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Feasibility analysis of Indian vegetarian restaurant in Helsinki

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Feasibility analysis of Indian vegetarian restaurant in Helsinki

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Abstract

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This thesis is a feasibility analysis of an Indian vegetarian restaurant in Helsinki. The main objective of the study is to evaluate the possibility of opening an Indian vegetarian restaurant. Veg Paradise is an Indian vegetarian restaurant, serving a variety of tasty Indian vegetarian cuisines in Helsinki. In the beginning phase, the restaurant will provide delicious cuisines, later, when it has achieved a certain degree of market sustainability, a catering service will be introduced as well.

This study was conducted using quantitative research methodology and deductive method. Related information was gathered from academic publications and online sources. To ponder more on this study, a business model canvas was also included to illustrate the business idea of Veg Paradise.

The outcome of survey was positive and through the survey it was discovered that opening an Indian vegetarian restaurant in Helsinki is viable. Some findings of the survey were different than the author's expectations. Before the research, it was not expected that the third highest majority of participants would be the older generation. Despite the huge competition of the restaurant line in Finland, the restaurant has a greater chance of sustaining in the market because Indian food's brand possesses worldwide recognition.

Keywords: feasibility analysis, Indian vegetarian restaurant, Helsinki, business model canvas, veg paradise, quantitative survey.

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1 Introduction

The main process of founding a business for many entrepreneurs is coming up with ideas for new business concepts. However, to launch successfully, a venture needs much more than just a great idea. For instance, a feasibility analysis, business plan, capital, and procedure of licenses. A feasibility analysis is the second step after brainstorming business ideas to discover the possibility of transforming a business idea into a profitable business. Analysing the feasibility of an idea is beneficial when some aspect of the business approach seems reliable in the current market but you're still not confident enough to go with the same idea. (Scarborough, 2012)

In the first year, around 80-90 percent of restaurants fail. This is because of high competition in the food business, and small restaurants have to compete with big franchise food lines as well with other, similar types of existing restaurants. Establishing a business involves a huge amount of risk; it requires investment of capital and time towards uncertain results. (Fields, 2007)

The idea of this thesis originated from the author's personal interest to be an entrepreneur in the future and to carry her ethical lifestyle into the business sphere. In addition to the idea, it was observed that the number of the vegetarian population was increasing in Finland. While visiting many Indian restaurants, it was noticed that all the existing Indian restaurants have a similar type of business concept, including their menu. After investing many hours on the topic, the author decided to execute market research on how people would reply to the idea of opening an Indian restaurant in Helsinki with a vegetarian menu.

The objective of the thesis was to determine whether the business idea of opening an Indian vegetarian restaurant in Helsinki is viable or not. The research was conducted on potential customers for the venture. Responses to the survey questionnaire were important to determine whether to stick with the same idea or to modify the original business concept.

Structure of thesis

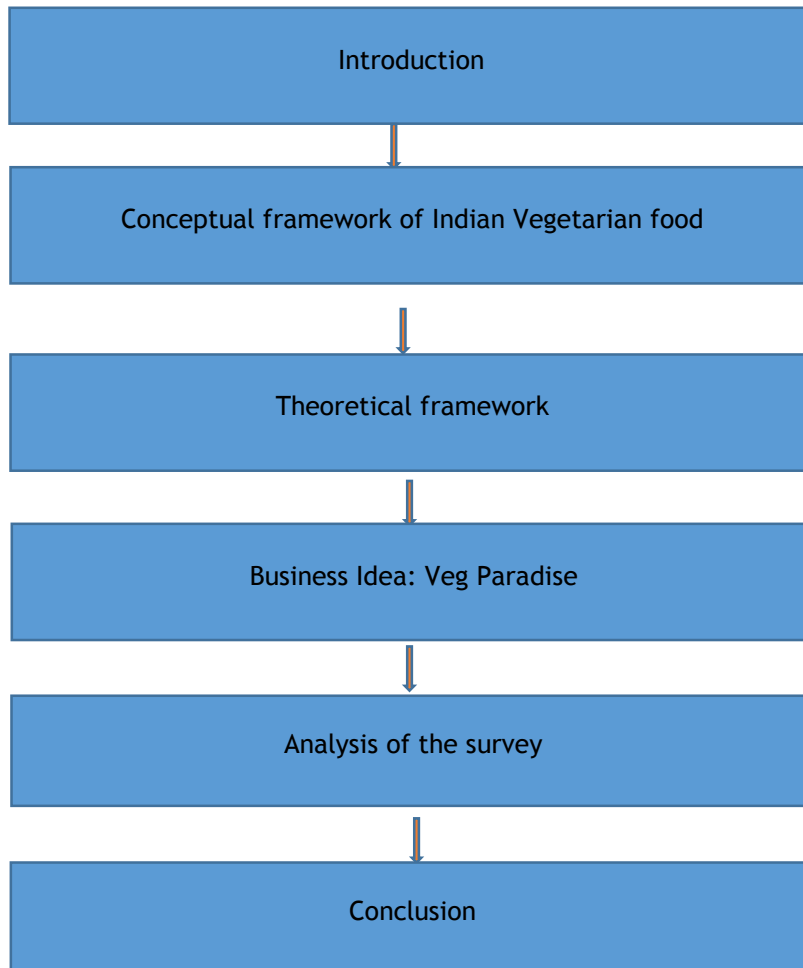


Figure 1: Structure of thesis

As shown in Figure 1, there are six sections in the thesis; introduction, conceptual framework of Indian vegetarian food, theoretical framework, business idea of Veg Paradise, analysis of the survey, and conclusion. The introduction explains the background, from where the idea of the thesis came, and the objective of the thesis. In the conceptual framework of Indian vegetarian food, the author explains the meaning of general Indian vegetarian food, current vegetarianism trends, and the restaurant business in Finland. Theoretical framework gives the overall information of the feasibility analysis, the purpose, and important components of the feasibility analysis. Further in the theoretical framework, essential factors required to establish a venture are included. For instance; business forms, entrepreneurial skills, and consumer behaviour. For the theoretical structure, the author focuses only on needed and important parts of the thesis. One of the most important sections of the thesis is the

description of the business idea of Veg Paradise through a canvas business model. The business idea of Veg Paradise helps gain information on factors to establish a restaurant. In the fifth section, the thesis consists of analysis of the survey, where it provides the knowledge of used research methodology, the results of the data, and its validity and reliability. In the final part the findings are described.

2 Conceptual framework of Indian vegetarian food

This part of the thesis consist of three different issues; the concept of Indian vegetarian food, current vegetarianism trends, and the restaurant business in Finland. Due to the lack of exact definition of Indian vegetarian food, the author divided the term into three different paragraphs. The first paragraph provides information about the meaning of Indian food, the second paragraph includes the definition of vegetarian food given by various vegetarian associations, and the third paragraph gives the general meaning of Indian vegetarian food.

2.1 Concept of Indian Vvegetarian Ffood

Indian food is comprised of a variety of regional cuisine produced in the Indian sub-continent. India is one a complex country in terms of cultural diversity and cooking styles. Historically, Indian food was highly influenced by the Mughals, British, Turks, and Portuguese. The taste and traditional food differs from state to state, but the basic Indian food menu consists of rice, lentils, regional vegetables, pickles, and sweets usually made from milk. Important contributors to Indian food are taste, spices, and herbs. Indian food is divided into six different tastes, sour, salty, sweet, spicy, astringent, and bitter. Indian food is famous around the world for its good combination of spices and herbs. In Indian food, the use of numerous spices and herbs were chosen for a thousand years for the medicinal values alone. For instance, turmeric, cardamoms, cloves, carminative, ginger, and ajwain are some famous spices and herbs used in almost every curry dish. (Dubey, 2001)

According to the International Vegetarian Union (IVU, 2013), vegetarian food means food derived from plants with or without animal products like: eggs, milk, or honey. Vegetarians do not eat animal flesh, fish, or poultry. Vegetarianism is categorized into four branches such as ovo-lacto vegetarian, lacto-vegetarian, total vegetarian, and semi-vegetarian. An ovo-lacto vegetarian eats plant based food as well as dairy products and eggs. In the west, a large number of vegetarians are ovo-lacto vegetarians. Lacto vegetarian prefer to eat plant based food and only dairy product. Whereas total vegetarians are the people who like to eat only food derived from plants and semi-vegetarians are those who eats less meat than the average person (IVU 2013). For many people, it is difficult to deduce the difference between the

definition of vegan food and vegetarian food. Vegans avoid any use of animal product such as animal's meat, fish, poultry, dairy products, eggs, or honey. Even with clothing, vegans exclude the use of silk, leather, wool, gelatine, and lanolin.

In general, Indian vegetarian food means the food will be completely free from all meat, fish, and poultry. Indian vegetarian food includes dairy products, honey, and very minimal use of eggs. Proper Indian vegetarian food is a combination of a good mixture of appropriate spices and herbs in food derived from plants like grains, vegetables, and fruits with a milk-based product as dessert.

2.2 Current Vegetarianism trends

In the early years, it was not a big issue of what to serve or have on the plates, but today it is an eye catching and controversial topic. Especially in the west, concern for the food is changing rapidly (Spencer 2000). During the early era, not enough research was conducted on the effects of food eating habits on health. Today, researching the effect of food and health is no longer taboo. Recent research shows the correlation between a lower risk of death and plant based diet eating habits. Consuming seven different fruits and vegetables daily reduces the death rate by 42% because eating fruits and vegetables lowers the risk of heart diseases and cancer (Science Daily, 2014). The Nordic market of vegetarian food is on the rise.

There are many reasons to become a vegetarian. For instance, health issues like obesity, concern about ethics, non-violent principles, compassion for animals, and economic and environmental concern (The vegetarian resource group, N.D). According to Vegaaniliitto ry (The Finnish Vegan Society, 2013) the number of vegetarians in Finland are increasing. Approximately 3%-5% (of 5.3 million population) of Finnish people are vegetarians. Many Finns are suffering from type 2 diabetes, therefore the Finnish Diabetes Association organized three health beneficial strategies. Among those strategies was the encouragement to increase the consumption of fruits and vegetables, which are high in nutrition at the top of the list (beef Finland, 2012). The government sector is also coming forward with information about vegetable's benefits. Even schools they've started to serve compulsory vegetarian meals.

2.3 Restaurant business in Finland

In recent years, the number of consumers who do not want to eat inside their home has significantly decreased. The number of food-service ventures has increased from 155,000 30 years ago to 9,000,000 today (Entrepreneur, 2009).

In 2011, according to the Business Register of Statistics Finland, 322,232 enterprises were operated. Of these enterprises, 99.8% among them were represented by small or medium size companies. Among those small or medium companies, restaurant businesses had quite a big share (statistics Finland, 2011). The food business sector is the fourth largest industry in Finland with a euro 11.6 billion industry. Compared to other European countries, Finland invests more on research and development of its food sector (Finnish Food and Drink Industries Federation, N.D)

3 Theoretical framework

This section of the thesis explains the theoretical part of feasibility analysis and briefly describes other important issues required to establish a business venture. In the theory section, both literature and online materials have been used.

3.1 Meaning and Purpose of Feasibility Analysis

Feasibility analysis is a mechanism to identify whether an entrepreneur's idea is worth pursuing or not before investing resources in it (Scarborough, 2014). In addition to the theory, Barringer and Ireland (2008) define feasibility analysis as a significant tool for the investigation, which performs as an opportunity to examine various concepts of a business idea before writing a business plan.

3.1.1 Purpose of Feasibility Analysis

Scarborough (2012) explains that one of the major purposes of completing feasibility analysis is to determine the possible profitability of a proposed business idea. However, at the end of the analysis, if it provides a positive response, then it is sensible to go forward with the same idea, but if the analysis is negative, then some changes should be considered. Another purpose of feasibility analysis is it can work as an important procedure to forecast the financial structure, manpower, and technology for a company and also provide information on current demand of a similar kind of existing businesses.

3.1.2 Component of Feasibility Analysis

Feasibility analysis consists of different components depending upon the purpose of the analysis. These are the components that are important for this thesis.

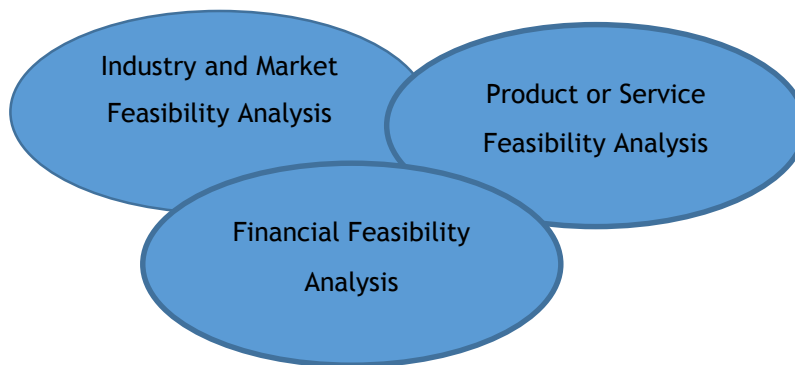


Figure 2: Elements of a feasibility analysis (Scarborough, 2014)

a. Industry and Market Feasibility

According to Scarborough (2012), industry and market feasibility analysis is used to determine how much the target industry or market is profitable for the product or service to be proposed. There are three prime factors to be included in the industry and market feasibility analysis: industry attractiveness, market opportunity, and identifying a possible niche market.

According to Barringer and Ireland (2008), industry attractiveness means the industry is growing more attractive for new ventures because there is a high chance of profitability and an opportunity to introduce a new product or service. Furthermore, they state that there are three general characteristics of an attractive industry; size of the industry should be increasing, the industry should highly focus on customer`s demand, and the attractive industry or market should be in the juvenile stage in the context of product life cycle.

The factor which affects a market opportunity analysis is the model of a product/service to be introduced in the market. If a venture is devising to introduce a type of product similar to one which already exists, then researching the openness of the market is beneficial. And if a company is planning to propose a different product, then determining the correct time to enter the market is essential. (Barringer & Ireland, 2008)

b. Product or Service Feasibility Analysis

According to Scarborough (2012), during the phase of product development, to understand the customers' need and market demand is important. The introduced product should address mainly these two questions; first, are the customers interested in buying the services?

Second, how will customers benefit from the product? Barringer (2009) illustrates that to identify product/service feasibility there are two key issues to concentrate on: product desirability and product demand.

c. Financial Feasibility Analysis

Scarborough (2012) states that a planned business should also pass the financial feasibility analysis. The final component of feasibility analysis is to assess the financial feasibility of the company. The entrepreneur should analyse the financial aspect in a broader way. Due to the lack of required revenue, many ventures go bankrupt in their early years. There are three important factors included in financial feasibility analysis: venture capital requirements, estimated earnings, and return on investment.

Capital requirements differ depending upon the type of venture. Service business requires the least amount of capital compared to manufacturing or retail businesses. But to establish any type of business they at least need equipment, manpower, a building, technology, and a strategy to promote the product. Good feasibility analysis helps a business estimate their capital.

Estimated earnings gives a clear picture for anticipating sales and profit for the future enterprise. It helps to evaluate the payoff by estimating the likely economical gain. To qualify as a feasible business and move to next stage, such as a business plan, the return on investments should surpass the reasonable expectation in percentage scale. The return is calculated by dividing estimated earnings with the capital invested. Since entrepreneurs lack the potential future condition, the result of this calculation is considered proximate (Scarborough, 2014)

3.2 Entrepreneurship

Lall and Sahai (2008) define entrepreneurship as the process of establishing something that has value by bringing together a different package of resources to accomplish an opportunity. Entrepreneurship has a long history. It was first started in the early period of Marco Polo.

The entrepreneurial skill is one of the most essential factors to start up and sustain a venture. The process of beginning a new venture, whether the business introduces a new product in the existing market or existing product in the new market, is the basic component of entrepreneurial process. It has four different phases. First is to identify the possible opportunity at the right time. After determination of possible opportunities, the second phase is to prepare a business plan. This is one of the most important phases in the entrepreneurial process because

the business plan is the overall explanation of the future direction. Third, the entrepreneur should always focus on downside risks affiliated by insufficient and inappropriate resources. And the fourth is to find the operational problem of the growing company. The key factor for managing the company is to implement the proper management structure. (Hisrich, Peters & Shepherds, 2008)

3.3 Business Forms

Scarborough (2014) specifies that, when launching a business, an entrepreneur should decide which form of legal entity the company is going to consider and choose. It affects the entire decision making of a company from the amount of investment and tax payment to the number of shareholders.

In Finland, there are five types of business forms to choose from: private entrepreneur, general partnership, limited partnerships, cooperative, and Limited liability Company (Enterprise Finland, N.D)

3.3.1 Private Entrepreneur

Private entrepreneur consists of one member. For this type of form, only limited capital is needed. Private entrepreneur is suitable for a family business, as the whole operation is performed by the owner alone. One of the important characteristics of this form is funds are privately withdrawn and there is no requirement to pay any wages (Enterprise Finland, n.d.)

3.3.2 Partnerships

Partnerships include two or more people as a team to establish a business. It is categorized in two forms: general partnership and limited partnership. (Barringer & Ireland, 2008)

I. General partnership

In general partnership, there has to be two or more than two people working as partners. The founders are either natural or legal. The venture which establishes in the form of general partnership does not have to depend upon only one person for financial and management aspects for survival and success. The partners of a general partnership have equal rights to the business assets and decision making for the venture. (Holopainen, 200)

Barringer and Ireland (2008) explain that a business form in partnership ends at the death or withdrawal of a partner. General partnership form is famous in service businesses. One of the advantages of a general partnership compared to the other forms is that establishing a venture is comparatively easy and cheap.

II. Limited partnership

In accordance with Scarborough (2012), in limited partnership the owners are divided into two categories; limited and general partners. There is no restriction on the number of owners. One of the major differences between limited and general partners is general partners are liable for the debt and have excessive right to control over the company whereas limited partners are only liable up to the amount of their investment. The limited partnership is appropriate to establish big companies like: oil, gas, and motion picture ventures. (Barringer & Ireland, 2008)

3.3.3 Limited Liability Company

The limited liability is gaining popularity among start-up ventures. If the company requires a huge amount of capital, limited liability is one of the best options for the entrepreneurs. Shareholders of limited liability are not personally liable for the company debt and obligations. The partners are liable for the financial responsibility only up to their investment. (Barringer & Ireland, 2008)

3.4 Factors influencing Consumer Behavior

To establish a business, how consumers act is the most essential factor to study. So in this section of theory, the author describes how consumer's reaction varies from product to product and what factors drive them to act out in a certain way of buying behaviour.

Kotler (2000) states consumer behaviour as the buying behaviour of end consumers who purchase product and services to satisfy their personal needs and desires. A consumer can be an eight year boy or a CEO of a big company. The buying of a product or service to satisfy their want can be anything from canned peas to a spiritual healing (Solomon, 2007). Consumer buying behaviour is a dynamic process which frequently changes and is affected by various factors such as economy, sociology, psychology, social psychology, and anthropology. (Tyagi & Kumar, 2004)

Marketers are always fascinated by the diversity in consumer buying choices. For many decades, it was among one of the most mysterious concepts in the business field (Kotler, 2000). Even with small and minor objects like bathing soap, consumers have numerous preferences, some want to buy bathing soap with a good fragrance whereas some want to buy the cheapest one, no matter what its fragrance or quality.

Consumer buying behaviour is strongly affected by cultural, social, personal, and psychological factors as shown in figure below.

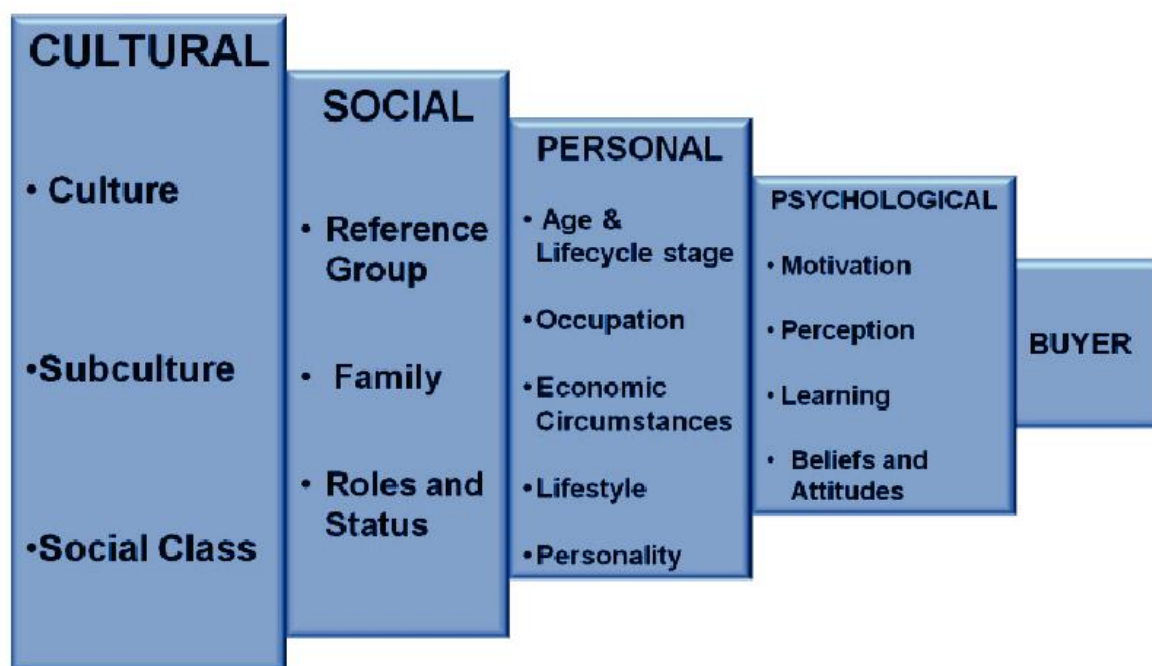


Figure 3: Factors influencing consumer behavior (Kotler & Armstrong, 2000)

Cultural factors

Cultural factors are the set of beliefs, traditions, moral values, language, and laws held by a community or any other defined group. (Bogardus, 1949)

According to Bogardus (1949), culture is the behaviour of acting and thinking as a group. When a child is born in a certain culture, the culture acts out as a fundamental setting for the child to think and make decisions in life regarding almost everything. In addition to the theory, Kotler (2000) defines culture as a combination of basic values, norms, perception, needs learned from family, and other important social institutions. Every group of a society has a culture and this has an enormous effect on buying behaviour, which differs from country to country. Without adapting to these different ventures, marketers can create inconveniences and make mistakes.

A member of society somehow belongs to different subcultures, some differing from another due to different religious beliefs, and some belong subcultures according to the race, age, ethnic background, or even in the area where they reside. A subculture is a kind of micro-

culture in which members share more of the same common values and lifestyles. (Solomon, 2007)

Social Factors

Examples of social factors are family, reference groups, social roles, and status. Unlike other factors, this factor also has a huge impact on consumer's day to day buying behaviour. (Kotler, 2000)

Solomon (2011) describes a reference group as any person or group conceived of acquiring powerful impact on the individual's attitude, desire, and perceptions. Sometimes consumers are so affected by a reference group that their main aim is to fit inside or match up with a desirable individual or group. Consumers are often influenced by a reference group which they may not know or do not have any idea who they are.

Schiffman et al. (2008) argue that the word family is a basic concept, but it is not easy to define the term. Traditionally, family means two or more people who live together and are related by blood, marriage, or adoption. However, in a broadening sense, individuals who have a family are members of the most basic social group, residing together and interacting to fulfil their personal and mutual wants.

In modern Western societies, like Finland in general, there are three types of family: married couples, nuclear, and extended. In the context of consumer buyer behaviour, a family's belief is rooted so deeply that it acts out as a synonym in buying attitude.

Roles and status

In accordance with Kotler and Armstrong (2000), consumers associate with many groups, organization, and clubs. They play various roles in their daily life. The role of mother, father, grandmother, children, brand manager, marketing head, and so on. The people want to purchase the products or services regarding the fulfilment of their roles and status given by the society.

Personal factors

Personal factors are different to particular individuals. Consumers' buying behaviour and decision making are influenced by personal nature. This can be illustrated by a buyer's age and life-cycle stage, occupation, economic situation, and self-concept. (Kotler, 2000)

As identified by Schiffman et al. (2008) needs or desired changes are often according to the consumer's age. The buying behaviour of an individual is hugely constructed by the life stages they pass throughout the years. Ventures should determine the age range of the potential customers and prepare a suitable marketing plan.

Economic condition allocates how and where a consumer invests money. Generally in the situation of today's world, consumers often purchase a certain kind of product to display as their status mark. New and forthcoming businesses have to approach the service considering the current economic situation of the consumers. (Solomon, 2007)

Evans et al. (2006) indicate that lifestyle is an approach in way of life which shows in attitudes, impressions, and the interest of consumers. Before investing in any business idea, the first stage is to figure out the lifestyle of potential customers. By studying how consumers spend their time and what their views are, one can support and identify the consumer's buying behaviour.

Psychological factors

Psychological factors indicate the close and intrinsic characteristics of the consumer. Psychological factors include motivation, perception, learning, and attitudes.

According to Schiffman et al. (2008), motivation is the internal driving force of an individual whose stimuli perform in a certain way. During the consumer buying process, the driving forces produce certain motivation and are actively striving for the needs and desires in consumers. (Mooij, 2004)

Perception is the procedure through which an individual views, perceives, and illustrates the incentives in order to form a meaningful picture of the world. In the buying process, consumers purchase different shoes and choose different food from the menu because they calculate, perceive, and manage the stimuli and act out on the basis of their personal desires, demand, and assumption of the product or service and decide to purchase. (Schiffman et.al. 2008)

Armstrong and Kotler (2000) explain that learning arises through the interplay of motivation, suggestions, and responses. Beliefs and attitude of a consumer are interrelated. A consumer's belief and attitudes for a certain service or product arises through numerous learning experiences. A detailed idea about something that an individual holds is known as a belief. For Instance, many vegetarians believe that vegetarian food is good for their health. All the

beliefs on vegetarian foods may be based on the personal knowledge and opinion. Attitude is an individual`s persistently positive and negative evaluations, feelings, and tendencies for a service or product. Attitude is among one of the basic factors which establish good or bad impressions towards a service.

4 Veg Paradise: Business Idea

This section introduces the business idea of Veg Paradise. To illustrate the business idea, the author uses the business model canvas and further defines other aspects of the business idea which are not included in the business model canvas. For example: founder of restaurant, location, competitors, marketing, basic financial structure, and SWOT analysis.

The business idea of Veg Paradise is to serve a variety of good and tasty Indian vegetarian cuisine to the customers.

Business model canvas contains the logic and guidelines for an enterprise to sustain financially. It describes nine components of a business model in the form of painted pictures, which show the organizational structure of a venture. (Osterward &Pigneur, 2010)

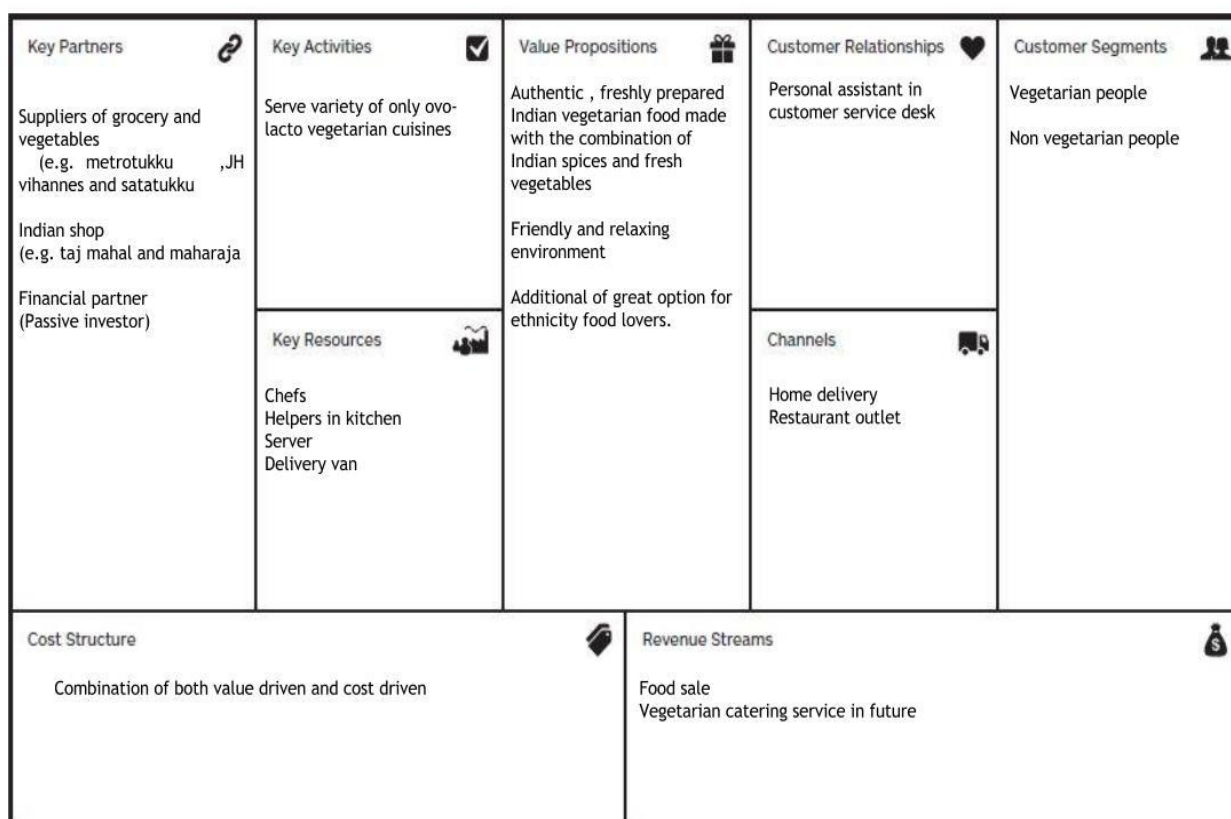


Figure 4: Business model canvas (Oster ward & Pigneur, 2010)

Key Partners

Key partners are those who help you professionally. For Veg Paradise, the important key partners will be suppliers of groceries and vegetables, an Indian shop, and a financial partner. While considering the key partners for a business, many factors should be analysed in the first stage, for instance what is the price of a product and how reliable are the suppliers.

In Finland there are many wholesalers for the restaurant business where the products are available at much cheaper price than any other ordinary grocery shops, the potential wholesalers will be Metrotukku, Hevi tukkurit and JH vihannes. Another partner will be an Indian shop which can be easily found in the town of Hakaniemi.

Key activities (Product and service)

In general, the words “key activities” means what you do. The restaurant business is all about the food and service. The product of Veg Paradise will be quality fresh Indian vegetarian dishes. The menu will focus on serving a huge variety of ovo-lacto vegetarian cuisines from different regions of India. The restaurant will serve both lunch and dinner. Lunch food will be served as buffet. For dinner, customers will have to select food from the menu and order it. Home delivery service will also be available. Some of the main dishes that will be in the menu of Veg Paradise are shown in the picture below;



Figure 5: Punjabi special dish

The above picture is of traditional Indian punjabi food. It includes vegetarian curry, Indian bread, and a glass of lassi. The taste and the dish will be modified according to local taste, for instance; less spice, less fat.



Figure 6: South Indian cuisine

This is a special dish from South India. A typical South Indian dish consists of idli, which can be made from the rice. Then curry full of variety of herbs and spices.

Desserts



Figure 7: Gajjar ka halwa

The above picture is one of the famous desserts of India. It is made from carrots, milk, butter, and some dry fruits.



Figure 8: Ras malai

The above picture shows a figure of ras malai which is made from the milk, cardamom, milk powder, and sugar.

Key resources

Key resources are the assets of the business which support to create value for the customers. They are further categorized into four different types. Physical resources include rental building, parking space, the restaurant's interior designing products, and van for home delivery services. Manpower includes the finest Indian chef, kitchen helpers, and waitresses. The restaurant will be established as a limited liability company. Intellectual resources for Veg Paradise will be designing marketing pamphlets, creating the restaurant's website, and a limited newspaper advertisement.

Value Proposition

Finnish people admire ethnic food. One important value proposition of Veg Paradise will be to give another good and fresh option for ethnic food lovers. Different Indian restaurants serve similar kinds of food, but they don't have much option in the context of variety in their menu. Focusing on that fact, another major value proposition of Veg Paradise will be to serve other dishes which are not currently available in the Finnish market. For example; South Indian food, Punjabi food, and Calcutta food. Value proposition is not just the menu, but also the environment of the restaurant. The interior design and the environment of the restaurant will be a plus point to attract more customers.

Customer relationships

For assisting customers, the service desk will be a medium for customer relationships. The staff at the counter will provide information and issue bills. As for the information about food and price, there will be a menu book on each table of the restaurant which includes the specific ingredients of the dishes. Customer's feedback is essential for further growth of business and to create good customer relationships. So, there will be a customer feedback form in the restaurant including the rating of the food and services.

Channels

Channels are the means through which a venture delivers the product or value proposition to the customers. The channels of Veg Paradise will be home delivery and a restaurant outlet. For home delivery, customers can book and conform through telephone or they can order in the restaurant outlet as well.

Customer Segmentation

The target market customers for the business will be both vegetarian and non-vegetarian people. Both target customers consist of the age group of 18 to further ages and these groups also include high and medium level income people. The main target customers will be the vegetarians who like pure and animal free food. We will also target meat eaters, too. One of the reasons to target non-vegetarian people is that they like to experience a different taste sometimes

Cost Structure

Veg Paradise cost structure includes a mixture of cost driven and value driven structures. Veg Paradise will be established as a medium-sized table service restaurant, minimizing cost in marketing at the beginning phase will be considered as cost structure. For another aspect of Veg Paradise, including quality of food, decorating the restaurant will not be considered. Because, for Veg Paradise, providing value structure will be the main goal of the venture. The aim is to concentrate on premium value of the restaurant.

Revenue Streams

Revenue streams are the procedures through which a company will earn revenue. The source of revenue for Veg Paradise will be through selling of the food. Later, as the restaurant grows, a catering service will be introduced as well. Catering will focus on different social

function services, which can be another major source of revenue streams for the business venture.

Further information about restaurant overview not included in the business model canvas is as follows;

Owner of restaurant

As already discussed above, there will be two founders of the restaurant. One of the owners will be the author of this thesis who is going to graduate soon from Laurea University of applied Sciences. During the study, the author received a huge amount of theoretical knowledge about entrepreneurship. Now, the only step required is to use those study experiences in the real business world. The author is also from the sub-continent region where a similar kind of food is eaten and the author has been trained in Indian and oriental food cooking.

Location

For a restaurant business, location is the essence. The appropriate location of Veg Paradise will be Itis shopping centre in Itäkeskus. Information about the free space in itäkeskus can be acquired through websites like “toimittila, vuokratava”. The reason to choose Itäkeskus is, at the current moment, there is not any Indian vegetarian restaurant. Itis shopping centre is the biggest shopping centre in the Scandinavian countries, therefore, in future it has a significant chance of growing. Public transportation is easily accessible and also “Itis” has free parking available for customers too.

Competitors

The competition of Veg Paradise will be with both vegetarian and non-vegetarian restaurants. In the restaurant business there is a huge competition in Finland. There are around 1053 restaurants in the Helsinki region and, according to vegan society of Finland; among them 25 are vegetarian restaurants (Vegaaniliitto, 2013). In the context of Itis shopping centre, there are many big food chains and few other ethnic restaurants.

Marketing

Marketing tools should be effective to reach more people. Especially for a new and small market business like Veg Paradise, marketing is among one of the key factors influencing customers to visit. The main medium of marketing will be the Internet for a couple of years. Compare to other means of marketing, the Internet will be cheaper in the beginning phase.

Distributing flyers will be a great chance to give the information of opening date and day of restaurant to people. Offer 20% discount on food for first opening month, this might help to reach out many people. Pamphlets will be pasted in the supermarkets and shopping centres. Around ten thousand pieces of the Veg Paradise's menu advertisement will be delivered to a nearby locality.

4.1 SWOT analysis of Veg Paradise

<p>Strengths</p> <ul style="list-style-type: none"> Offer healthy food with good taste Food brand image Different product compare to current existing Indian restaurant's product 	<p>Weakness</p> <ul style="list-style-type: none"> Allocating resources for new restaurant could be troublesome Owners new to entrepreneurial world Limited fund for marketing
<p>Opportunities</p> <ul style="list-style-type: none"> Number of vegetarians are growing In long-run target location has a great future Market open to ethnic restaurant 	<p>Threats</p> <ul style="list-style-type: none"> Fluctuation in world economy High competition Numerous regulations for food line business

Figure 9: SWOT analysis

Strengths

The strengths of the venture are the unique quality and brand image of product that impress the customers. At the current moment there is a big trend of vegetarianism in the world. People are much more aware of health benefits of food and the reality of slaughterhouses.

Weaknesses

For new restaurants the establishing period can be more troublesome. As in weaknesses, it can identify that for a new business, the starting phase is quite struggling. It will take several years to establish a position in the market. Limited budget is restricted to focus more on the marketing of the restaurant.

Opportunities

In the long-run, the restaurant has great opportunities, the ideal location can add more value to the success of the venture. The change in eating habits of people can be another opportunity for the business. As the number of vegetarians and ethnic food lovers are growing rapidly in Finland.

Threats

Entrepreneurship is full of risks and threats. However, one major threat is the unstable economy of the world. Economic uncertainty can be a big influences on small businesses like restaurants because it could be much more difficult to get a loan from a bank and investors. The competition is much higher in this field, Veg Paradise has to compete not only with vegetarian restaurants but also with every other food chain.

4.2 Basic Financial Structure of Veg Paradise

To determine more about the overall basic financial structure of the restaurant and for more reliability, the author informally interviewed four vegetarian restaurant owners in Helsinki. General questions related to financial factors were asked. The following table shows the basic financial structure;

License and registration	180 €
Restaurant furniture	10,000 €
Oven	1,000 €
Counter	1,000 €
Refrigerator	1,000 €
Cold store	8,000 €
Computer and Printer	800 €
Kitchen utensils	5,000 €
Music system set up	500 €
Dish washer	1,000 €
Uniform	1,000 €
Billing machine	5,000 €
Renovation	5,000 €
Delivery van	8,000 €
Deposit	10,000 €
Other expenses	3,000 €
Total start-up cost	60,480 €

Figure 10: Start-up cost

The start-up cost figure illustrates the basic required start-up cost to open Veg Paradise in Helsinki. The first important step to establish a business in Finland is to register the company. Restaurant furniture include table, chairs and kitchen selves. The other essential factors are oven, refrigerator, computer and Printer, dish washer, uniform for the workers, billing machine, cold store, music system and delivery van. A renovation may be needed but, it is depend upon the owner and the year of building. Other expenses include cleaning equipment, billboard, decorations and visiting card.

Rent	10,000 €
Salary per person	1,800 €
Raw materials	3,000 €
Insurance	1,000 €
Electricity	800 €
Phone and Internet	150 €
Fuel	1,000 €
Marketing	1,000 €
Total monthly cost	18,750 €

Figure 11: Monthly Expenditure Cost

The calculation of monthly expenses are based on the present market price. The expenditure may vary from one month to another for instance; in the beginning phase of the restaurant

one of the main focus is on the marketing. So the budget for the marketing in the first months is high. Raw materials includes vegetables, rice, all the spices, dairy products, cold drinks and alcohol. The price of electricity is also depend upon how much needed. In busy months expenses for electricity will be increase, as electricity includes cooking gas as well. The fuel price.

5 Research methodology

The research methodology acts as supporting tool in various ways in different sectors and levels, as it helps to collect information, data, and their analysis in scientific way. (Ng & Coakes, 2014)

5.1 Research process

Kumar (2005) states that the research process is a step-by step method of developing a research paper or any kind of research paradigms. During the progress from one step to another, researchers have to be aware about the common back-ups for the research they are conducting, sometimes in the research process, additional material has to be added for more productive and reliable answers or even a new topic for the research has to be considered. There are two basic factors to illustrate in research process. The first is to determine the possible research questions. The second element is how to go about finding their answers. The following figure shows the eight step model in the research process;

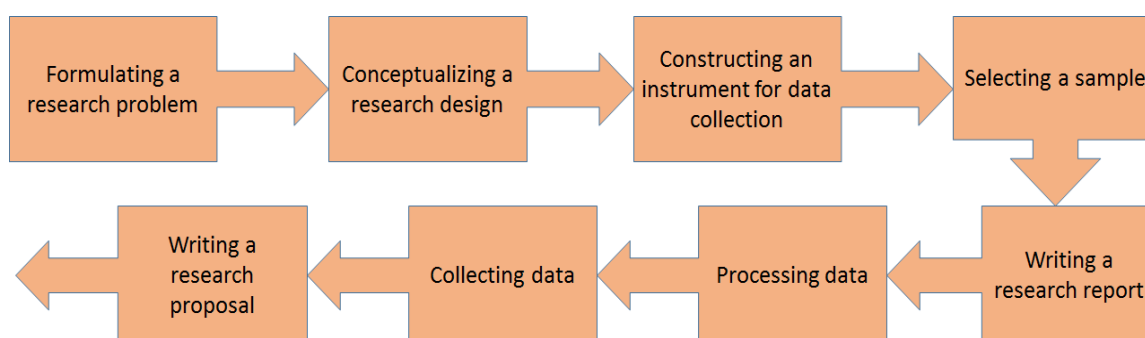


Figure 12 Research process (Kumar, 2005)

5.2 Quantitative Data Collection

In general, there are two ways of collecting data in quantitative research method, primary data and secondary data sources. Primary data source means the collection of data through a survey. There are some basic key points to consider as the first priority for primary data

source and they are; the length of the questionnaire, privacy, and attitudes towards the research topic. In the thesis, primary data source is collected through the survey. The author considered all the basic key elements of primary data. The survey questionnaire was short and made in the way that would not take more than 2 minutes to complete. No personal questions were asked. Secondary data source means the information collected through journals, books, research papers, and articles already published on the similar topic. In this study, secondary data have been used in the theoretical section. (Ng & Coakes, 2014)

6 Results of survey

The target group was 150 where 85 people answered the survey. In the survey, people answered questions about Indian vegetarian food and their view of opening a new Indian vegetarian restaurant in Helsinki, the price they are willing to pay, and how they like to receive information. After the survey questions were gathered, the results were analysed in different graphs as below;

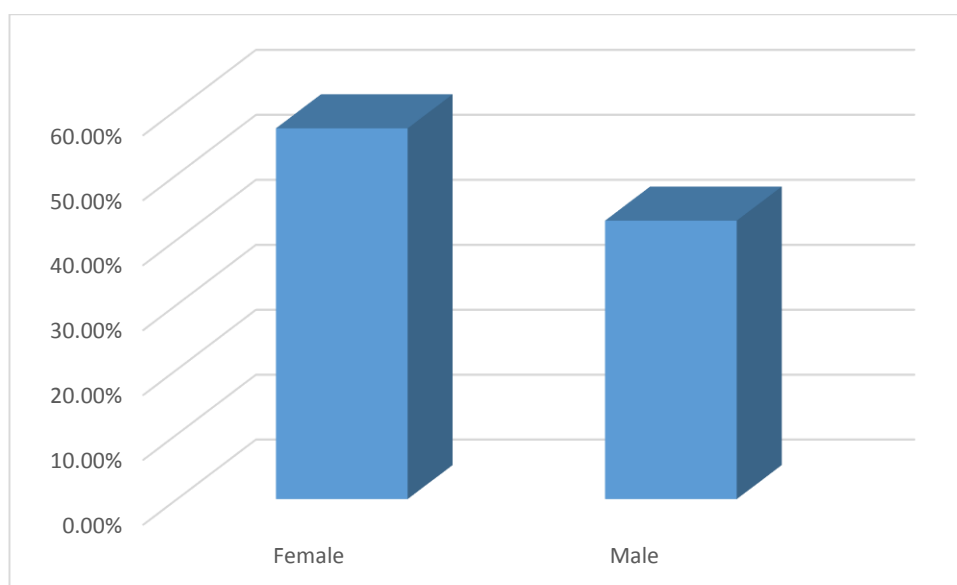


Figure 13: Gender dispersion of respondents

The above bar-chart shows a gender distribution of respondents. Figure 6 clearly shows the number of female respondents is higher by more than 57%, whereas male respondents were 42.90%.

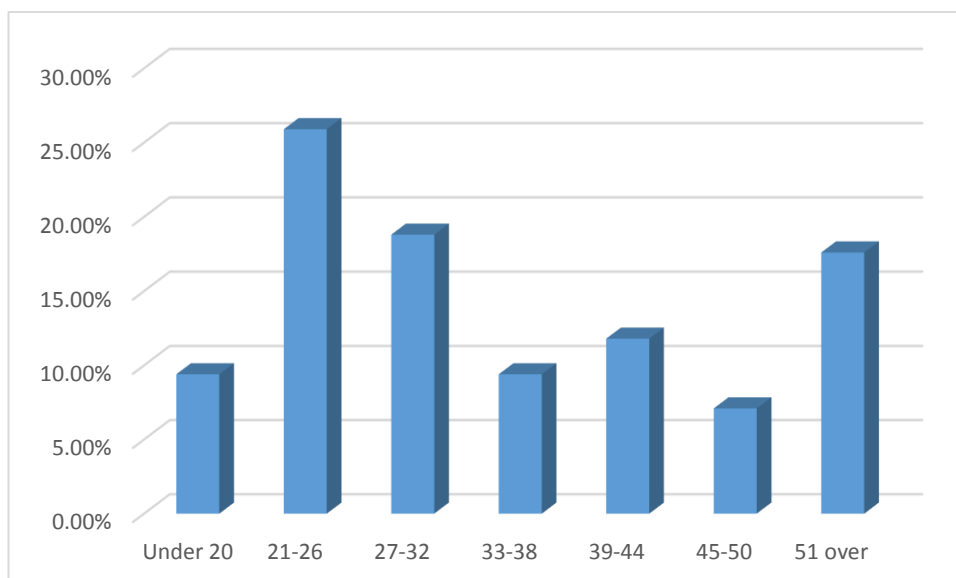


Figure 14: Age dispersion of respondents

Figure 14 indicates the different ages of people who responded to the survey. The highest percentage of age group who participate in the survey is 21-26 with 25.90%. The percentage of age group between 27-32 and 51 over is also quite impressive and rank in second and third highest percentage with 18.80% and 17.60% respectively. The smallest percentage is 7.10% within the 45-50 years of age group. Similarly the age group of 39-44 is 11.80%, whereas the age group of 33-38 is 9.40% and the age group under 20 is 9.40%.

During the survey, it was noticeable that the people in their 20's and 51 and over responded quite easily and were eager to know more about the food and restaurant. The author provided the survey in two different languages: Finnish and English as per the participant's choice.

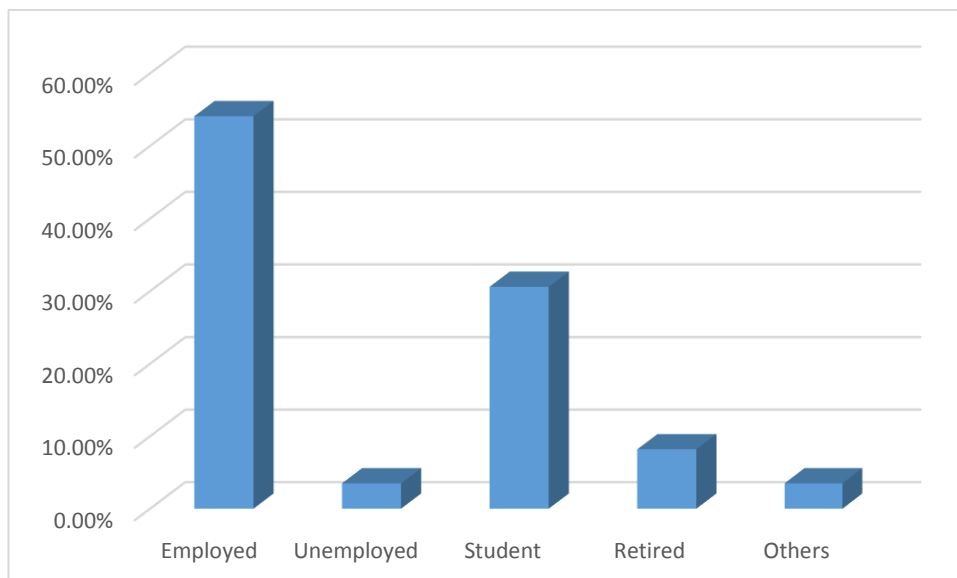


Figure 15: Dispersion of professional status

As shown in figure 15, the percentage of participants who were employed was 54.10%. Whereas the unemployed percentage was 3.50%. on the other hand, the percentage of participants who were students, retired, and other were 30.60%, 8.20% and 3.50% respectively.

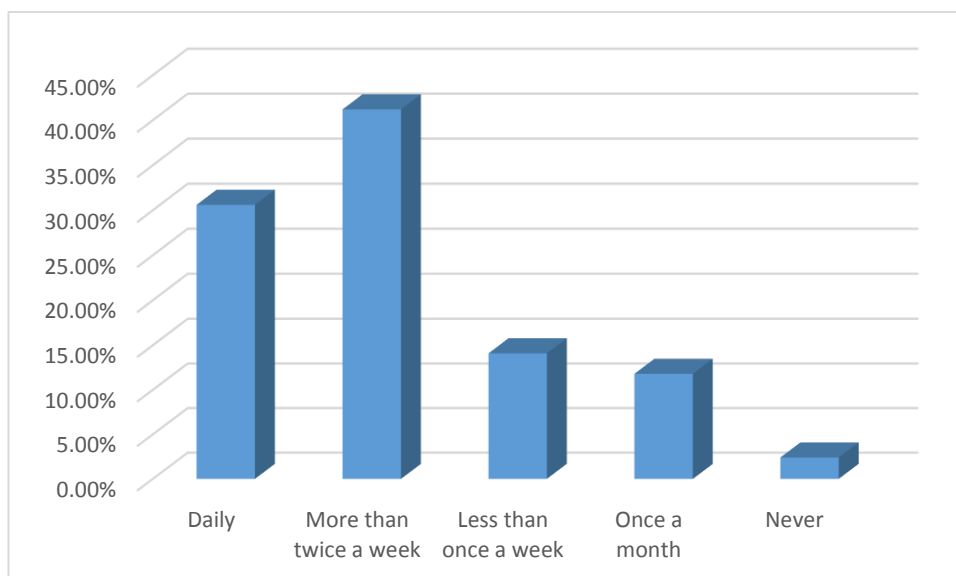


Figure 16: Dispersion of the eating vegetarian dish

Figure 15 illustrates the distribution of the eating habits of vegetarian dish among the participants. The result for “more than twice a week” shows that respondents eat vegetable dishes quite often with 41.20%. In other hand, participants who ate vegetarian dish daily was 30.60%, whereas those who never ate vegetarian dishes was the lowest in dispersion with 2.40%. Similarly, with other options like; less than once a month is 14.10% and once a month was 11.80%.

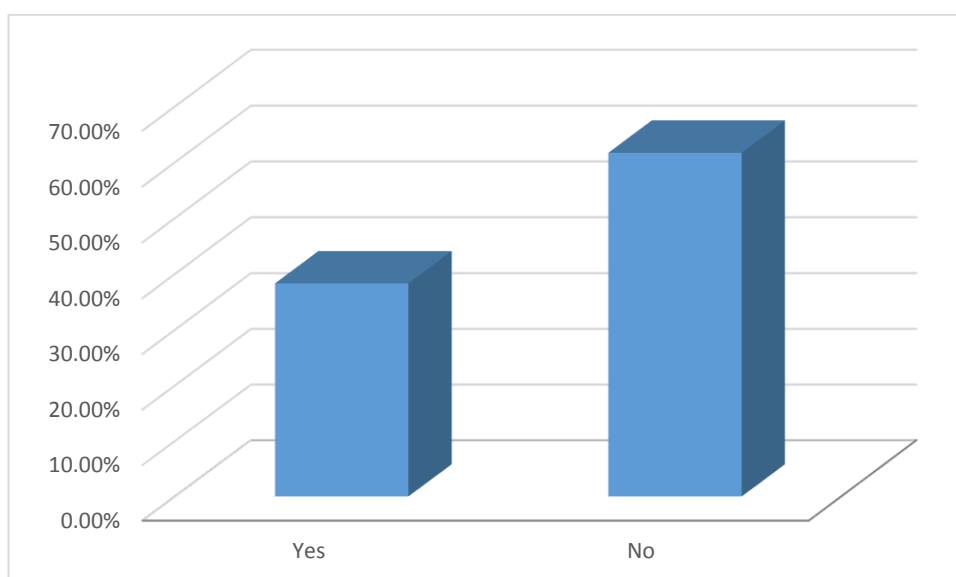


Figure 17: Dispersion of vegetarian and non-vegetarian

As expected, the number of participants were higher for non-vegetarians with 61.70% and with the vegetarians were 38.30%.

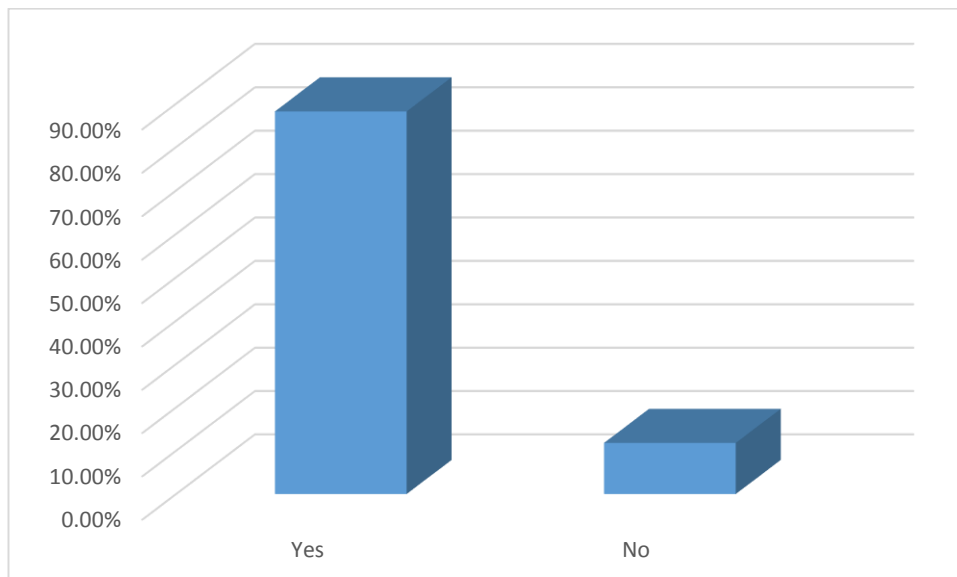


Figure 18: Dispersion of Indian food tasted before

In figure 18, majority of participants had tasted Indian food before, the percentage of people who respond yes were 88.2% and only 11.80% with no, which means that very few people in the survey had not tasted Indian food before.

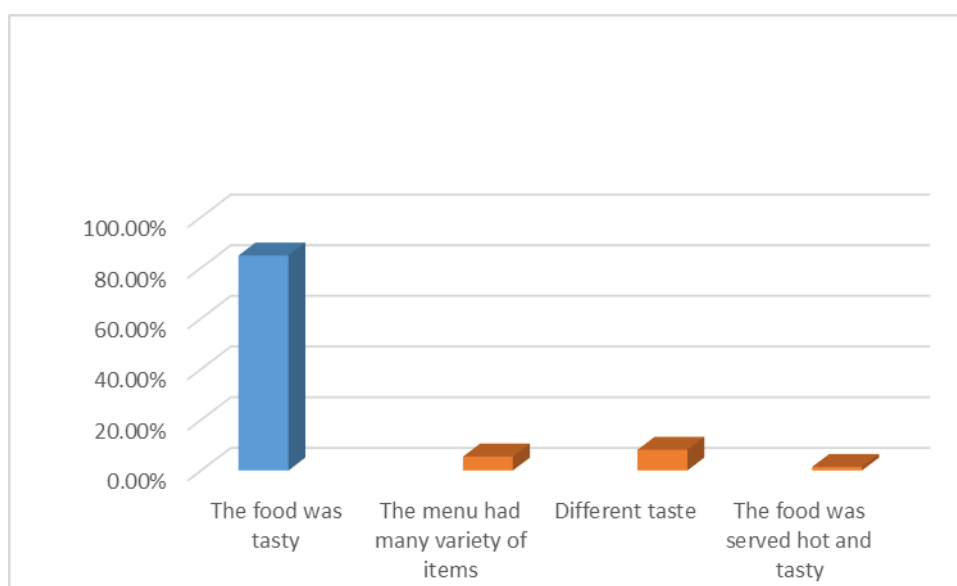


Figure 19: Distribution of satisfaction

The result shows that a larger number of participants liked the taste of Indian vegetarian food they tried before. The majority of the participants liked the taste of food which they had tried earlier. The respondents for the food was tasty was 84.90%, whereas the lowest percentage was the food was served hot and tasty with 1.40%. The menu had a different variety of items was 5.50% and with different taste it was just 8.20%.

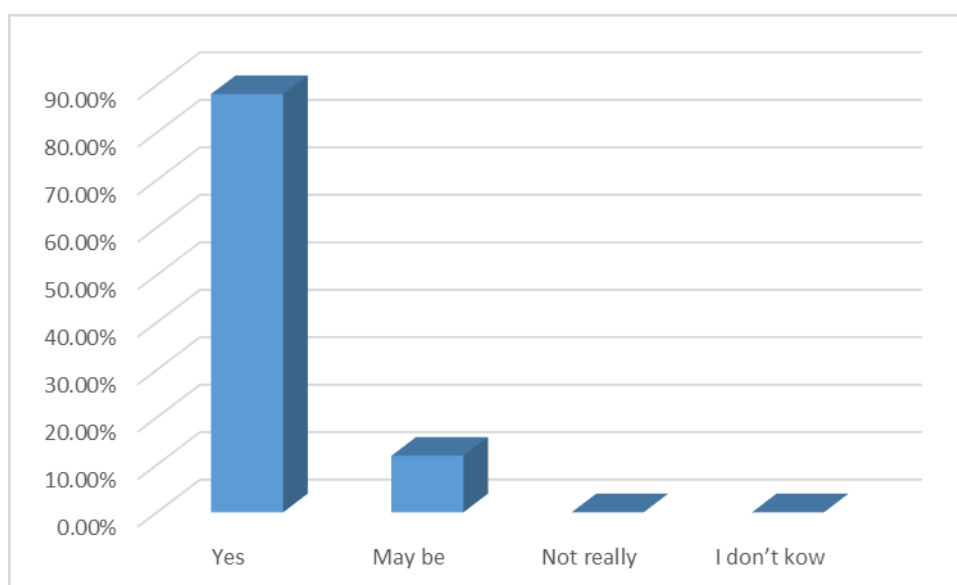


Figure 20: Participant `s respond to Veg Paradise

This particular result was the most important for the thesis study. As the whole, the thesis was a feasibility analysis of Indian vegetarian restaurant in Helsinki. How people react to the business idea of opening an Indian vegetarian restaurant was the major aim of the thesis. Almost 90% of participants in the survey gave a positive response for the business idea. Only 11.90% was for maybe, which meant people were not sure whether they would prefer to visit Indian vegetarian in the future or not, but still with these people, there will be hope that they can become a potential customer in future for the restaurant. Nobody responded with 'not really' or with 'I don't know'.

When the author asked this question, people were responsive about an Indian vegetarian restaurant. The participants asked about when the restaurant will open, how this business idea came, and whether the owner of the restaurant is also vegetarian or not.

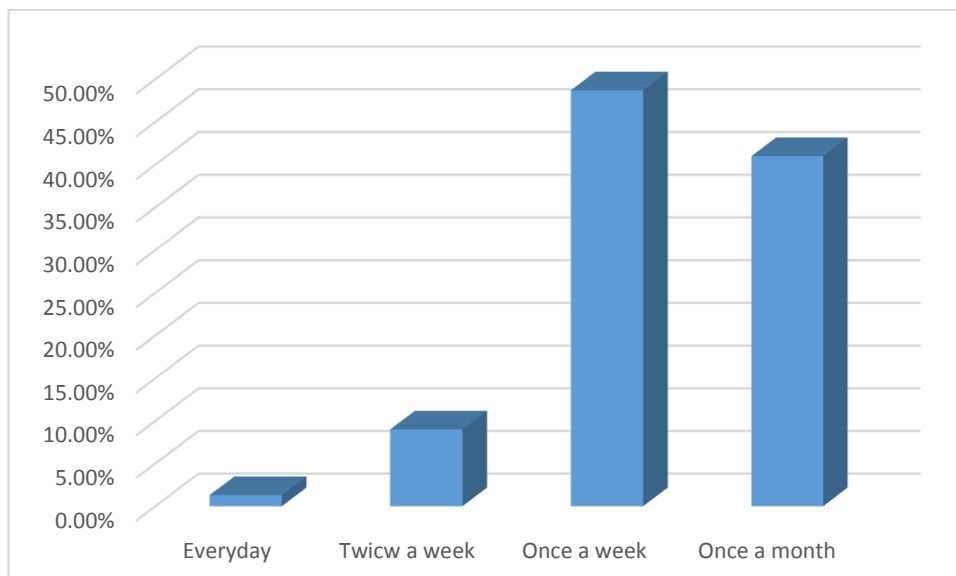


Figure 21: Dispersion of visiting Indian vegetarian restaurant

The major reason to ask this survey question was to discover how many people liked to visit an Indian vegetarian restaurant if they have it as one of their options. 48.70% replied that they would like to visit once a week. This means the majority of people considered to visit an Indian vegetarian restaurant on a weekly basis. With another option like once a month was 40%, with twice a week and every day were 9.0% and 1.30% respectively.

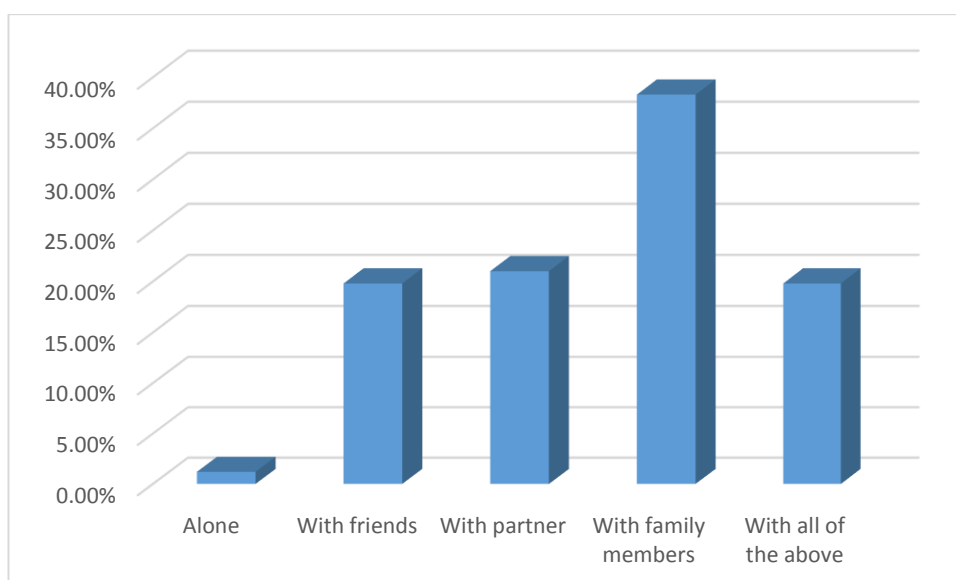


Figure 22: With whom respondents would like to visit

This result shows that the people liked to go with family members to eat at Indian vegetarian restaurant if they had it as one of their options. The percentage visiting with family members was 38.30%, whereas with friends and partners 19.80% and 21% respectively. The lowest

percentage was 1.20% for visiting alone and with all of the given option the percentage was 19.80%.

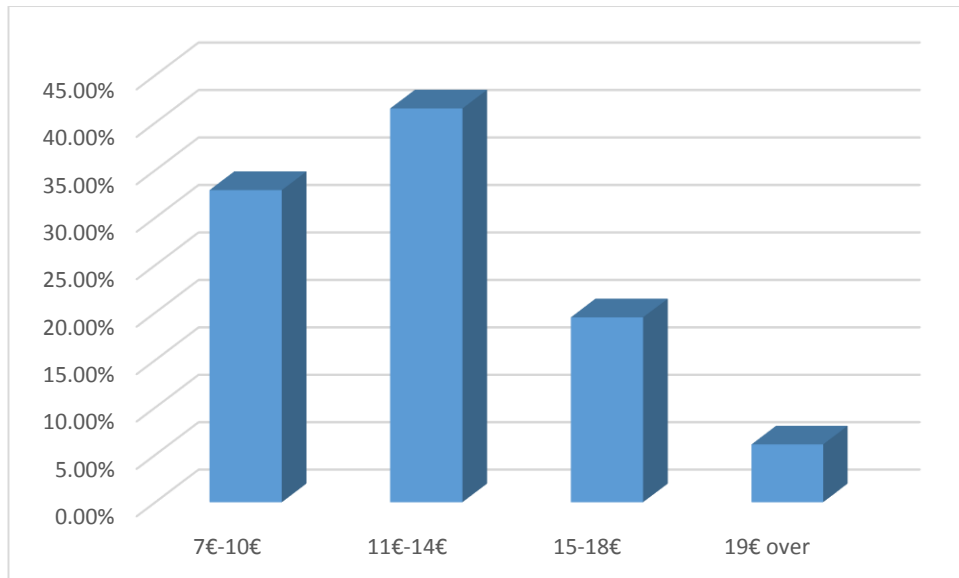


Figure 23: Participant's responded to how much price would they prefer for a meal

There was a question for the participants about how much they would prefer to pay for a meal in an Indian vegetarian restaurant if they had it as one of their options. Where majority of participants answered for 11€-14€ with 41.50%, for 7€-10€ was 32.90%. Only a few respondents replied with 19€ over which percentage was 6.10% and with 15€-18€ was 19.50%.

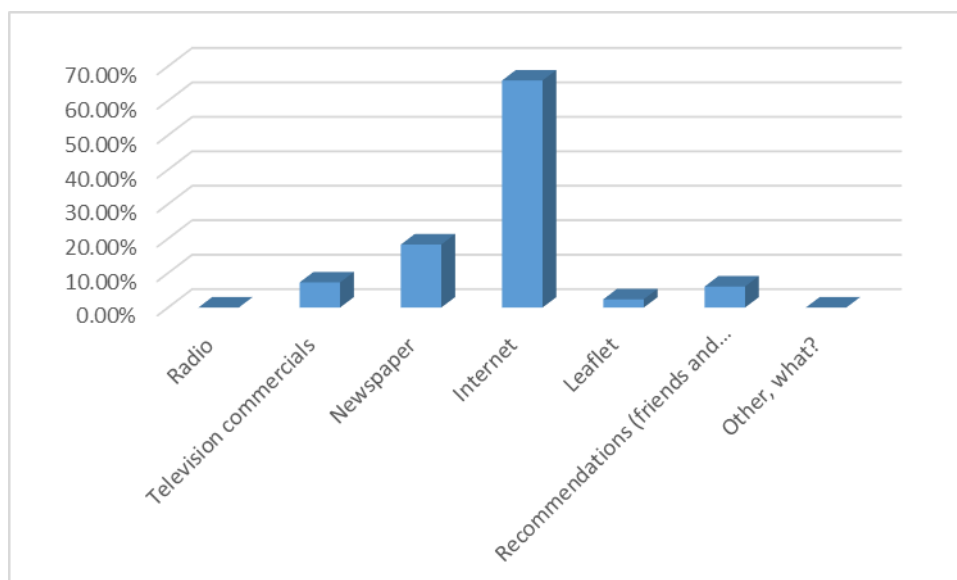


Figure 24: Means of channels from where participants would like to have information

Figure 24 clearly shows the highest percentage from where potential customers would like to get information was the virtual media. As it was already discussed in the business idea of Veg Paradise about the channel of marketing in the beginning phase of venture. The percentage supporting the Internet was more than half of the result, at 65.90%. With newspaper, participants replied it was the second important channel for them to get an information about Veg Paradise. The percentage for newspaper was 18.30%. The percentage with television commercials and recommendations from friends and family were 7.30% and 6.10% respectively. Though only few participants replied with leaflets (2.40%), in Finland leaflets would be a useful channel for marketing. Radio and other option received no response.

Furthermore, to know the open advice of people, one open question was asked of participants: Do they have any advice or comments for this business idea? They replied that they liked the business idea of opening an Indian vegetarian restaurant in Helsinki region, whereas some participants answered to serve authentic tasting Indian food, many participants replied that they love Indian food.

7 Reliability and Validity

Reliability means the consistency of a measurement of research. One of the basic considerations in reliability is whether the assessment of a survey is stable over time, so that the researcher can be confident about the results from the sample. On the other hand, validity means the quality of being logical (Bryman & Bell 2003, 77)

The validity and reliability in the thesis is important, as it may affect the whole result of the survey. In this thesis, since the study was conducted for the restaurant which was not established yet the survey questions were prepared to find out the genuine answers from the participants on the possibility of establishing an Indian vegetarian restaurant in future. Based on this, the researcher was highly focused on the simplicity and consistency of the questions. The questions were asked only to the people who were free and could give answers without any hurry. From all the accumulated data, it is confirmed that the result of the feasibility analysis is positive.

8 Conclusion

The subject of the thesis was to figure out whether the business idea to open an Indian vegetarian restaurant in Helsinki is feasible or not. The research was conducted as a survey questionnaire with interested local people. The feasibility study assists to understand the entrepreneurship`s advantages and risk in a practical level. The feasibility study explains the restaurant`s vision and how the business is going to function. On the other hand, study expresses the competition in the food line business and the consumers in the market.

For the thesis the research was one of the major factor to determine the possibility to implement the author`s idea in the market. The findings from the survey was impressive, majority of survey participants responded positively to the concept. Based on the study there is a potential for the business because of vegetarianism growing in Finland and new options created for customers due to new food choices. A good menu with variety of options for the customers and well organized Indian vegetarian restaurant will be another hot spot for the food lovers.

Due to high competition in this area restaurant have to offer something different to the customers. As this study gives a basic sketch for the possibility for the restaurant furthermore author should prepare a good business plan focusing more on financial analysis and marketing analysis.

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<http://www.doingbusiness.org/data/exploreeconomies/finland/starting-a-business>

Appendix

1. What is your gender?

Female Male

2. What is your age?

Under 20 21-26 27 -32 33-38 39-44 45-50
 51 over

3. What is your professional status?

Employed Unemployed Student Retired Others

4. How many times do you eat vegetarian dish? (e.g.: curry, soup, veg.noodles)

Daily More than twice a week Less than once a week once a month
 Never

5. Are you a vegetarian?

Yes No

6. Have you ever tasted Indian vegetarian cuisine?

Yes (If yes go to question no. 7) No (If no go to question no 8)

7. What did you liked about the cuisine? (You may choose more than one option)

The food was tasty The menu had many variety of items Different taste
 The food was served hot and fresh

8. Would you like to visit Indian vegetarian restaurant someday in future if you have it as one of your option?

Yes May be Not really I don't know

9. How often would you like to visit Indian vegetarian restaurant if you have it as one of your option?

Every day Twice a week Once a week Once a month or less

10. Would you prefer to go alone, with family, with partner or with friend?

Alone With friends with partner with family members
 With all of the above

11. How much would you like to pay for a meal in Indian vegetarian restaurant?

7€-10€ 11€-14€ 15-18€ 19€ over

12. From where would you like to get the information of Indian vegetarian restaurant if you have it as one of your option?(You may choose more than one option)

Appendix

- Radio Television commercials Newspaper Internet
 Leaflets Recommendations (friends & family) others, what _____

13. Do you have any advice or thoughts, Please write down below
