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MARKET RESEARCH AND PLAN FOR CHINESE FAST-FOOD RESTAURANT START-UP

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ABSTRACT

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<p>Due to the popularity of fast-food services in the Helsinki region, this thesis studies the possibility to find out the market opportunities for Chinese traditional fast-food business. Most of the fast-food restaurants opened are according to European flavor, so there is almost a void for Chinese fast-food to fill in, plus the Helsinki region is an area of diverse culture, convenient transportation and higher people flow, so there is more chance to open a Chinese fast-food restaurant here than other regions in Finland. The objective of this thesis is to prepare a market research and a business plan for a start-up of Chinese fast-food services. In the market research part, I analyzed the business environment, demand and supply, the competition of same kinds of services, In the market plan part, I identified the price, segmentation, sales strategies and promotion methods so that we can find a better way to reach our target and satisfy customers' needs. It can also be a guide for other fast-food service start-ups in the Helsinki region. At the same time, I studied Finnish commercial law and national business culture.</p> <p>Methods: Marketing research. Marketing plan.</p>		

<p>Key words Market research, Competition, Promotion, fast-food restaurant.</p>
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ABSTRACT
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1 INTRODUCTION

Nowadays people living in Helsinki are getting into a faster life rhythm, therefore fast-food is becoming more and more popular because it brings convenience and is less time consuming. For most residents who have a busy working or studying schedule, fast-food is a good choice if it is at a suitable price and good food quality. Finland as a European Union country is still trying to attract foreign business participation and fresh enough for Chinese investors. Looking forward to other European countries who have large populations, there will be a trend to open more and more Chinese fast-food shops in Finland.

Compared with Western countries' fast-food, it can provide different but good taste and nutrition needed for daily life.

The thesis is a marketing research and plan of establishing a Chinese fast-food shop for local residents and travelers in Helsinki, the capital of Finland. The main function is to offer a fast-food service with healthy food and low prices.

In the thesis, the ownership is described as belonging to two persons equally, Tianhao Song and Zheng Li. Zheng has lived in Finland over 6 years and always supports my will and gives essential help to me. The thesis generally goes through two main lines: market research and plan.

The thesis discusses the analysis of the business environment, market segmentation and competition around Helsinki. It is based on the market research by the methods of questionnaire inquiry, five forces, SWOT analysis and relative materials collected.

It also explains the market plan parts about where to locate, who are the customers, production process control and promotion, selling channel building, customer relationship management.

Our goal is to open the first Chinese fast-food shop in Helsinki and try to be popular with customers. The name of the shop is 'Kuailai' and it will establish branches and franchises if the business runs in a successful way. And, the owners plan to set it as a group of companies of limited liability and find shareholders.

2 BUSINESS ENVIRONMENT AND ITS DEVELOPMENT

2.1 Pest Analysis

The following contents describe the basic business environment of Helsinki, referred to as the Pest analysis tools. There is a framework to help organizations assess their external environment. The PEST analysis includes political, economic, sociocultural, technological, legal and environmental issues in the external business environment. Political influences consist of trade regulations and tariffs, and social welfare policies. On the other hand, economic influences include business cycles, interest rates, financial support, inflation, availability and cost of energy, and the internationalization of business. (Yeates & Cadle 2010, 41-42)

In this thesis, the author is going to analyse the business environment in the Helsinki region by the PEST analysis methods, find out the opportunities, good factors to start the business and how to avoid the existing threats.

2.1.1 Political environments

The Republic of Finland is a country with high democracy and multiple parliamentary system with over 200 members of parliament who participate in elections every four years and the parliament is unicameral. (Freedom house, 2015)

In Finland, there is a broad selection of independent newspapers, magazines, and other media outlets. The country also widely protects the right to reply to public criticism. Finns also enjoy and nurture the freedom of religion and respects academic freedom. (Freedom House, 2015)

People have the right of freedom of expression and religious belief.

2.1.2 Economic Development

Finland became industrialized rather late, only around 1960 it started to reveal its industrial society. However, its further transition to a post-industrial economy proceeded rapidly. The economy entered the post-industrial stage and the society late modernism during the last two decades of the 20th century. (Pesonen & Riihinen 2002, 246)

For better details on starting a new business needed by investors, we also need the economic figures as reference. The figures are attached in the appendix. As it points out that Finland is a developed economical region, the average personal income is quite high. And Helsinki as the capital city, takes on a very important part of the whole Finnish economy and is quite active in driving the country. In this region, we can also see that unemployment rate is much lower than the rest of Finland which can be a good index to guide investment. It becomes more and more feasible and suitable place to start the business from a basic level, then we will go further to research the policies and investment issues.

Also, one thing should be mentioned, it is visible that nowadays more and more Chinese tourists are coming to Europe, and Helsinki is getting more and more popular as the first stop of Europe. Thus, there is great need and potential market for restaurants and hotel business, so we should catch this chance to develop our restaurant in best time.

However, there are existed bottlenecks, lower consumer confidence since the 2008 financial crisis, present persistent downturn. It is improving positively just a little bit, as the following figure show. And, compared with other developed economic regions, such as the United Kingdom.



Figure1. Consumer confidence in Finland 2006-2015 (Trading economies.com, 2016)



Figure2. Consumer confidence in Germany 2006-2015(Trading economies.com, 2016)

2.1.3 Trade and Investment Policies

Economic policy is another important issue which is a review of the attitude of government towards industry, and how far this will promote opportunities for business. The economic requirement of a country is to see how far the policies being pursued provide a friendly environment to companies. (Chee& Harris 1998, 109)

Every country in the world attempts to act for its own benefit, in order to protect and further its national interests, which is the most obvious goal of any country's foreign policy. When investing in a new market, it is necessary to clarify investment policies of the new country. (Studia 2004, 256)

Helsinki, as the capital city is a very open market area. Since Finland joined the Europe Union, it has always been engaged in encouraging foreign business participation, especially investors from outside Europe Union countries. Nowadays Finland has become a highly-globalized business economy and a gate of Northern Europe. All policies or issues will be implemented first in Helsinki. It mainly has three features.

- Easy and friendly environment: The Finnish government is devoted to building a business-friendly environment which is easy for investors especially foreigners, within its matured infrastructure, excellent workforce and competitive operating cost. Furthermore, Finland has less corruption, ranking 3rd of the world according to Transparency International. (Corruption perceptions Index 2016)
- A door to North Europe: Finland is a Scandinavian country and due to historical and cultural issues connected to neighboring countries, it plays an important commercial role in this region. Its location and insight value can be a gateway to Russia and Nordic countries.

It is the objective of the government to provides its companies with the world's best operating environment. Through the generation of new, efficient production systems, based on strong competencies, allows the companies to meet the changes and challenges of the globalization business models. It seems that the Finnish government not only encourages foreign companies' entering, but also tries to ensure the stability and flexibility of the business environment. The government take measures and try to help the companies to be in good condition.

2.1.4 Social-cultural Environment

Helsinki is located in south Finland and as the capital city it is the center of Finnish politics, economy, and business. It has convenient transportation, especially the biggest harbor in Finland, which is supporting almost half of the imported products entering the Finnish market. Many airlines transfer in Helsinki. Helsinki is abundant in prosperity and has the highest population in Finland

- Has a population of 612664 in 2014, approximately 80% of urban rate
- Age structure: 0-15 years 14.56%, 16-29years 21.37%, 30-64years 47.95%, 65-84years 14,13%, 85-years 1.99%, 2014.
- Language Finnish 81.9%, Swedish 5.9%, Russian 2.5%, others 9.7%, 2013.
- Public transport in services: Buses 183, trams 93, metro coaches 90.

(Statistical Yearbook of Helsinki 2016, 34)

This data can be found from Finnish statistic departments, described the general information of Helsinki. Due to years' changing, the population and immigration amount is also changing, and the scale of transportation.

2.1.5 Technical Issues

Finland has a population of 5268799 in 2014 and the number of Internet users of 4821478, a penetration of population is 91.5%, ranked fifth of Europe union. And the usage of the Internet has become more and more diverse. (Internet uses in the Europe Union, 2014.)

As we can see the Finnish Internet use is high and it is good for developing social media and information sharing. For example, the information published by restaurants can be distributed by Internet in Finland very fast.

It allows restaurant patrons to find restaurants, rate them, and decide where they want to spend their hard-earned money when they go out to eat. It allows restaurant owners to be more efficient and effective in the areas they feel can be streamlined by hardware and software. But if used in the wrong place and at the wrong time, it can do a restaurant great harm – as it can with any industry. (Technology changing restaurant industry,2012)

As we can see, inside the country of Finland, the industrial process has been going on many years, it has mature technology and skills to develop the hardware and equipment to meet the food industry and also software to manage the fast-food services, like cashier system, ordering and delivery.

Also, technology can help restaurant business in other ways. For example, food engineering. High technology of packaging can preserve the quality of food; thus it can keep the food fresh and in good hygiene condition.

2.2 Helsinki Fast-food Market Overview

Finnish people are slowly changing their habits of choosing restaurants, especially when they get used to it. As of now, fast food is popular in Finland and there are several fast food outlets. But overall, fast food in Finland is dominated by half a dozen large chains along with some up and coming contenders. Kotipizza is the largest, with the Hamburger chains, Hesburger (operating around 270 outlets across Finland), Rolls (with 100 outlets), McDonalds (which came to Finland in 1984 and has around 80 outlets) and Subway following closely. Snacky, another Finnish burger chain, is an up and coming contender. In June 2013, Finnish restaurant and hotel consortium, Restel, owner of 49 hotels and 240 restaurants in Finland, announced that they had signed a comprehensive deal to establish the Burger King franchise on Finnish turf, with the first Burger King outlet planned to open in late 2013. (Fast Food in Finland, 2013.)

McDonald's is the biggest fast-food chain and is still playing the leader role in this area. The biggest competitor is Hesburger which has an even higher price but the food flavor is closer to customer's taste needs. There are also some other restaurants such as Burger-King, Koti-Pizza, Subway which can also form a force to compete in the fast-food market but they do not occupy that much share. All in all, those fast-food chain is mainly based on hamburger, bread and salad, French fries - which remind us of high calories and fat.



Figure3. The picture showed a typical Hesburger restaurant in Espoo, Finland.

2.3 Vision and Mission

The development of a vision and a mission is a part of the strategic management process. Understanding the vision, mission and objectives are necessary in starting and developing a business.

Vision: Vision refers to an image or a concept. It's the ability to anticipate possible future events and developments with imagination and wisdom. (Fareed Siddiqui,2013)

Mission: It is not that an organization is formed in a vacuum or with no purpose it stands. Of course, it has a reason for its existence which is specific. (Fareed Siddiqui,2013)

Objectives: Objective in general indicates a place where you want to reach. In organizational literature, it means the aim which an organization tries to achieve. Objectives are generally in plural form. (Fareed Siddiqui,2013)

The following figure shows the relationships of vision, mission and strategies in term.

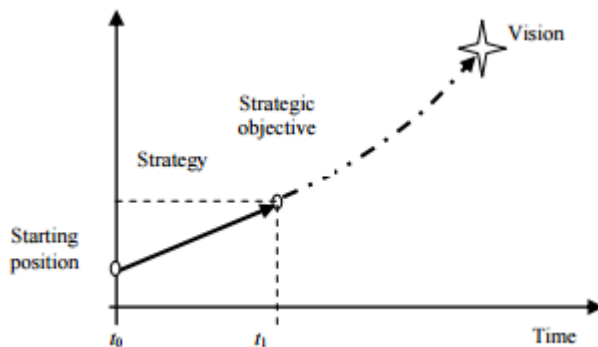


Figure 4. Strategy, Strategy objective and Vision

Currently, there aren't many Chinese traditional fast-food shop opening in Finland, especially in the capital Helsinki. We are going to try this idea of selling our main products such as steam bun, dumplings and Chinese porridge with snacks. The shop will try to be opened in the people flow area, or shopping malls and we want to start from small scale sales, and as it grows bigger, build a successful Chinese's fast-food supply chain in Helsinki region and hope it becomes popular, becoming the local people's daily habit in the long term. Of course, our mission is going to be lower price than our competitors in the same area and servicing time will be more flexible, materials will be picked from trusted vendors to assure the food quality and freshness. We will also support service such like delivery to customer's home, make discount in festival days, organize Chinese cultural promotion day which is aimed in building good relationships with customers, vendors, community and other partners. Our eagerness will be strong and work environment will be filled with enthusiasm. Finally, by the sustained striving we will get the competitive costs lower and a famous brand name.

3 Market Research

Marketing research is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organisation. Companies use marketing research in a wide variety of situations. For example, marketing research can help marketers understand customer satisfaction and purchase behavior. It can help them to assess market potential and market share or to measure the effectiveness of pricing, product, distribution, and promotion activities. (Kotler.P&Armstrong.G 2008,100)

Marketing research is inside marketing system information and to start a business with lower risks, marketing research is necessary. Thus, we need to define the business' target market, channels, competitors, publics and business environment. The following texts explain our research processes.

3.1 Demand and Supply

In our business model, we defined that we are located at the start-up level and the most important thing is to identify the objectives-demand and supply.

When supply and demand are equal (i.e. when the supply function and demand function intersect) the economy is said to be at equilibrium. At this point, the allocation of goods is at its most efficient because the amount of goods being supplied is exactly the same as the amount of goods being demanded. Thus, everyone (individuals, firms, or countries) is satisfied with the current economic condition. At the given price, suppliers are selling all the goods that they have produced and consumers are getting all the goods that they demand. (Hayes.A,2016)

Our products are mainly cereal based food and for fresh food materials, the meat will be bought from a local meat factory and vegetables from big supermarkets specialized for restaurants purchasing. Also, if necessary to add in traditional elements, we need to import some cereals and grains from Asia, for example, China and Thailand. After the raw materials are collected, we have a specially designed machine imported from China to form the products into shape, and every process will meet both Finnish food safety standards and Chinese traditional crafts.

3.2 Survey research and results.

Survey research, the most widely used method for primary data collection, is the approach best suited for gathering descriptive information. A company that wants to know about people's knowledge, attitudes, preferences, or buying behavior can often find out by asking them directly. (Kotler.P&Armstrong.G 2008,105)

To know the necessity of starting the business and assure it has low risk, we need to know the market size and trend, thus the total demand and supply will be a good indicator of that. This part of research was done by Zheng Li who was using the method of questionnaire with the pedestrians on the street of Helsinki in November 2015. The following questions showed:

Total number of pedestrians: 100

Location: Helsinki, Finland

Main questions: The interests towards Chinese fast-food, the attitude about our price, whether to take our menu as breakfast or food for some other time of day.

Results: It showed that about 58% of the people who were asked would like to take this as daily food and quite interested in Chinese fast-food, but unfortunately about 15% of people do not like it at all because getting used of other food style would be difficult. Almost all the people who like Chinese food

said that they would be happy if there was be a Chinese fast-food shop and selling its food in similar price compared with McDonald's and Hesburger's relevant food menu. See the details in Appendix 1.

Table 1. The preference of having Chinese fast-food

	Breakfast	Lunch	Dinner
Chinese fast-food	35%	30%	25%
Others	65%	70%	75%

Those indicators showed that Chinese food is quite popular with Helsinki people, so it will be a good chance to start the business and develop Chinese food culture in Helsinki. Among the 100 persons in different districts of Helsinki, about 20 people already described their wish to expect the shop's opening and its convenient services.

3.3 Customer Segmentation

There are many factors which can affect customers' consumer behavior. Market segmentation can identify target customers and construct a model of consumer behavior. The following figure shows the bases for market segmentation.

Table 2 Bases for Market Segmentation (Chand.S,2016)

Demographic Segmentation: Gender, age, family life cycle, education, income, occupation, family size, religion, home ownership.	Psychographic Segmentation: Lifestyle, Psychological variables, Personality, self-image.
Geographic Segmentation: Country, region, urban, population density, city size, climate.	Benefit Segmentation: Expected benefits from product use.

Market segmentation is important for us to identify potential customers and markets, through market segmentation our goals and plans are clearer, In our cases, we mainly defined the segmentation by three features:

- Geographic segmentation: as a new start company, we must know the local residents' food habits and cultural background. For the Finnish customer, they prefer light flavour sometimes just with sauce, and pork meat is most popular here. According to this situation, we will design our food products mainly based on pork, also mixed with vegetables. If the local residents accept this new concept, fast-food will contribute a consistent profit in a scale, especially cheaper

price will attract lower income groups and students. Tourist food sales will depend on the seasons and culture background, for example there will be higher opportunities for Asian travelers to buy our food.

- Demographic segmentation: Before introducing the Helsinki situation, we will take McDonald's as an example. McDonald's market segment is based on population factors, such as age, gender, income, occupation, education, religious, and nationality and related variables. McDonald's regard children as central customers, aimed at cultivating the consumer loyalty by the methods of sending gifts, birthday party celebrating and discounts for special events. So back to our fast-food shop, we mainly focus on the working group people, especially who go through the Metro line and students who want cheaper priced but good food quality. These people are defined as a youth group. As this concept has been set, the further steps will be easier to implement.
- Behavioral segmentation: Different customers have different attitudes and knowledge to affect their behaviour. Our strategy is keeping old customers by membership card to accumulate credits, then at the end of year we will count it and give back suitable gifts, and make the price lower for next year's consumption. For new customers, we will offer a free taste table with standard menu intended to get their interests and change their old attitudes. When the convenient and casual theories have been set, we will develop healthy green food to attract those consumers who focus on personal health as food habit.

3.4 SWOT Analysis

A SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a business or a project.

Before having a marketing strategy, companies need to analyze their own strengths and weaknesses, customer needs and the competitors, which are so called SWOT (strengths, weaknesses, opportunities and threats) analysis. SWOT analysis is a technique especially designed to help identify suitable marketing strategies for a company which can be carried out based on external analysis and internal analysis. (Hollensen 2003, 170)

A SWOT analysis includes both internal and external environments of the company. Internally, the framework addresses a firm's strengths and weaknesses on key dimensions, an organization should consider what strengths it has and what weaknesses in relation to the following factors. It also considers what could be avoided and what are they key bottlenecks.

- Financial performance and resource
 - Human resources
 - Production facilities and capability
 - Organization structure
- Market share
- Customer perceptions of product quality, price, and product availability
- Organizational communication and culture
- Leadership
 - Organizational system, value and processes

Externally, the environment includes information on the market such as:

- Customers
- Competition; for instance, how are you going to face it?
 - Economic conditions, what's the trend of economic development in Finland?
 - Social trends • Technology, if changing technology threatening your business?
- Government regulation (Hollensen 2003, 265-266)

Our SWOT analysis aimed at researching our competitive advantage and the ability to compete in this kind of area of the market. The following diagram shows the SWOT analysis in detail.

Table 3 SWOT analysis

<p>Strength Better location Cheaper cost Convenient delivery New concept Healthy food</p>	<p>Weakness Not mature market Not recognized Lack of capital New market area</p>
<p>Opportunities Stable business environment Diversity of foreign food culture Developed monetary system Popularity of Chinese culture</p>	<p>Threats High taxation can lead lower benefits High cost of running business Grasp of consumer trend Lack of stable food vendors Professional knowledge and experience</p>

After it we found out that our business has more opportunity than what we expected, it brought a new way to start and analyze our business possibility.

3.5 Target Customer

Our main products focus on being fast, convenient and economic. Our main customers should be the people who have busy work days or study and those people who are interested in Chinese elements. Looking back to overview the Finnish market, the local people's food habits preferring simple and light flavor, our meat steam bun just can meet the people's standard. Especially at winter time, we also offer warm porridge and traditional snack.

To start an analysis, take the existing example of Dunkin'. In the mid-1990s, however, Dunkin' shifted its focus from doughnuts to coffee in the hope that promoting a more frequently consumed item would drive store traffic. The coffee push worked-coffee now makes up 62 percent of sales. And Dunkin's sales are growing at a double-digit clip, with profits up 35 percentages over the past two years. Dunkin built itself on serving simple fare to working-class customers, where workers make espresso drinks face-to-face with customers. (Kotler.P&Armstrong.G,2008)

So, we can build a Chinese cultural based theme, for example, we will put poster about Chinese customs on the wall, and send a brochure which can introduce Chinese history, provinces and so on. After this kind of atmosphere has been generated, those people who are interested in Chinese food culture will be attracted. As well we will treat business customers as our core customers. Because they can stop their own work, come to reserve a fast-food service whenever they want, our tables can be a good place for people to meet each other and chat.

Our food products are also for tourists:

It has been recorded that 3.3 million foreign tourists stayed overnight at accommodation establishments in Helsinki in 2014. The number of foreign tourists stayed in establishments in December 2014 was at least 500,000. Before, Finns were dining out only to celebrate a special occasion. Nowadays because of busy city life people are eating outside more frequently which is now quite usual. (statistic Finland,2013)

So, tourists are huge possible potential customers, if we can catch the chance, will have a good opportunity to develop our restaurant business.

3.6 Competitive advantages

Suppose a company is fortunate enough to discover several potential differentiations that provide competitive advantages. It now must choose the ones on which it will build its positioning strategy. It must decide how many differences to promote and which ones. (Kotler.p&Armstrong.G 2008,207)

Hesburger (commonly known in Finland as Hese) is the largest Finnish hamburger/fast-food restaurant chain (in Finland, they're larger than McDonald's). The first McDonalds opened in Finland in the city of Tampere in 1984 and expansion has been steady. Rovaniemi in Lapland is also home to the world's most northern branch of McDonald's. Of course, there are already several branches in Helsinki, more than in Tampere and other cities. (Fast food in Finland 2013.)

Table 4. analysis the current competitors, their competitive advantage.

	Main items	Competitive advantage
Hesburger	Sell hamburgers, cheese-burgers, salads, French fries, soft drinks, milkshakes, and desserts also kebab, pasta food menus offered.	First-class customer service, clean and cosy restaurants and a pleasant experience.
McDonald's	Mainly consists of hamburgers, chicken, and salads, drinks provided by Pepsi group, shakes and other healthier alternatives. Also popular breakfast menu which consists of sandwiches, pancakes, French toast and breakfast drinks.	Fast update its menu Free Wi-Fi, Children theme, affordable price.
KuaiLai	Steam bun Chinese porridge traditional snack Fried noodles Soft drinks from local market such like Jaffa, Coca-Cola	Healthy food and Chinese flavour Foreign cultural theme Flexible service time

The comparison made from several areas:

- Production capacities and facilities
- Market share
- Organization culture and communication
- Competitive pricing

4 Market Plan

4.1 Market Objectives

Marketing objectives are goals set by a business when promoting its products or services to potential consumers that should be achieved within a given time frame. Every restaurant has its own market objectives. McDonald's is being top leader in the fast-food market, Hesburger's improving customers' satisfaction.

Identifying the market objective is the first stage of marketing plan, then the marketing strategy is the key step during marketing plan process.

Our market objectives mainly consist of products and markets, simple to say it is the goal of sales, so that selling our food products to the customers to achieve a profit. The planning of sales will be figured out during the next year

We should also keep path with time flowing which brings the changes of market situation and customer preference. It is based on real measurable and accountable information, our own internal financial situation and outside environment.

4.2 Marketing Strategies

There are several marketing strategies such like single market strategy, multi market strategy, production strategy, market entry strategy and so on. It is the link between corporate goals and operational tactics. There are two primary considerations in marketing strategies:

- Where are we?
- Where do we want to go?

In our cases, we confirmed that we are based on customer -driven marketing strategy, aimed at creating values for target customers. To implement the strategies, we need the following steps:

- The first two steps, the company selects the customer that it will serve. Market segmentation involves dividing a market into smaller groups of buyers with distinct needs, characteristics, or behaviors who might require separate products or marketing mixes. Marketing targets consists of evaluating each market segment's attractiveness and select one or more market segments to enter. (Kotler.P&Armstrong.G 2008,104)
- In the final two steps, the company decides on a value proposition-on how it will create value for target customers. Differentiation involves differentiating the firm's market offering to create superior customer value. Positioning consists of arranging for a market offering to occupy clear, distinctive, and desirable place relative to competing products in the minds of target customers. (Kotler.P&Armstrong.G 2008,105)

Especially at positioning stage, we are a new start-up company which is not familiar with Helsinki local customers yet, so our tasks are drawing the residents' interests and contribute to tourisms. For better achievement and market position we must use Boston Consulting Group Matrix to make a fundamental analysis:

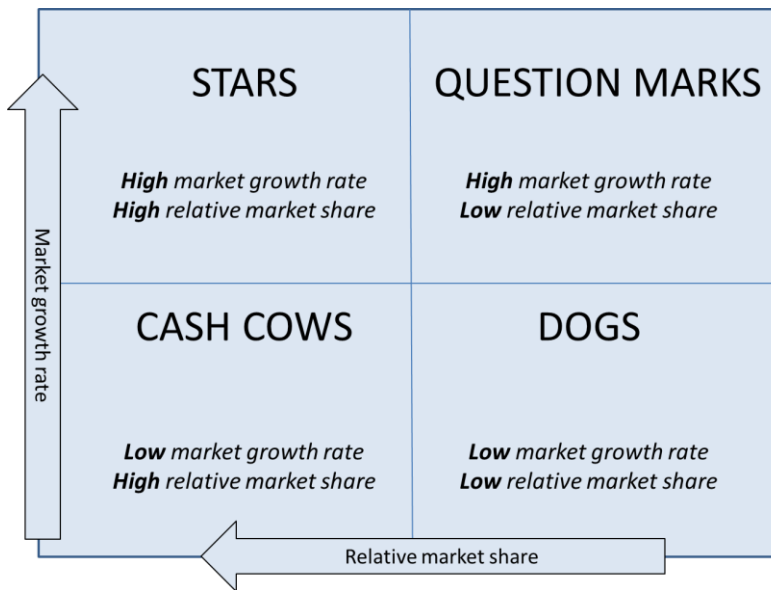


Figure 4 Adopted from Boston Consulting Group Matrix.

The Stars: Large market share and rapidly growing.

Cash Cows: Exists in a mature, slow-growth industry but is a dominant business in the industry.

Question Marks: Exists in a new, rapidly growing industry but only a small market share.

Dogs: Small share and not expected to grow. (Boston Matrix,2013)

Our analysis result is that we are located in the Question marks, that we are a new food service company that has not been recognized, but there are also a lot of opportunities for us to develop our business with strategies and new products and services.

4.3 Sales Strategies

Before planning sales strategies, I would like to analyze the changes of economics. As we know business performance is effected by economic changes, in different time and situations we have different sales methods and strategies. So we need change our targets and plans.

A sales strategy consists of a plan that positions a company's brand or product to gain a competitive advantage. Successful strategies help the sales force focus on target market customers and communicate with them in relevant, meaningful ways. Sales representatives need to know how their products or services can solve customer problems. A successful sales strategy conveys this so that the sales force spends time targeting the correct customers at the right time. (Gluck. S, 2017)

Puerile is an old concept of selling strategies, which showed the truth of business that everybody intended to buy a product in lower price and good quality. It's the people's original wish of purchasing. Economic development in the increasingly fierce competition in today's society, the survival and development is no longer a simple matter, production line, product quality, production costs and marketing strategies are all influencing a company, deciding the fate of an enterprise, regardless which links may become a bottleneck for enterprise development, and marketing in this competitive market incandescent producers of today, highlights its pivotal role, we are also witnessing one of enterprises due to inadequate marketing strategies result in Waterloo, such as Parmalat lost the Chinese market, Yun Yan pain Procter & Gamble and, therefore, successful research enterprise marketing strategy become a necessary course.

Kuailai's strategy for sales mainly depends on the cheaper price and a large number of customers. The people flow will bring the biggest profit for the normal running of the business, and it supports the business by continuously going in a healthy way once loyal customers have been received.

After understanding the market concept of Finland, Kuailai group set the chain as the main goal to accomplish the fast growing of Finnish market. The first shop will be opened in Helsinki as the starting point to open the whole market of Finland and if the methods used in the same way and it will be the final target to achieve the goals in Finnish markets. And finally, it will have a successful objective as McDonald's and Hesburger in Finland.

One more thing, we will be always watch what we promise to customers, that we will continue providing a cheaper and healthier product with fresh food raw materials, that will be a tough fight with the cost of making, but we believe strongly that this is the right way to get products known by more customers and attract them in.

Table 5. The planning of sales will be figured out next year.

Season	Goals(€)
1	40000
2	45000
3	50000
4	50000

This frame work attempts to analysis the level of competition within one industry or market area.

Threats of new entrants: Inside Helsinki, there are already of high density of fast-food restaurant especially hamburger based such as McDonald's, Hesburger, and Subway, as far as now, there isn't a Chinese traditional fast-food chain yet, so there is a big opportunity to shine.

Threat of substitute products or services. The main substitute products are from Chinese restaurants operating in Helsinki, at lunch time or dinner time, they can bring the same food menu as ours but we will have a good advantage in the morning and dinner time plus convenient delivery.

Bargaining power of customers and suppliers: we are almost at the same level, because of offered cheap price with a qualified food menu, the customer's will have small space for bargaining and neither do we have chances in short time to increase price due to the sales strategies based on the amounts of selling.

4.4 Market mix

The marketing mix refers to the set of actions, defined by author in this thesis, using the 4Ps model to make up a typical marketing mix.

Aimed to point out the products and its price, restaurant location, product branding.

4.5 Products

Our main products are based on the steam bun, dumplings and fried noodles, also provide traditional Chinese snacks and porridge, beverage will be the same as other shops. The products mainly depend on traditional Chinese food materials and quite suitable for vegetarians. And mainly it can meet the people who want to eat healthy and less fat. We have already made our own food menu; it differs during each time of day. For example, in morning time, we offer porridge which is healthy and good for people's stomach coupled with a steam bun which is our typical food and in lunch time, cold dishes and fried rice, noodles are available. As the following picture shows, in order are: porridge, steam bun, cold dish and fried rice, noodles.



Figure 5 Menu food.

4.5.1 Pricing

There are several different types of pricing strategies, such as market-skimming pricing, market-penetration pricing, new product pricing and discount pricing.

Market-penetration pricing: Setting a low price for a new product in order to attract a large number of buyers and a large market share. (Kotler.P&Armstrong.G 2008,309)

As here, we start to use market-penetration pricing strategy, the common price of buffet in Finland is about 10 euros and the food menu mainly around 7 courses, and almost every restaurant in the same model to meet Finnish flavour market. Anyway, product and service mainly depends on pricing if there is a possibility to give a discount, it should be carefully considered, to cover these costs and market factors. As a new fast-food enterprise in the Helsinki area, a company should consider more factors to attract customers. So, combined with the cost factors we decided to make lower price than our competitors.

4.5.2 Place

Choosing the right location is very important, more important than randomly selecting a place. This especially true in the center of Helsinki, it is not easy to change after deciding where to locate.

It will influence many parts of your restaurant, including the menu. If you already have a certain restaurant location in mind, don't get too attached until you know if it has all the right requirements for a successful restaurant. (Mealey.L, 2016)

4.5.3 There are four factors which need consideration:

- Parking
- Population base
- Accessibility

- Visibility

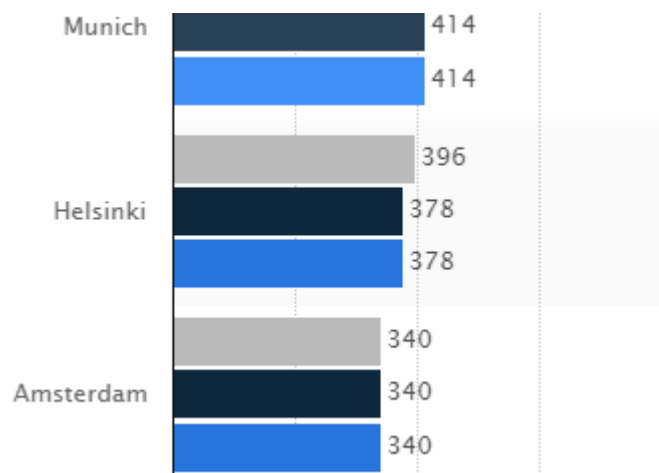
(Mealey.L, 2016)

The place of sales influences the perception of product and service. Company should pay attention to chosen places: wholesalers and retailers. In food industry, it is wisdom to choose a popular place with a bigger flow of population. Website access is also necessary for company's business spreading if they have the wish to sell online.

It will be located in Helsinki first because:

- Helsinki has the largest population among Finnish cities
- Convenient traffic and more work units.
- International environment will make it easier to start up

Our fast-food shop is planned to be opened near the metro line around district and due to small start-up capital, we will also consider about commercial renting cost. Here is the basic data of renting:



Unit: EUR

(The statistic portal 2016)

Figure6. Business rent price in Helsinki Region

The statistic displays the annual rental costs per square meter of prime office spaces in selected European cities as from first quarter to third quarter of 2015.

4.5.4 Promotion

Promotion can be a wide concept of advertising your products or services. Our promotion is based on the existing resources such as social networks and website that constructed for the business destination.

We will spend the money from start-up capital to invest our own website construction, that we can provide also order-delivery system in the Internet. When during the practical selling, we will give customers about a 9% discount that who can bring new customers into our shop. Finally, we will see the situation and if necessary to ask customer's satisfaction after service, and build a relative customer database.

5 Start-up Financing

5.1 Definition of 'Start-up Capital'

Start-up capital refers to the money that is required to start a new business, whether for office space, permits, licenses, inventory, product development and manufacturing, marketing or any other expense. (General information of start-up summary.) This is based on the partner's capital and loan periods 10 years.

5.2 Investment and Cost

As the following table calculating all the investments related various cost such like rental cost, devices like computers, cashier machine, printers and so on, maintaining and salaries. Also as a private trader, the restaurant owner must pay a Start –up notification fee of 100 € to Finnish Patent and Registration Office.

Table6. Investment in 4 months

Investment	Cost(EUR)
Start-up notification	110
Devices	2000
Furniture	10000
Kitchen equipment	50000
Decoration	5500
Website	700
Working capital (4 months)	
Salaries	30000
Rent	15000
Accounting	1800
Total	115110

In this table, you can clearly see how the total capital is distributed and the value of it.

5.3 Assets and Depreciations.

The assets referred here are tangible, such like furniture, kitchen equipment, devices and decorations inside restaurant. According to personal experience living in Finland, set 15% as depreciation.

Table7. Tangible assets and Depreciations

Tangible assets	Value(EUR)	Depreciation (per year)
Furniture	10000	1500
Device	2000	300
Kitchen equipment	50000	7500
Decoration	5500	825
Total	67500	10125

5.4 Loan and Liabilities

As mentioned before, that our capital is not enough to support this business, so that we need a loan from the bank. We are going to pay the annual interests at 6%, and each month we pay back the same amount of principal money and interests.

Table8. Loan and Liabilities

Total loan amount	100000
Month	120
Interest rate	6%
Payment(monthly)	883.40
Payment one year	10600
Interest first year	600
Interest for second year	600

So, we choose the way to pay equal amount per month, that in 10 years we have to pay back principal money plus interests in total 106000€, and each year interests 600€, principal money 10000€, thus per month we need to pay back to the bank 883.40€.

5.5 Salary and Other Cost

Inside our restaurant, there are two main workers, my partner and me who are responsible of purchasing, accounting, customer servicing, and other activities to run the business, all except cooking, for that we need a professional cook, to keep our food good taste and quality. The salary paid will be based on the income but also to meet the standard in this area.

Table9. employees' salaries

	Day time hour salary	Evening time	Working hours/day time	Working hours/even- ing time	Monthly salary(€)	Working day(monthly)
Staff1	11,5	12,78	6	1	1799,20	22
staff 2	10,03	10,73	6	2	1959,36	24
staff 3	10,03	10,73	6	2	1959,36	24
Total					5717,92	

Other cost

We have to pay employees' pension cost according to Finnish Employee's Pension Act, which is on average 24% of the salary. Plus, employee's holiday money, working insurance, accident insurance, and unemployment insurance and so on, as following table shows in detail.

Table10. Additional cost for Employees

	Gross salary	Pension (24%)	Health insurance (2.08%)	Unemployment insurance (0,8%)	Accident insurance (4%)	Group life assurance (0.67%)	Total additional cost (31.55%)
staff 1	1799,20	431,8	37,4	14,4	72	12,1	567,7
staff 2	1959,36	470,2	40,8	15,7	78,4	13,1	618,2
staff 3	1959,36	470,2	40,8	15,7	78,4	13,1	618,2
Total		1372,2	119	45,8	228,8	38,3	1804,1

5.6 Planned Income Statement

After all investments and costs have been estimated, we hope that we can get good revenue of business, that also our salaries can be increased year by year. What's more, we hope that there will be at least 50 customers that will join our breakfast and dinner who has an average consumption at 8 euros, at lunch time we hope to have 70 customer's average consumption at 15 euros. Then our daily sales forecast will be $50 \cdot 8 + 70 \cdot 15 + 50 \cdot 8 = 1850\text{€}$. We have around 310 working days if Sunday and public holidays are not calculated, the total sales of a year will be 573500€. We expect that the annual sales will increase 10%, also salaries increase 10%. So as following table showed in detail of four years' income statement:

Table11. Income statement in 4 years' forecast

	1 st year	2 nd year	3 rd year	4 th year	Total
Sales	573500	630850	693935	763328,5	
-VAT 14%	80290	88319	97150,9	106866	
=turnover	493210	542531	596784,1	656462,5	
-Cost of sales(35% of sales)	200725	220797,5	242877,25	267165	
=Contribution margin	292485	321733,5	353906,85	389297,5	
-Fix cost					
Salaries	68615	75476,5	83024	91327	
Additional cost for salaries (31.55%)	21650	23813	26194	28814	

Rent (annual increase 5%)	60000	63000	66150	69457,5	
Electricity and water	5000	5250	5512,5	5788,125	
Media cost	700	735	771,75	810	
Marketing	8000	5000	5000	5000	
Depreciation	10125	10125	10125	10125	
Insurance	5000	5000	5000	5000	
Cleaning	28800	28800	28800	28800	
Others	1000	1000	1000	1000	
=operating margin	83595	103534	132453,5	143176	
-bank interest	6000	6000	6000	6000	
=Profit before income tax	77595	97534	126453,5	137176	
-Income tax (21%)	16295	20482	26555	28807	92139
=Net profit/loss	61300	77052	99898	108369	346619

In this table, several costs are calculated as increasing 5% per year, and income tax according to the taxation level should be defined as 21%, and cost of sales based on our friends' suggestion who has operated Chinese restaurants for many years.

Of course, this is a general estimation, the real implementation will be changing according to the different types of costs and customers' need. To finance our fast-food shop in detail we will also need professional help from an accountant.

6 DISCUSSION AND CONCLUSION

After all the researching and planning work has been done, we already know our advantage and weakness to compete in the market, by finishing this thesis, we analyzed all the situations by the principles of marketing in system, from business environment to fundamental market plans, through the analysis tools such as PEST, SWOT, Boston Matrix and so on.

So, this thesis can be our theoretical guide book and we are equipped with professional marketing knowledge to start the business, we are confident to meet the challenges and the expectation toward the future is great and bright.

However, there are existing bottleneck which can limit our business development, because we haven't really got experience in the market competition yet, the market situation is changing, even the business environment. We need to pay more attention to the changing of supply and demand, pricing, and customer feedback. There will also still be a lot of things happening out of our estimation, and it will be a real difficult task for us. Existing risks and new opportunities are waiting for us to figure out, to develop, so we need to improve our personal management skills, strengthen our professional knowledge, be clear about legal issues, and improve the risk management skills. There should especially be plans prepared to reduce the risks that could happen in future. And there should be more efficient and tight communications between our stakeholders and managers.

In the market research and business plan parts, which were done by Tianhao Song, we got the overview of the Helsinki region fast-food restaurants, analyzed the business environment, also finished the market research and marketing plan. This was carried out through the scientific theories and practical work and we came up with the conclusions and planned the strategies.

What's more, in Helsinki's fast-food market area, there is a chance for us to develop our restaurant but also a challenge because we have never started our business, our experience and knowledge might not sufficient. Our idea is quite fresh and executable but needs a lot of practical work to improve. Anyway, a restaurant business is a long-term job to get benefits and we need to continue to put in our effort, always self-improve to adapt the market and changeable customers.

All in all, we need a lot practice and experience before starting this business, we should arrange us related professional training to gain experience so that we can manage the real situation of what could happen in a restaurant.

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Key figures of Helsinki

2012-2013 Helsinki Quarterly			
HOUSING (2012)	Helsinki	Helsinki Metropolitan Area	Finland
Dwelling stock, number of dwellings	336,409	557,898	2,865,568
Completed dwellings	5,175	8,943	31,393
LABOUR MARKET (II/2013)	Helsinki	Helsinki Region	Finland
Number of employed persons	322,860	720,770	2,506,218
Change year-on-year, %	1.6	0.6	- 0.7
Employment rate, %	74.0	74.3	69.9
Unemployed persons	31,761	66,080	301,640
Unemployment rate, %	9.9	9.1	11.6
ECONOMY (II/2013)*		Helsinki	Region Finland
GNP per capita, 2010 (PPS, EU27 = 100)		159.1	114.0
GNP, change year-on-year, %		0.5	0.2
WELFARE SERVICES (II/2013)	Helsinki	Helsinki Metropolitan Area**	
Social assistance recipients	38,862	61,041	
Change year-on-year, %	8.5	9.8	
Housing allowance recipients	29,056	46,364	

Change year-on-year, %	8.1	9.0	
Library visits, Helsinki City Library (2012)	6,783,000		

APPENDIX 2

	Opening time
Monday -Friday	08-22
Weekend	09-21