the tone of voice together with the message that comes out of a person’s mouth. “Discourse analysis has an analytic commitment to studying discourse texts and talk in social practices¹¹³.” Here for example grammar and structuralism are not the most important part but analysis of discourse is the analysis of what people do.¹¹⁴

A personal interview is conducted face-to-face in an agreed place at agreed time. With the permission of the interviewee, the interview can be videotaped or recorded. The personal interview offers many positive but also some negative aspects. The positive aspects of a personal interview method include for example that the questions can be asked in a specific order and open-ended questions are possible. The interviewer gets the answers quickly and the answers are accurate because additional questions can be asked. However, there are some negative sides to the personal interview, those include for example that delicate questions are hard to ask and answer truthfully and the interviewer might affect the answers of the interviewee. Also the time and where the interview takes place might affect the answers the interviewee gives.¹¹⁵

A phone interview can also be arranged at a previously agreed time like the personal interview but a phone interview can be also done at a suitable time for the interviewer if it also happens to suit the interviewee. When conducting an interview over the phone there are also negative and positive aspects that need to be taken into account, many of the same negative and positive sides can be listed in both, personal and phone interview. The positive aspects include for example that the interviewer gets the answers fast and the answers are accurate since asking further questions is possible. The costs are also usually low and the possibility of the interviewer or other people affecting the interviewee’s answers is low. The negative aspects of a phone interview include for example the fact that not too many questions can be asked and the questions cannot be too complicated or delicate. Also, the interviewer cannot show any supplementary material which would be possible in a personal interview.¹¹⁶

¹¹² Heritage 1997, 162.

¹¹³ Potter 1997, 146.

¹¹⁴ Potter 1997, 146.

¹¹⁵ Lahtinen et.al. 1995, 56.

¹¹⁶ Lahtinen et al. 1995, 57.

The last phase of conducting a research or interviews is analyzing of the collected data and drawing conclusions from it. The researcher may bring his/her own perceptions to the research paper and give comments about what would be the best alternative for the company in the researcher's opinion. However, the final decision, that might affect the whole company a research is done for, has to come from inside the company. In addition, it is important that the researcher keeps the collected data and his/her own conclusions and perceptions separate from each other.¹¹⁷

5.3 Introduction of the interviewees

Elina Kylämäki is an owner of the Kylämäki Farm which is located in Marttila, Finland. When writing this thesis Kylämäki Farm was the only farm in Finland producing mare's milk and had just started cooperation with another company to make products out of the mare's milk produced at the farm. Elina Kylämäki from Kylämäki farm was chosen to be interviewed because the farm is the only possible competitor in Finland in the exact same industry than the commissioner has planned her farm to be.

Kari Koljonen is the CEO of Nordic Vitality Oy that produces Berryfect, dried berry powders. He has been introduced about the marketing of a functional food and bringing a new product to a market. He was chosen to be interviewed because he has experience and knowledge about the marketing of a product that might have health benefits. He could also provide information about launching a new product to a market from a marketing perspective.

Markku Saastamoinen has a Doctorate of Economics in Agriculture and Forestry and he has been interviewed about horse industry in general and mare's milk to this thesis. He was chosen to be interviewed because horse industry wanted to be introduced shortly in general in the thesis in order to introduce the traditional ways of source of livelihood with horses and the possible new ideas related to horse industry.

Mikko Matveinen is an industrial designer who has a master degree in arts and is working as a project manager. He has been interviewed about productization and

¹¹⁷ Lahtinen et al. 1995, 120.

launching a new product to this thesis. He was chosen to be interviewed because a part of this thesis is concentrated on new product design and launch marketing and information about those topics were desired to be collected for this thesis via interviews. Matveinen could provide a designer viewpoint to new product design and topics related to launching a new product.

Reetta Olkinuora has a bachelor in equine industry. In 2003 she wrote her bachelor thesis about mare's milk and interviewed two Dutch mare's milk farms for her thesis. She has her main experiences regarding the topic in the Netherlands. She was chosen to be interviewed because she could provide information about mare's milk in the Netherlands.

Riina Seppänen is an entrepreneur and has previous experience about new product development, launching a new product and marketing. She has been interviewed mainly about the new product development to this thesis. Seppänen was chosen to be interviewed because she could provide a marketing viewpoint to the new product design and topics related to launch marketing.

Suvi Peiponen, a CEO of Suvirinne Farm, spent the summer 2013 in Austria working at a farm called Pferdehof Blamauer that produces mare's milk. When in Austria she also visited another big horse farm, Töchterlehof, which produced mare's milk with 40 mares of different breeds. The farm Peiponen worked at had five horses; four mares and one stallion that they used to breed the foals. At the time Peiponen was at the farm, three of the mares were milked. The breed of the horses was Haflinger, which is an indigenous Austrian breed. She was chosen to be interviewed because she is the commissioner but also has experience about mare's milk farms in Austria and can provide benchmarked information from there.

Tuija Mononen is a university researcher at the University of Eastern Finland. Her field includes organic production and products. For this thesis she has told about the organic point of view to the horse industry and her opinions about mare's milk. The organic point of view has been brought up in this thesis because of the commissioner is interested in organic farming. She was chosen to be interviewed for this thesis because a

brief introduction to horse industry was desired. Mononen could also provide opinions in the viewpoint of organic farming, which is important since the commissioner's business idea includes organic fodder and living standards to her horses.

6 RESULTS OF EMPIRICAL STUDY

6.1 Horses as a source of livelihood

Peiponen: "Many of the farms that produce mare's milk do it as a side business and have something else as their main business, for example milking cows, raising pigs or growing grains. However, there are also some big horse farms, which main source of livelihood is mare's milk."

Saastamoinen does not see the production of mare's milk as an upcoming trend in Finland regarding the horse industry. He only knows of a one farm in Finland that produce mare's milk in very small scale; Kylämäki Farm and one institute that has ever tried it before but discontinued the production; Harjun oppimiskeskus.

Saastamoinen: "There are still many traditional ways to make a living with horses that have been around for decades; such as horseback-riding, training horses and selling horse meat. Also services related to horses' health are an important part of the industry. The new ways to use horses as a source of livelihood are related to peoples' health; such as horse therapy, hikes and travelling done by horse and other services related to nature, horses and the wellbeing of people."

Also in Mononen's opinion the traditional sources of livelihood that were mentioned by Saastamoinen are still strong in Finland. The new trends and ideas in horse industry that she mentions do not include mare's milk's production.

Mononen: "There are some certified organic ponies and horses in Finland but the number is not big and it is not a rising trend at the moment. There are also some farms that are organic in Finland; those farms for example use horses in a part of the forestry and field labor, the horses have enough space to move and can get outside of the stables all year around. The thought behind the organic farms is mainly ideological; the owners wanting to save electricity and environment and support sustainable development. That could be a new rising trend in Finland."

Mononen also mentions that there might be horses in Finland that eat organic fodder and fulfill other specifications of an organic horse but are not certified organic horses; those horses do not show up in any statistics.

6.2 Mare's milk in international comparison

This sub-chapter provides information about what are some of the practices with mare's milk in the benchmarked countries, Austria and the Netherlands and at the one Finnish farm that currently produces mare's milk. Benchmarking the two countries, besides Finland, might provide valuable information for the commissioner to consider at her own farm. In this chapter there is also some history introduced in order to understand the current situation of mare's milk in the two benchmarked European countries; Austria and the Netherlands.

In Austria there was a "mare's milk boom" in the beginning of 1990s when the milk was extremely wanted and more people than today wanted to use it in daily basis because of its health benefits. At that time the amount of horse farms producing milk increased because of the demand. However, the "boom" has since subsided and many farms had to close down or find other sources of livelihood because the demand decreased dramatically.

Peiponen: "It is thought that the reason for the decline was that no scientific researches were done at that time about the benefits of using mare's milk. It led some people wondering if mare's milk was even beneficial or just a hoax. Those who had experienced benefits from using mare's milk still continued using it."

Back at those "mare's milk's boom"-times also the farm Peiponen worked at, Pferdehof Blamauer, produced 1500 liters of milk a year, today the amount is 500 liters a year. Since that they have also started running a seasonal restaurant and offer catering services for special occasions. In the beginning of 1990s, during the "mare's milk boom", as the demand of mare's milk was larger, the farm had several partners that the milk was sold to. The products made out of the milk were sold at health stores; also raw milk was sold there straight from the farm.

Olkinuora has visited one and interviewed owners of another horse farm in 2003 in the Netherlands that produced mare's milk. At the farm she visited the foals were born there, stallions that were born were sent to be slaughtered and only mares were kept. At that time there were five bigger horse farms producing mare's milk in the Netherlands. At the farm Olkinuora visited one mare could produce as much as 20 liters of milk a day, but the average was 10 liters of milk a mare per day. The two farms she had contacts with used two different kinds of milking ways. At one of the farm the owners had modified a cow's milking station and equipment to fit mares.

Kylämäki started the mare's milk experiment in 2010 and production of mare's milk in small-scale still continues. Kylämäki owns all the horses that are involved in making foals and producing mare's milk. She currently has two to three mares that milk but does not mention any specific amount of milk that the mares produce a day. However, according to her, the amount of the milk depends on how often the mares are milked. The breed of the horses at the farm is Finnhorse and Kylämäki mentions that the breed they use milk better than some of the German breeds that are typically used for milking.

Olkinuora: "The biggest part of the milk from the farm I visited was sold to a dairy that was situated in the same area. Small part of the mare's milk was sold as raw milk to neighbors and others that wanted to buy it straight from the farm. The farm did not have an actual shop from where the milk was sold but the customers knew that milk could be bought from the farm and came to buy it every day."

From the farm Peiponen worked at the milk was bought by local residents; mainly neighbors and others who lived close by. Both of the farms Peiponen visited used a milking machine modified from cow's milking machine to milk the horses.

Peiponen: "That is the only type of milking machine that I have ever seen – a modified one. I would be using a machine like that at my own farm as well. The rail that runs in the ceiling of a stable holding the milking machine makes it easy to run it from one place to another and milk the mares while they are comfortably standing in their own stalls."

At the farm Olkinuora had contacted a mare was forced into a small stall where it could not move and was milked there.

Olkinuora: “Forcing the mares in the small stall was not natural to the mares and made them nervous.”

Olkinuora kept wondering what would be the most practical way of turning the milking equipment of cows suitable for mares. She mentioned also seeing that cow’s milking machine works well for mares if it is modified a little.

6.3 Mare’s milk in Finland

In this sub-chapter a brief history of mare’s milk and the current situation of mare’s milk in Finland are introduced. Also some of the opinions that the interviewees have towards mare’s milk have been stated. Interviewees have also given comments about the most important events organized when thinking of mare’s milk industry.

The first appearance of mare’s milk in Finland that Saastamoinen knows of was in the 1970s. Small batches of mare’s milk were shipped from The Equine College of Ypäjä to hospitals where the milk was given to children that had to stay at the hospital and suffered from cow’s milk allergy. Mare’s milk was given to those children because many of the people who cannot drink cow’s milk tolerate mare’s milk. The shipments of mare’s milk to hospitals were very irregular and were not continued for long. However, the action has been remarkable considering the history of mare’s milk in Finland.

Olkinuora tells that even though she has been very enthusiastic about mare’s milk in the past, she does not deal with it in any way anymore. She wonders why in Finland mare’s milk has not become popular even though in her opinion it would have potential. She mentions that at Harju’s learning center in Ravijoki someone has once tried producing mare’s milk but does not know the current state of the experiment.

In Finland, where mare’s milk is new to the big audience and has not been used traditionally like in some other countries, trying mare’s milk and products made out of it seem peculiar to many.

Saastamoinen: “Probably in the European countries where mare’s milk is more common, the products are seen as something luxurious and rare but not something that people would not like to try.”

Usually the opinions towards mare’s milk in Finland are prejudicial and especially the taste of the milk is not expected to be appealing. Supporting Saastamoinen’s view Mononen tells that she has never heard about mare’s milk before.

Mononen: “I read the *Maaseudun Tulevaisuus* – newspaper (Translated by author: The Future of Rural Areas) in regular basis but have never come across with the topic of mare’s milk.”

She is surprised that the mentioned newspaper has never written an article about mare’s milk, she believes that mare’s milk was more known in Finland the *The Future of Rural Areas* - newspaper would have had an article or articles about it. Also, she has not been involved with horses and horse industry regularly lately which might explain why she has never come across mare’s milk before.

Mononen: “In my opinion mare’s milk is so unknown in Finland that it sounds odd, and that in her opinion the main reason is that there is no mare’s milk widely available in Finland which makes it sound odd. Probably other people that hear about it the first time think the same.”

About the target group Olkinuora mentions that products made out of mare’s milk would most probably attract adult women that have fairly good income.

Olkinuora: “If a farm in Finland would be interested in starting to produce and sell mare’s milk products, the most important events in Finland to go to would be Hevoset-fair (Translated by author: Horses) in Tampere, different types of fairs related to wellbeing and Helsinki International Horse Show.”

Kylämäki: “Elävä maaseutu-fair (translated by author: Living countryside) that is held in Helsinki is one of the most important fairs to attend in Finland if interested in the topic.”

Olkinuora: “At fairs like these farm owners would gain information on what else is going on around Finland and around the world and also have the chance to introduce their own possible products.”

6.4 Use of mare's milk

Saastamoinen lists koumiss, fermented products and cosmetics as products that can be made out of mare's milk. Koumiss is typical for Russia, Mongolia and other parts of Asia.

Saastamoinen: "When mare's milk is fermented some alcohol is produced because mare's milk includes quite a lot of sugar that turns into alcohol. However, koumiss is not made mainly because of the alcohol content but to preserve it for a longer time. Milk as it is does not keep drinkable for long, but when it is fermented the time it keeps drinkable is much longer. The milk can be also drunk raw as it is. Cheese cannot be made out of it since there is not enough casein in the milk in order for it to curdle. If mare's milk is processed further, it is better to choose to make something by freezing it or keeping it cold; the structure of the milk changes as it is heated. This is due to the protein content of the milk."

Kylämäki has made Koumiss once at her farm. Also ice cream has been tried. The latest products that Kylämäki has tried are mare's milk soap and skin lotion. At the time the interview was done they had just received the first batch of those and started to test them with the help of their relatives.

Kylämäki: "Skin care products made out of mare's milk are good for sensitive and dry skin. Many of the people who have tested our products have reported the same. I have treated my sunburnt skin successfully with mare's milk lotion as well."

The selling of Kylämäki farm's mare's milk products has not yet started but Kylämäki herself is planning on starting to sell the products straight from the farm, at fairs that she attends. At the moment she is the only mare's milk soap and lotion producer in Finland.

Peiponen: "Töchterlehof's main source of livelihood is mare's milk. The farm has an agreement with one partner that buys all the milk the farm produced and makes products out of it. Products include for example chocolate, liquor, cosmetics and milk powder capsules. 80% of the products are returned to the farm to be sold there and the rest 20% is sold by the partner. The farm is located close to one of the biggest cities in Austria, Graz, and the customers mainly come from the city."

Olkinuora: “A dairy close by bought the biggest part of the milk produced at the farm in the Netherlands and made for example ice cream out of it. Part of the milk was freeze dried and turned into powder. The powder could be mixed with liquid and turned into a health drink. It was also used for making capsules and those could be swallowed in order to achieve health benefits. The capsules could be compared to colostrum capsules that are made from the first milk of cows and also seen to be good for people.”

Back at the time Olkinuora visited the Netherlands small amounts of mare’s milk were also transported to hospitals and given to babies.

Olkinuora: “The reason is that mare’s milk’s composition of fat and minerals are very close to mother’s milk.”

6.5 Health benefits and opinions about mare’s milk

The aim of this sub-chapter is to introduce the possible health benefits of mare’s milk that the interviewees had heard or experienced the milk to have. Also the reasons mare’s milk is used have been discussed by the interviewees and an opinion from the viewpoint of a farm being an organic farm introduced.

Fermented products affect the wellbeing of bowels and overall wellbeing. There are also many other more familiar fermented products available besides fermented mare’s milk.

Saastamoinen: “The health benefits of fermented milk are similar than of sauerkraut and yogurt, which are also fermented products. In Russia there are even salons that are based on the usage of fermented products and healing and affecting the bowel and wellbeing that way. Other benefits of mare’s milk include the fact that it is low in fat, meaning lower in fat than cow’s milk and people allergic to cow’s milk can usually use mare’s milk as an everyday dairy product.”

In Saastamoinen’s opinion usage of mare’s milk in order to replace cow’s milk because of an allergy is the most important reason why mare’s milk is used in some of the European countries that produce it; France, Austria, Germany and Switzerland. In those countries, as well as in Russia and parts of Asia, where mare’s milk is known and used more, the usage of it does not seem out of the ordinary to the people. Moreover, in the rough and wild areas of Mongolia and Asia mare’s milk is an important source of

protein. It has been estimated that 30 million people living in those areas use mare's milk in daily basis as one source of nutrition. Horses raised in those areas are well adapted to survive the rough weather conditions.

Mononen: "Mare's milk sounds odd to me probably because in people's minds, especially in Finland, a horse is supposed to do something else but not produce milk; cows are for producing milk. If mare's milk was a by-product of something else it would make sense to use it but producing mare's milk especially just to sell it and make products out of it sounds odd."

In Mononen's opinion if the produced mare's milk was organic it would not bring any added value to the product.

Mononen: "In general organic products have not yet come popular in Finland, even though they have been in peoples' knowledge for a long time. In Finland the so called normal Finnish products and Finnish food are perceived as very clean and reliable, which makes organic products not so wanted and needed. Also, would the price of such a special product as mare's milk is rise too much if it would be organic in addition?"

6.6 Other issues raised during the interviews

Peiponen: "People who hear about mare's milk for the first time are usually very skeptical and have prejudices about the taste and texture of mare's milk. Many of them would not even be interested in trying the milk. The taste of mare's milk is sweet and watery, like it did not have any fat in it."

According to Kylämäki it seems that people are more willing to try for example mare's milk lotion because it is used on skin rather than something made out of mare's milk that need to be swallowed.

Kylämäki: "Drinking mare's milk seems to be a more difficult though for people than using it externally. That is why our first products are a soap and a lotion"

People suffering from horse allergy should not drink mare's milk. It may contain some of the same allergens that can be found in horse and that way cause a life threatening situation.

Peiponen: “Many people have told me comments about mare’s milk. Some people also say that they have not seen any changes in themselves since starting to use the products. Others claim that the health benefits are evident.”

At Kylämäki farm they run a bed and breakfast and provide catering service for special occasions. During breakfast besides cow’s milk they serve mare’s milk. Many customers have tried it but it has not been anybody’s favorite.

Kylämäki: “The taste is sweet and the texture of the milk is more runny and watery than cow’s milk’s, which most of the people are used to.”

6.7 Launching a new product

There are some important steps to take and matters to consider before launching a new product. A company must be ready to react to what the customers might have to say or ask about the product in order to stay interesting.

Matveinen: “The most important parts when launching a new product to a market is to think about the product from many different angles; the product and the design need to be ready before the launching. Also, marketing, marketing channels and the target audience need to be thought of before the launching. These all are linked since the target audience defines a lot of the marketing channels so that the right people would get the information that there is a new product launched that they might be interested in. It needs to be also thought of before launching a product that when people hear about a new product, what do they have to do if they are interested in getting the product for themselves; can they order a test version of the product or can the final product be already purchased from somewhere.”

According to Seppänen starting to develop a new product the need and want has to primarily come from the customer.

Seppänen: “The best way to start the development is when there is a customer need present and a company starts to develop a new product especially designed for the need. Also, when including the customer in the process of planning and making the product will result in a better end product.”

If it is only in a company's interest to start developing a new product and the company designs and produces the product only because the company wanted so and only after that, when the product is ready, starts to market it, it might be very difficult. The target audience needs to be defined long before the product is produced and ready to be sold.

Seppänen: "When including the customer in the product development, prototypes will be introduced to the customer in different phases of the designing. A company needs to be ready to react quite fast to the possible changes a customer wants to make to the product. Also, when customer is included in the designing process the flow of feedback to the company is continuous, which is very important."

6.8 The importance of customer feedback and ways to collect it

Seppänen: "Product development has to be continuous cooperation between a company and a customer so that the feedback comes to the company as efficiently as possible."

Companies usually have the fear that someone might copy their product if they give it out for testing too early. There are also other reasons affecting the company's decision.

Matveinen: "Collecting customer feedback is important. It tells the company what is good and what is bad about the product so that the product can be developed to the right direction. Also the marketing message can be modified according to the feedback. Starting to collect feedback early on in the production would be good but many times companies do not want to give a product for testing too early in the fear of bad first impression of the unfinished product."

There are many ways to collect feedback on a new product. The product itself defines the best ways of collecting feedback. The people that test the products should be selected carefully, necessarily the closest friends or relatives are not the best ones to try the product since it could lead to not telling the whole truth and making the feedback look too supporting for the company.

Matveinen: “When talking about for example facial creams or mare’s milk capsules one of the best ways to collect the feedback would be by letting people use the products for a certain time and having them to write a diary or document the process some other way during a period of time. These products do not necessarily start working right away so they need to be used for some time before any results can be seen and analyzed.”

It is good to use different types of feedback collection methods in order to get feedback from different angles. The comments can be collected for example by e-mail or by interviewing people face to face.

Seppänen: “When talking about a physical product the best way to collect feedback is by giving the product for people to try and listen to what they have to say about it.”

According to Seppänen bringing such a new product to Finnish market as mare’s milk products are it might be a long road till any actual products are out in the market.

Seppänen: “All the testing and developing might take a surprisingly long time. But since it is already done in other countries, benchmarking would be a good way to learn how it has been done elsewhere.”

6.9 Making a new product interesting

Making a new product on the market interesting to customers is dependable on many facts. For example the distribution channel affects what is appreciated.

Matveinen: “If a product is sold in a store the packaging and the design of the product play an important role. However, if the same product is sold in a web store the packaging is not as important but other factors become significant; the reliability and usability of the web store. Also comments and feedback, positive and negative, given for example in social media affect more in some situations.”

Seppänen: “The design of the product is very important in making the product desirable to buy. A company should work with a designer already in the product development in order to achieve the best benefits of the product and making the design appealing. When the design is done right the product does not necessarily need instructions but the design itself instructs people how to use it.”

The user experience should be thought of from the very beginning to the end and all parts should be designed so that they work and look desirable.

Seppänen: “For example when using the product for the first time the experience should be thought of so that the product would be easy, pleasant and convenient to use.”

6.10 Marketing of a functional food

The aim of this sub-chapter is to tell about the marketing channels that are efficient and beneficial to use when launching a new product. Also comments about marketing of functional foods are provided in the end of this chapter.

Matveinen: “It would be important to first clearly define the target groups and decide the marketing channel based on them, that is how the most efficient marketing channels are found. For example by thinking of large groups or communities of similar minded people that might be interested in the product and getting the marketing message to them would be beneficial. Also thinking of the ways of how to get the marketing message delivered to them is crucial.”

In the modern world there are many ways to get a message to people. Fairs used to be the most important channel in sending and receiving messages about new products but in today’s world it is not the only way or the most important way anymore.

Matveinen: “Even today it is important to consumers that certain companies are present at fairs but in B2C-marketing the significance of fairs has faded a little. However, in B2B-marketing fairs still seem to be important.”

Also in Seppänen’s opinion fairs are important channels for B2B-products to spread information about the product.

Seppänen: “Fairs make it possible for people to try and see the products in action which makes the buying decision easier and also the functions of the product more realistic and understandable.”

It is a good idea to make videos about how the product works and make them available online. The videos also increase understanding towards the functions of a product. Also networking with different kinds of people cannot be emphasized enough as an important part of marketing.

Seppänen: “Videos are an efficient way to spread information about a product when people search information about some related topics online.”

Koljonen: “By networking with the right people the word about a new product spreads quickly.”

There are also worldwide competitions in different fields which are great opportunities to market a new product. Companies can take part in the competitions with their products and try to win awards.

Seppänen: “The won awards are great for marketing; they create reliability on the quality of the product, make it interesting and more desirable. The party that organizes competitions usually also makes the contestants known by making books and sharing the stories of the companies online. Some of them even have museums where some of the chosen products can be seen. The competitions are usually very costly but will work fantastically as a marketing aid for a company if their product does well in the competition.”

If a company wants to have its products at the shelves of for example a big grocery store chain, thorough preparations have to be made.

Koljonen: “A company needs to fulfill the set criteria; the product needs to be already appealing and interesting. Even when doing all the preparations the discussion can continue for a long time before the last decisions and agreement is done. In addition, the company only has one chance to try; it might take a long time to start the discussions again if the first chance is blown.”

Marketing between functional foods and “traditional type of foods” differs quite a lot. When making claims about the health benefits of products companies need to be careful and precise.

Koljonen: “Right now using any health claims is even harder because all the claims are being considered again by the EU. This influences the use of health claims so that almost nothing can be said about the products right now in the EU.”

However, many health claims that are forbidden to state in Europe are allowed in for example Asia. Still, it goes both ways; some facts that are allowed to be said about products in Europe are forbidden in Asia.

Koljonen: “Overall, knowing the rules and regulations of different countries is crucial; being accurate and precise is inevitable.”

Getting through a health claim nationally or with EU is very expensive and time consuming. It might cost tens of thousands of euros.

Koljonen: “It might take years to get all the clinical research done for EU. After that EU’s central body decides if the claim is valid and either accepts it or not. If the claim goes through and company is allowed to use the health claim, it still does not own the claim even if the company had been the only one paying for the whole process. Since one company never owns the claims, any company in the country or EU can start using the same health claim in similar products.”

7 LAUNCHING MARE’S MILK IN FINLAND

7.1 Marketing Mix

Suvinne farm’s possible products, where the price of the products consists of, suitable places for selling the products and the promotion of them have been brought up and analyzed. In the following sub-chapters the examples are given keeping in mind the special characteristics of Suvinne Farm.

7.1.1 Product

For the analytic section of this thesis two mare’s milk products have been selected as being the most potential for production and market in Finland. The two products that have been selected to be analyzed are a facial cream and dried powder capsules.

The two selected products have been selected because the products as such are something that is already known. People use facial creams every day and the concept of

facial creams is already well-known. Also the concept of taking pills in order to have some benefits from it is well-known. The new aspect about these products therefore is that they are made from mare's milk.

7.1.2 Price

This thesis does not introduce the prices of the products Suvirinne Farm might be producing in the future. However, from what the price of Suvirinne Farm's products would consist of and the prices of some competitors are introduced.

Before Suvirinne Farm can start producing mare's milk there are investments that need to be done in order to start the production. Horses, mainly mares appropriate for producing foals, need to be purchased. The mares need to be mated which adds the costs either by acquiring a stallion or purchasing sperm of a suitable stallion from outside Suvirinne Farm. Turning the old cow house for a stable suitable for horses needs to be done even before the horses arrive. Also different kinds of equipment need to be acquired or modified to fit horses, such as the milking equipment that already exists at the farm. Also equipment related to producing the organic fodder at the farm need to be acquired or already existing equipment maintained.

The price of Suvirinne Farm's mare's milk consists of fixed and variable costs. The fixed costs include for example electricity, loans and taxes and other costs that have to be paid every month even if there are no horses. The variable costs vary mainly due to the amount of horses there are in the stable. The variable costs include for example fodder and beddings for the horses and veterinarian costs. The variable costs also include the work itself; milking, taking care of the horses and foals, feeding the horses and other work done at the stable such as maintenance. In addition to these costs there are the shipment and producing costs of the products. All this form the product costs, in addition there are some other costs that are added to the price of the product; for example marketing and designing costs.

Kylämäki Farm, the only Finnish competitor in the mare's milk section currently has two products on the market; a bar soap 90g á 13 euro and a lotion 40ml á 18 euro¹¹⁸. The Belgian Equimilch-product series includes capsules, 60 capsules/package á 30 euro and body cream 250ml á 25 euro¹¹⁹. Töchterlehof, the Austrian mare's milk farm that has been introduced earlier, has a wide selection of products. To mention few, Töchterlehof's body lotion 200ml costs á 18 euro, shampoo 200ml á 12 euro, conditioner 200ml á 13 euro and two different kinds of capsules, both including 120 capsules/package á 31 euro¹²⁰. De Lage Wierde, a Dutch mare's milk farm also has a wide selection of product on sale. To mention few of them the freeze dried capsules 60capsules/package cost á 20 euro, shampoo 200ml á 11.50 euro and lotion 200ml 11.50 euro¹²¹.

7.1.3 Place

The capacity of the production at first is not going to be very big and the retail stores that the Suvirinne Farm products are wanted to be sold at have to be chosen keeping the small production in mind. Chain stores are not in the list of desirable retail stores but small retail stores, especially local ones are the most desirable ones. The stores that the products are wanted to be sold at include small gift and souvenir shops, stores selling ecological products, farm shops. To mention few specific stores that would be potential retail places from the producer's perspective are a social enterprise called Taito Shop, which has locations in several Finnish cities, and the souvenir shops of the leisure time resort Bomba in Nurmes. Taito Shop would also offer the possibility of a nation-wide distribution through their online store. At the moment Taito Shop does not offer any lotions or capsules so they would be a good addition to their selection.

It is possible that the products would be sold also from Suvirinne farm as many of the farms in the benchmarked countries do but there are some difficulties in it. The location of Suvirinne Farm is quite far away from any city centrum and those interested in coming to the farm to buy the products would need to drive a long way to the farm only

¹¹⁸ Kylämäki Farm Facebook-page, 2013.

¹¹⁹ Equimilch-products 2011.

¹²⁰ Töchterlehof-products.

¹²¹ De Lage Wierde-products 2013.

because of the products. Also, if the products would be sold at the farm there would need to be someone ready to sell the goods at almost any time of the day, week and year. So in Suvirinne Farm case the farm shop is not the best alternative.

However, there are other options if the commissioner wants to sell the products from the farm as well. For example a theme day of getting to know the local mare's milk producing farm could be arranged and everything that is going on at the farm at the moment could be introduced for the local families that are interested in seeing the farm. Selling the goods from the farm to the interested visitors would be possible at the same time. Since it would only be for example one day every half a year it would be easier to arrange than selling the goods for the few visitors that might come any time. At the same time the theme day would double as a possibility to tell about the mares, the milk and the products to the people, which would also act as marketing for the products and increase understanding towards them.

Suvirinne Farm should also establish an online store. Online shopping has become more and more popular over the last few years and it is seen as a fast and easy way to shop and receive the wanted products. For a small company like Suvirinne Farm an online store would be a great and an efficient way to market and sell the products. Also since the plan is that the products would be sold mainly locally at first, online store would cover the whole Finland and the entire world if people from outside North Karelia region would be interested in buying the products. With only so few products an online store is easy to maintain and not expensive to keep up.

In the future if Suvirinne Farm is able to produce more mare's milk selling the products at a chain store can be considered. The quantities of mare's milk for getting in to a chain store must be large and the production has to be stable enough so that the production and selling is an ongoing process. If Suvirinne Farm is not able to answer the growing demand alone in order to trying to get in to chain stores co-operation with other Finnish mare's milk farms can be considered. The co-operation could be implemented so that both or all of the farms could be located anywhere in Finland and the milk would be shipped to one factory where the products would be produced. The products would be

then sold at chain stores under one brand name. However, this is an idea for the future and could work as a goal to aim for. Right now Suvirinne Farm does not have the capacity to produce milk in such large amounts.

7.1.4 Promotion

The aim of this chapter is to introduce views on the target group, suitable promotion methods for a starting company and some specific examples on how the promotion of Suvirinne Farm's products could be done.

As for the target group a group of people that would be already interested in for example treating their skin with natural products, interested in organic products or horses in general has to be defined. When a good target group of for example people that have horses as their hobby has been defined targeting of the marketing is easier to do. A possible target group could also include people suffering from psoriasis or dry skin or people who have experienced bowel problems.

For a small starting company that has not gathered big amounts of profit yet social media is an efficient and an inexpensive way to market. Social media offers almost endless possibilities with the several different providers that can be used usually for free. It is good to choose a mix of few different social media providers and take good care of the accounts or profiles created in order to get positive visibility. The accounts and profiles need to be updated often for example by sharing information, organizing polls and competitions and sharing opinions about topics that are related to for example horses, mares and mare's milk. In addition to sharing information the products can be marketed. However, if all the updates are about marketing the product the people reading the updates will most probably get annoyed and stop following the company. This, of course, results in less potential customers for the company.

In today's world online blogs are popular and the most popular ones reach thousands of readers every day. Sending samples of the products to different blog writers and asking them to write experiences and comments about the product to their blog is another cost-efficient and fast way to market almost any products to a large audience. The different

types of bloggers usually attract the same-minded people as their readers. By choosing a blogger that fits a certain target group and sending the products for him/her, the evaluation written about the products will reach a large audience of the kind of people that are in the target group of the product as well. The products should be available at an online store so that people interested in buying the products could reach them as easily and as fast as possible. Promoting the products in online blogs and having an online store would also work together well since a direct link from the blog to the online store could be provided in the blog post.

The traditional ways to promote products are still valid today. Magazines and newspapers that concentrate for example on horses, farm-living or skin diseases would be good places to tell about mare's milk and the Suvirinne Farm products. Also fairs are still quite powerful in spreading the information about products. Even finding partners to co-operate with at a B2B-fair would be possible. The interviewees mentioned few fairs to attend earlier and the most potential of those would probably be *Living countryside* - and *Horses-fairs*. Mononen mentioned in her interview that the newspaper *The Future of Rural Areas* would be a good place to share information about the current situation of mare's milk in Finland and that way also promote the products.

Since the plan is that the products could be sold at first in small stores, and the whole concept of mare's milk is new and unknown in Finland, promotion should be done at the small stores systematically. The CEO of Suvirinne Farm could go to the stores at agreed dates to hold a mare's milk products booth where she could tell about the production and the products and people could ask questions. As the knowledge and understanding towards the whole process and the products would increase the buying decision would come easier. Also the staff of the shops should be trained for being able to tell a little bit about the farm the milk comes from, the process of producing the products and what the possible health benefits of using the products are. If people do not understand the concept of mare's milk properly it is much harder to sell the products, since the whole industry is so unknown in Finland.

There are several symbols available that a company can buy that indicate for example where the product is made and where the raw materials are from. A company can purchase the right to use a certain symbol on their products and make it a part of their

marketing as well. Examples of these symbols are “Hyvää Suomesta”- Produce of Finland-symbol (Translated by author: Good from Finland) which indicates that at least 75% of all the ingredients used for a product come from Finland.¹²² Another symbol that indicates that the parts of a product are at least 50% of Finnish origin is the Key Flag Symbol.¹²³ These symbols are well-known nationally, in addition there are symbols that are known locally and indicate some other aspect of the product. Even though these kinds of symbols cost quite a lot, especially for a starting company, they might add reliability and recognition of the products.

7.2 Porter’s five forces analysis

Suvirinne Farm’s existing competitors, possible new competitors, suppliers, customers and the threat of substitute products have been analyzed with the help of Porter’s five forces analysis tool.

7.2.1 Rivalry among existing competitors

When viewing the existing competitors of mare’s milk products in Finland the amount is not big; there are two producers selling mare’s milk products on Finnish market. One of the two competitors is a Finnish Farm, Kylämäki Farm that currently produces cream and bar soap made of mare’s milk. The products are sold at the farm and can be ordered by e-mail or by calling the farm by phone. The other competitor is Equimilch-products. At the moment they offer cream and dried powder capsules made of mare’s milk and the products can be ordered online. The home of Equimilch-products is Belgium and the products are sent from there to Finland as individual shipments as they are ordered. With the two competitors on Finnish market the competition is low. Also the sales volumes of these two competitors seem small and the overall recognition of mare’s milk products in Finland is still low. When thinking on a bigger scale, the competition in Europe, especially the parts of Europe that produce more mare’s milk, is higher.

¹²² Hyvää Suomesta 2013.

¹²³ Suomalaisen Työn Liitto 2013.

If considering the competition between all the producers of facial creams, the competition is fierce. There are multiple large foreign companies as well as smaller and larger Finnish companies in the competition. A consumer has a wide selection of products from where to choose the most suitable. The large players on the market have assets and resources to market and advertise in large scale and they get the most attention of the consumers. The large players also have large resources of the raw materials available which results in extent production. The large companies' products are also usually available at wider amount of retail stores so the availability is high. When a small company tries to compete these large players there needs to be something unique about the products so that it would catch the eye of a consumer and result in purchase.

Regarding the mare's milk capsules there is one direct competitor; Equimilch's capsules. However, Equimilch is not Finnish and in general Finns value Finnish products more than foreign products. Also the products need to be purchased online so there is no retail store in Finland that would offer the same products. Equimilch is Belgian which raises questions of the shipments; will they take a long time to arrive and are there some additional costs in the shipment since they are sent from Belgium. There are also other functional foods, for example based on herbs, berries or other ingredients that come from nature, that act as the mare's milk capsules have said to work. Those products are not so well known among bigger crowds but for the consumers that have problems with for example joints or skin condition could be aware of the products.

The possibility of not using any of these kinds of products that Suvirinne Farm would be offering is also there. Especially with the capsules, that are not as ubiquitous as the facial creams are, the chance of consumers not being interested in the products at all is present.

7.2.2 Potential of new entrants to industry

When talking about the production of mare's milk the new entrants to the market are always possible. As Olkinuora stated in the interview there would be potential to produce mare's milk in Finland. The already existing horse farms that produce for

example foals could start producing mare's milk as a by-product quite easily and the barrier to entry would be low. The farms that already have mares that could be milked would only need to purchase some equipment for collecting and preserving the milk. They would most probably also need to look for a partner to whom the milk would be delivered. At the moment the situation seems to be that there would be potential in Finland to produce mare's milk at several farms but there is lack of knowledge towards the topic. It seems that horse farmers are not aware of the possibility of collecting mare's milk and turning it into a profitable business.

The entry barrier for a person wanting to start producing mare's milk that does not own any horses or have the suitable space for them is high. The work before any milk can be produced can take years since horses need a suitable place to live, mares need to be mated in order to foal and only after that the collection of the milk can be started. In addition to all the preparations that need to be done even before a single drop of milk can be milked the suitable equipment needs to be purchased as in the case if a farmer already has horses. All this requires high capital requirements and long term commitment towards the process.

As the knowledge towards mare's milk in Finland would increase in the future, the demand for the products from the customers' side would increase as well and a larger number of the possible co-operators would also be interested in partnerships with the mare's milk farms. In that case there would be a higher potential of new companies entering the market. However, it might take a long time before the knowledge towards mare's milk would be so extent that a rush of new entrants would be entering the market.

In case of a several new entrants entering the market, Suvirinne Farm would need to grow the knowledge of the brand significantly and fast. As of right now, since there are no Suvirinne Farm products on the market, the knowledge and recognition of the products is zero. With marketing, using different types of marketing channels the products would get recognition and brand awareness. That would result in loyal customers that would still choose to use Suvirinne Farm's products even though there would be new substitutes on the market.

7.2.3 Power of suppliers

The suppliers in this case include the parties that provide horses and equipment for the stable and the equipment needed during the milking process. Currently there is no milking equipment available for horses but the machinery that fits horses can be modified from cow's or goat's milking machines. Especially when looking at the sector selling equipment suitable for cows the range of products is wide. The selection of producers and the diversity of products is large and the buyer can decide the wanted products from a large section.

Also food and other equipment that horses need daily are partly provided by another company. Main part of the fodder will be produced at Suvirinne Farm but in addition horses will need for example added vitamins and minerals to their diet. Everything other than the fodder needs to be purchased from outside the farm. There are several suppliers that sell these kinds of products; the buyer can choose the best alternative that suits the purpose the best. In addition, in the area where the farm is located there are several other farms, which mainly own cows, which also will need to purchase similar equipment and foodstuff for their animals so there is competition between the producers in the area.

All this can be summed up to a conclusion that there are several suppliers in all the different areas of the products that need to be purchased for the farm and regarding many of the products there is a considerable amount of competition as well which in many cases leads to discounts and benefits if a long term agreement is made. Also, some of the products cannot be purchased from the market but need to be modified to fit horses. In these cases the best alternative needs to be chosen and the modifications done later on probably by the CEO of Suvirinne Farm.

7.2.4 Power of customers

The customers of mare's milk products are thought of being small retail stores, boutiques and souvenir / gift shops. Also the possibility of a store at the farm where the

mares live is being considered. The first stores that the products would be available at would most probably be some of the small stores in the North-Karelia region because in that case the locality of the products could be used for marketing in the region.

The order quantity of the stores that would be potential for selling the mare's milk products would most likely be small, especially at first. Due to the small order quantities the prices per unit will be higher and so the retail price would probably be quite high as well. However, the Suvirinne Farm's products would most likely be the only mare's milk products at the stores which would guarantee them unique visibility and interest of the visitors.

7.2.5 Threat of substitute products

There are little possibilities in choosing a mare's milk substitute product in Finland. However, there are several substitute products when thinking of the whole category of facial creams. They are available in every store and the selection is wide. The closest competitors include natural and organic cosmetics, for example cosmetics that include natural oils from berries. Those products most probably also have the same target groups as mare's milk products would have.

When talking about the dried mare's milk powder capsules, there are substitutes available. Capsules under the brand Equimilch can be ordered online but there is no place in Finland that would offer the mare's milk capsules in a retail store. Also, there are no Finnish products available anywhere. One substitute product group could be thought of being the lactic acid bacteria capsules that are well known in Finland and have been quite popular especially among those who travel abroad. However, the health benefits gained using lactic acid bacteria capsules and mare's milk capsules differ quite a lot. Lactic acid bacteria are related mainly with keeping the bacteria level of bowels optimal so that people would not get sick for example of stomach flu or flu. Mare's milk products however do not have that kind of effect but it might effect on the skin condition among other benefits mentioned earlier.

Since there are so many substitute products for the facial cream, something unique needs to be created so that people would see mare's milk facial cream as a unique product and would choose that over the substitutes. In order to achieve the uniqueness brand building is important. The brand has no image yet and the brand building needs to be started systematically so that the threat of substitute products becomes smaller.

Branding will be also important for the mare's milk capsules. It is a new product to the Finnish market and people are not aware of the possible health benefits it might offer. The marketing campaign needs to be informative enough so that consumers understand the concept of mare's milk and misunderstandings can be avoided. People will not likely be interested in something that they do not understand. Also, not very many scientific researches have been conducted about the functionality of mare's milk so deeper knowledge of the topic would be crucial also from the marketing point of view.

7.3 Productizing

The positioning of Suvirinne farm compared to the competitors is a starting small company that is wanted to be branded a North Karelian company that sells products that have been produced close by. Suvirinne Farm also wants to be seen as an innovative company that is involved in bringing something new to Finland.

The target groups of Suvirinne Farm would include middle class people; mainly women aged 35-65. Also people that suffer from extremely dry skin or psoriasis could be in the target group for the lotion. For the mare's milk capsules the target group would be people who have problems with their bowel and want to try treating it naturally. Since all the mare's milk products are so new in Finland the target group would include people who are adventurous in trying new treatments in order to try cure themselves. Also people that are already interested in horse industry would be in the target group. The people in the target group should also be ready to try a natural cure instead of relying heavily on medicine.

Marketing to the specific target groups mentioned above needs to be planned carefully. The first step of getting recognition for the products could happen through the farm.

Suvinne Farm could be introduced as a new type of a source of livelihood in Finland and at the same time promoting the products in newspapers and some specifically chosen magazines. The newspapers that Suvinne Farm would good to be introduced at include both national and local newspapers. Spreading the word within whole Finland is important and in addition introducing the farm as a North Karelian farm in the local newspapers would probably work as effective marketing. By choosing especially the magazines carefully a big part of the target groups could be reached.

After getting some recognition, and even at the same time as articles are written about Suvinne Farm in magazines and newspapers, also other types of marketing needs to be considered. For example setting up profiles and pages in social media has to be started early on. Other marketing measures can be considered later on since for example having adverts in magazines depends on the assets the company has at the time.

In addition to the articles and advertisements in newspapers and magazines and social media when the products are out on the market the CEO of Suvinne Farm should also visit the locations the products are sold at. The idea behind visiting the locations is that a stand could be set at the store where there would be information available and a person telling about the farm and the products. Customers could ask questions and get to know mare's milk. At the same time as introducing the products comments and feedback about the concept and the products can be collected. The feedback is valuable in the future decisions regarding for example product development and aiming of the marketing.

8 SUMMARY

8.1 Findings and managerial implications

The main findings include the fact that the mare's milk industry is very new in Finland. The production is very small scale since there is only one farm at the moment producing mare's milk. It also looks like the industry is not among the industries that would start to grow in the near future in Finland. However, when looking at whole Europe there are

areas that mare's milk is produced more widely which has led to the knowledge towards mare's milk. In Finland the knowledge is still low and it seems that not everyone would be interested in to try mare's milk. Only certain groups of professionals recognize mare's milk and are aware that it can be produced.

Mare's milk can be used for drinking it raw or producing products out of after it has been frozen or dried. The multiple products that can be made out of it include for example skin care products, capsules and liqueur. Those products are also the most common products produced in the European countries where mare's milk is more common. Mare's milk is said to have health benefits, however the amount of valid scientific researches towards the topic is low. Multiple user experiences can be found quite easily but the scientific evidence is lacking since only few researches have been conducted about the topic. The main health benefits that some of the users have listed are curing skin conditions, aiding with bowels and liver and giving overall energized feeling.

Even though the situation of mare's milk is in its infancy in Finland, target groups for selling the products on Finnish markets can be found. Also the production of different kinds of mare's milk products and selling them to consumers would be possible in Finland. The fact that the whole industry is quite unknown for large audiences in Finland means that marketing needs to be done in a very informative way. Something that is unfamiliar to most people is very hard to sell before the knowledge and understanding towards the product grows. Suvirinne farm need to take responsibility in informing the target groups about the industry and the possible health benefits of the products it starts selling.

The managerial implications, the actions Suvirinne farm should take next, include remodeling and renovating the old cow house and the surroundings into a suitable stable area for horses. The horses need to be bought and mares have to foal in order to produce the milk. Suvirinne farm does not have any co-operating partners yet and finding at least one good partner who would start producing products out of the milk is crucial. The products that are chosen for production also determine what kind of equipment and knowledge need to be acquired for preserving the milk. Also logistics from the farm to

the location where milk is processed further and from there to the selling points need to be sorted out. Also the locations where the products would be available for customers need to be found and contractions signed.

Throughout the whole process Suvirinne farm should be in close contact with local and national newspapers that could write articles and share pictures about the industry, the farm, the people working in the industry and at Suvirinne farm, the milk and the products that will produced out of the milk. The articles would increase knowledge towards all the topics that are introduced in the articles and at the same time work as marketing for the farm and the products. Suvirinne farm should provide information about the farm, the industry and the products from a realistic angle since transparency in today's business world is appreciated.

When the production of products has started articles and marketing of the products can be made to specific targeted magazines and newspapers for example according to an interest group. The staff of Suvirinne farm could also market the products at the selling locations by telling people about the farm and the products. Also theme days at the farm could be arranged so that people could come and visit the farm and see themselves how for example the milking or drying the milk is done. Little by little all these actions would increase knowledge towards mare's milk and the products and create hopefully a loyal, growing customer group for Suvirinne farm's products.

8.2 Critical reflection

This thesis was conducted in Finland and the findings and results are most likely to be valid only in Finnish context. The subject of the thesis is a new and still quite unknown topic in Finland and there are no scientific researches done about mare's milk in Finland. The researches that have been found for this thesis were mostly conducted in Asia and Germany and those regions might or might not have a different perspective in approaching the topic than a research conducted in Finland would have.

The sources used for this thesis have been sources that are written in Finnish or English because of the author's own language skill limitations. There is a possibility that there

are sources that provide information not mentioned in this thesis in another language, for example German, which would add to this thesis significantly. However, the used sources consist of pieces of work that are considered being trustworthy and add to this thesis by giving it reliability.

The interviewees have been carefully selected and each one of them can be said to be an expert of their own field. The people are known, recommended and appreciated as experts of their fields among the people who are involved within the field. The recognition of the interviewees adds to the reliability of this thesis.

Since the commissioner does not have co-operating partners yet the analytic section has been written by predicting and guessing many aspects. In the future when the commissioner has a partner all the predictions need to be checked and modified to fit each case separately so that the productizing and marketing is successful. Everything presented in this thesis are findings and points of view of the author and the final decision making of whether the sources are reliable and the conclusions suitable for the case is on the commissioner.

8.3 Further studies

Mare's milk is a new concept in Finland and Suvirinne Farm a new company which leads to many new ideas and research possibilities. Since Suvirinne Farm wants to stay as a producer of mare's milk and wants to have partner/s that produce the actual products, looking for the partners is one further study possibility. Depending on the type of partner and the end product that would be produced new further study possibilities will open. The current market situation of each product in Finland in comparison to the same benchmarked countries as used in this thesis is a possibility as well as creating a marketing plan. There are also possibilities in other field of study since mare's milk and products made out of it can be examined for example from the points of view of a designer or a scientist.

As mentioned in the critical reflection there is a possibility that there would be more information about mare's milk in different perspectives in German, or other language.

Those sources of information remain untouched on behalf of this thesis. Further information from sources in other languages than Finnish or English is a suggestion for further studies.

This thesis only discussed marketing mix from the points of view of product, place and promotion more widely but the fourth aspect, price, was only discussed shortly. Price could be thought of and discussed more widely in further studies and a pricing strategy for the products could be planned. Actual prices need to be decided and the calculations done so that the price would cover the expenses. Also, when the farm has actual co-operating partners the other aspects, especially promotion, could be discussed further and in more detail so it would suit the chosen products, the time and the partners the best.

An interesting and a necessary point for a further study is the conflict introduced in the theoretical section; is mare's milk suitable for everyone and can lactose intolerant people tolerate it too? Also, if mare's milk is suitable for everyone what is the reason? Another point that needs to be studied more is the people allergic to horses. Do those people tolerate mare's milk?

8.4 Final words

In summary this thesis and the topic are quite unique because of the concept of mare's milk is very new and quite unknown in Finland. Producing mare's milk could be a new way to use horses as a source of livelihood and could become more common as the knowledge and understanding spreads. The aim of this thesis was to look for more information about mare's milk in other parts of the world, especially in the benchmarked countries, study the current situation of mare's milk in Finland and find out the possibilities in the market for the commissioner. The topics were supported by theoretical section, interviews and analytical section. The aim of the thesis has been reached successfully.

This thesis was carried out during autumn 2013. During that time I collected the theoretical background from several different sources, interviewed eight different

experts of different fields and actively thought of the best alternatives for suggestions for the commissioner. I want to thank everyone who has supported me during this time, especially everyone that I have interviewed and the supervisors that I had. Without this group of people the different stages of this thesis would have been very different if not impossible to carry out.

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INTERVIEWS

- Koljonen, K. CEO. Nordic Vitality Oy, Polvijärvi. Recorded interview Oct. 16th 2013.
- Kylämäki, E. Owner. Kylämäki Farm, Marttila. Recorded interview Oct 31st 2013.
- Matveinen, M. Project manager. D'art, Joensuu. Recorded interview Oct 31st 2013.
- Mononen, T. Researcher. University of Eastern Finland, Joensuu. Recorded interview Nov 1st 2013.
- Olkinuora, R. Study planner, teacher. Ruukin Maaseutuopisto, Ruukki Recorded interview Oct 31st 2013.
- Peiponen, S. CEO. Suvirinne Farm, Lieksa. Recorded interview Nov 1st 2013.
- Saastamoinen, M. Specialist. Maa- ja elintarviketalouden tutkimuskeskus. Recorded interview Nov 4th 2013.
- Seppänen, R. CEO, MarkkinointiKuutio, Joensuu. Recorded interview Nov 4th 2013.

THE INTERVIEW FRAMES

Koljonen, Kari. Nordic Vitality Oy

1. Were there any similar products on the market before you entered the market with your products? How did the market entry go in practice?
2. How to bring a new product to people's knowledge? What kinds of marketing have you done with your company & product?
3. How does marketing of a functional food differ from marketing of other kinds of products?

Kylämäki, Elina. Kylämäki Farm.

1. When did you start the production of mare's milk at your farm? Where did the idea come from?
2. What is made of the mare's milk that is produced at your farm?
3. Do you know of any other farms in Finland or the Nordic countries that produce mare's milk?
4. What kind of comments have you heard from the people that have tried mare's milk in some form?
5. Have you done any marketing for the milk or the products made out of mare's milk produced at your farm? What kind?
7. What are the most important events in your opinion to go to if one is interested in learning more or selling of mare's milk and products made out of it?

Matveinen, Mikko, industrial designer, master in art and
Seppänen, Riina, entrepreneur, were asked the same questions:

1. What are the most important aspects that need to be taken into account when launching a new product?
2. How important do you think it is to collect feedback from the users before launching a product?
3. What are the ways of collecting feedback from the users? (physical product)
4. How to make a product interesting for a consumer?
5. What are the best marketing channels that could be used when launching a new product to a market?

Mononen, Tuija. University researcher.

1. What kinds of sources of livelihood there are that are related to horses? Can organic thinking be combined with the horse industry?
2. Which sources of livelihood are the most traditional ones?
3. Are there any new trends or ideas to be seen in the horse industry related to livelihood?
4. Have you ever heard of producing mare's milk before? What do you think is the reason you have never heard of it?

5. How would it sound in your opinion if mare's milk was produced and sold in Finland? If the mare's milk produced would be organic, would it in your opinion add to the product?

Olkinuora, Reetta. Bachelor in Equine industry.

1. Tell about the mare's milk farms that you visited in the Netherlands.
2. Was mare's milk common in the Netherlands at the moment? What did people think about it?
3. Are you involved with mare's milk in any way at the moment in Finland?
4. Do you know of any farm in Finland that have tried or produce mare's milk?
5. Do you know of any products that are made of mare's milk that are sold in Finland?
6. What are the most important events in your opinion to go to if one is interested in learning more or selling of mare's milk and products made out of it?

Peiponen, Suvi. CEO of Suvirinne Farm.

1. Tell about the mare's milk farms that you worked at and visited in Austria.
2. Was mare's milk the main source of livelihood at those farms? What else did they do?
3. What was done to the milk after it was milked? What products were made? Where were the products produced? What was the most popular product?
4. Who were the customers? What did they think of mare's milk?
5. Is mare's milk new in Austria?
6. How does mare's milk taste like to you?

Saastamoinen, Markku. Doctor of Economics in Agriculture and Forestry.

1. What are the traditional sources of livelihood in the horse industry?
2. Are there any new trends or ideas to be seen in the horse industry related to livelihood?
3. Where and when did you hear about the production of mare's milk the first time?
4. What are the products that can be produced of mare's milk?
5. What kind of reactions have use seen people having towards mare's milk in Finland and outside of Finland?
6. Do you know of any health benefits of mare's milk?
7. Do you know of any products made out of mare's milk that are sold in Finland?