

# Marketing Plan for a Fast Food Restaurant in Helsinki, Finland

Case: Aloha Chicken Land, Helsinki,  
Finland

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ABSTRACT

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The aim of this thesis was to create a marketing plan for Aloha Chicken Land, a start-up fast food restaurant in Helsinki. As a start-up business, the restaurant needs a marketing plan to help it launch successfully. The objectives of the marketing plan were to analyse the internal and external environment of the business, raise the brand awareness, attract more customers and provide the restaurant with a practical and solid plan based on the four factors of the marketing mix which are price, place, product and promotion.

The theories of this thesis consist of two parts. First, essential marketing theories which are used as principles to develop an effective marketing plan are presented logically. Second, theories which are used to analyse the current situations including the company, the competitors, the customers, PESTEL and SWOT are described thoroughly.

The empirical part of this thesis presents the data collection procedures as well as the data analysis from the interviews and the questionnaire. Both quantitative and qualitative research methods are applied along with inductive research approach in order to serve the purpose of this thesis.

The study results show that the fast food restaurant will be marketed profitably by using the right tools and channels to approach and raise awareness of the business among the target customers. On the other hand, understanding the customers' demands, preferences, and expectations as well as knowing its competitors and the market trends are also critical factors for the restaurant marketing. Finally, using the right marketing strategies will help the business build strong customer relationships and deliver remarkable values to the target customers.

Key words: Aloha Chicken Land, marketing plan, fast food restaurant, start-up

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# 1 INTRODUCTION

This chapter introduces the thesis background by presenting the motivation that inspired the author having the start-up business idea. The following sub-chapter shows the objectives and the questions of this research. Then, the scopes and limitation of this research are determined, as the result of the research topic, the research objectives and the target audience. The next two sub-chapters describe the method of doing this research and how the data was collected. Finally, the last sub-chapter demonstrates how the contents are organized in this thesis.

## 1.1 Thesis Background

The author has years of experience working at Kentucky Fried Chicken (KFC), where he was trained to understand and do every step of the process. On the other hand, it was a surprise that KFC is not in Finland when the author came here a few years ago. Although there are local shops and the British chain, Southern Fried Chicken selling fried chicken (SFC 2018a). Nevertheless, it is still a huge potential niche, since the biggest competitor is not taking any share of the market. Consequently, the personal passion for hospitality, the knowledge of fast food as well as the market niche opportunity made the author decide to start up a fast food restaurant.

The services sector is the main contribution to Gross Domestic Product (GDP) of Finland presently. In 2016, the country's total GDP is 238.50 billion euros, with the annual growth rate of 1.9%. (World Bank 2017.) Figure 1 demonstrates the share of each sector in Finnish GDP in the year of 2016 which includes three elements: Services, Industry and Agriculture.

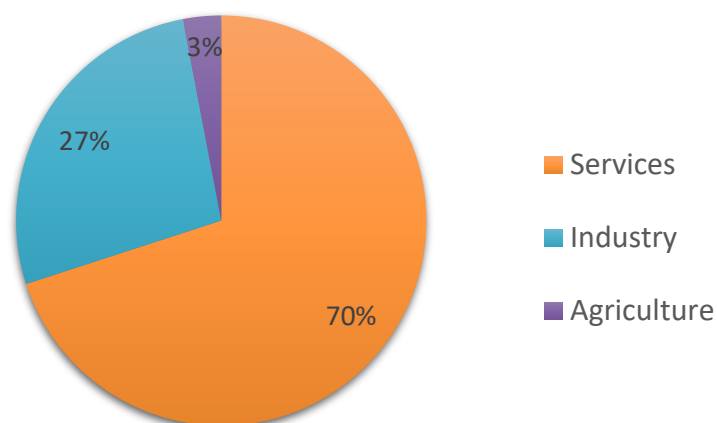


FIGURE 1. GDP of Finland in 2016. Modified from World Bank (2017)

It can be seen from Figure 1 that the service sector accounts for 70% which values at 166.95 billion euros (Worldbank 2017). The 30% belongs to the remaining two sectors, in which industry contributed 27% and agriculture, the smallest portion, of 3% share of the total GDP in Finland in 2016. Thus, the services sector is not only growing, but also it plays a vital role in Finnish economy.

Annually, food and beverages consumption in Finland is around 23.3 billion. Specifically, in 2014 the total consumer expenditure was 23.33 billion euros and in 2015 was 23.29 billion euros. (Niemi & Väre 2017, 5.) Figure 2 below represents the consumer expenditure on food and beverages in Finland in 2014 and 2015, which are contributed by four categories: Foodstuffs, Non-alcoholic beverages, Alcoholic beverages, and Catering services.

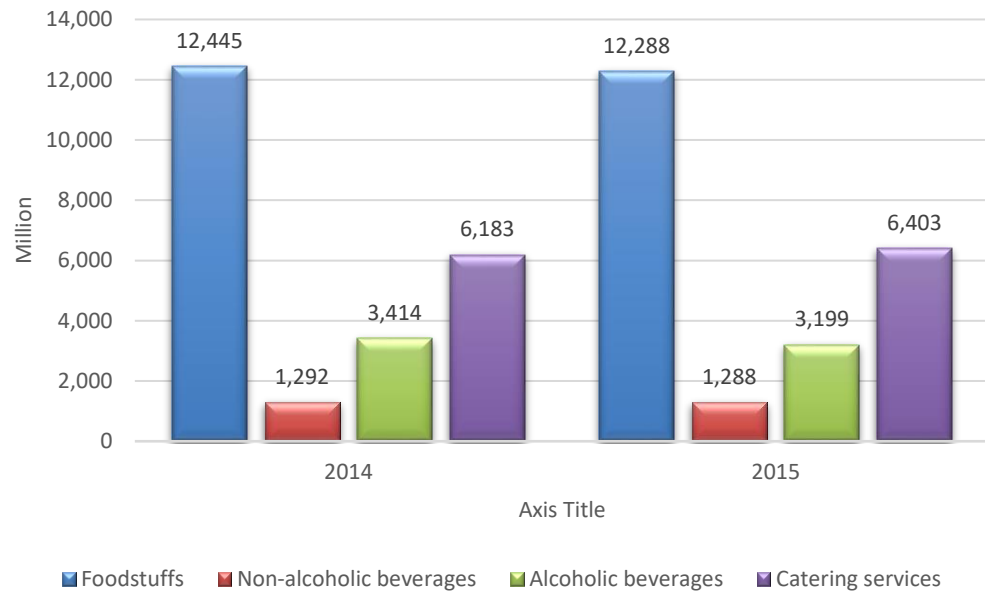


FIGURE 2. Total food and beverages consumption expenditure of Finland in 2014 and 2015. Modified from Niemi & Väre (2017, 6)

It can be seen from Figure 2 that the foodstuffs category surpasses other categories in the total food and beverages expenditure in Finland during the period, at 12.44 billion in 2014 and 12.28 billion in 2015. It shows the huge demand in the market on this element. On the other hand, the catering services element is the second biggest contributor representing a rise of 4% from 6.18 billion in 2014 to 6.4 billion in 2015. Niemi & Väre (2017, 5) state that the food industry is the fourth largest industry in Finland, after the metal, chemical and forest industries. Hence, food and beverages niche has been a huge potential market for hospitality businesses.

Helsinki is chosen to be the location of the start-up business due to its size of the population. Figure 3 below presents the population density of Finland.

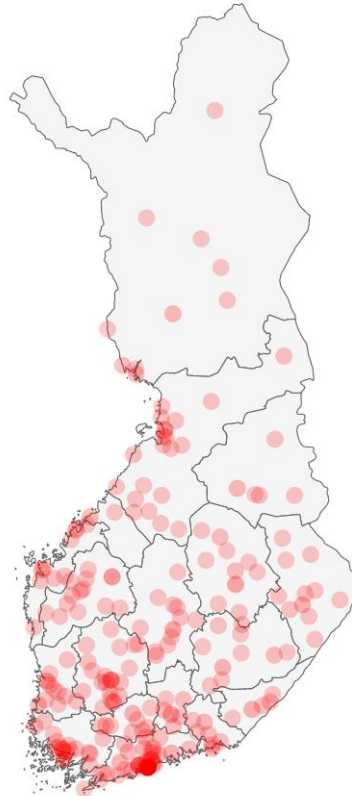


FIGURE 3. Population density in Finland (World Population Review 2018)

It can be seen from Figure 3 that Southern Finland is the most populated area, especially Helsinki area. By the end of 2016, the population of the city was 635,181 (Finland 2017). With this density, Helsinki is the largest city in population of the country. Thus, the more people the bigger the market is. And a big market has huge demands for products and services. Therefore, there are more opportunities for businesses to take a share of the market. On the other hand, Helsinki has 413,711 people ranging from 16 to 64 years old which accounts for 70.9% of the total population of this capital city (City of Helsinki 2010). Hence, Helsinki has a large population of the target customer groups.

However, starting up the first business in a new market is challenging. It requires a lot of time, effort, dedication and preparation of the



entrepreneurs. Besides having a good business plan, preparing a marketing plan for the business is also an important step to do for every entrepreneur because a good marketing plan plays a critical role in the success of every organisation (Kotler, Armstrong & Parment 2016, 9). Market planning helps businesses to increase the bottom line, increase customer base, and reach the target audience. Through business marketing, the customer can understand why the service or product of the business is better than or different from the competitors. And by having a good marketing plan, businesses will develop the right products or services that meet the needs of the target market. (Government 2016.) Therefore, to drive the business to success, preparing a plan of marketing is the determining factor, and thereby, the author has made a research on this topic and prepared a marketing plan for the start-up business as this final thesis.

## 1.2 Research Objective and Research Questions

### **Research Objective**

In order to run the business profitably, a marketing plan needs to be carried out properly and thoroughly to help the business reach its target customer with the right products/services, stand out from its competitors, create and capture customer value. The target customer groups of the business are students, workers, officers, night clubbers and families with children. Consequently, the main objective of this thesis is to develop a marketing plan for a start-up fast food restaurant in Helsinki targeting those customer groups.

### **Research Questions**

The aim of the thesis is to create an effective marketing plan that will help launch the restaurant successfully. Thus, the main question was developed to find the answer for the research.

Research question: How to market a fast food restaurant profitably?

In order to answer the main research question, sub-questions were developed as follows:

- What does a marketing plan include?
- How will products/services be developed based on the research and data analysis to meet the demands of the target market?
- Does the new business fit in the market?
- How to approach the target audience and gain the business's visibility?
- What are the trends, expectations or preferences of the target group?
- What are the channels and tools to be used for marketing purpose of this restaurant?

As a result, finding the answers to these questions, it helps to gain more understanding of the market and the target customer group, then develop services/products that meet with the demands and suit with the culture, design the business that fit within the market, and create a firm beginning step for the business toward profit and success.

### 1.3 Scopes and Limitation

The author chooses family and children, and young to middle-aged people who are less than 65 years old as the target customer groups due to characteristics of these groups: social, active, energetic and outgoing. For that reason, the research of this thesis targets to study these groups' preference, hobby, behaviour and trend, then to develop a marketing plan accordingly.

The chosen location of the business is in Helsinki because of the population as mentioned earlier, as well as the high number of young adults. Therefore, the focus of the study will be mainly on the target customer group living in Helsinki area.

#### 1.4 Research Approach and Research Methodology

Research is the process to discover new knowledge. Research includes searching for facts, answers and solutions to problems (Khan 2008, 2).

The research approach of this thesis is induction and the research methods are qualitative research.

##### **Research Approach**

There are two types of approaches in research: inductive and deductive (Burney 2008). According to Burney (2008), inductive approach or so-called “bottom-up” approach moves from specific observations to broader generalizations and theories. In contrast, deductive approach or so-called “top-down” approach moves from the more general to the more specific.

The aim of the deductive research is to test the theory, while inductive research aims to generate new theory emerging from the data (Gabriel 2013). Gabriel (2013) states that the choice of deductive or inductive approach based on the goal of the research and the best methods to test a hypothesis, discover a new theory, or to find the answer for the research problem.

Figure 4 below illustrates the research approach of this thesis.

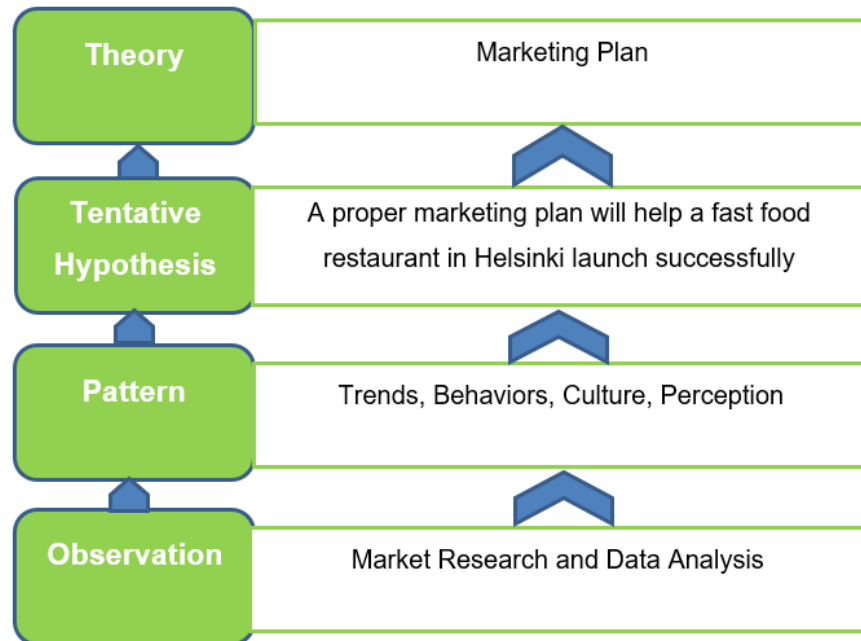


FIGURE 4. Inductive research approach. Modified from (Burney 2008)

The research of this thesis starts from observations to a new theory from the collected data which is the marketing plan as an outcome. Thus, inductive research approach or “bottom-up” approach suits best for the goal of this thesis.

### **Research Methodology**

There are two types of research methods: qualitative and quantitative methods. Quantitative method is applied when the research begins with a theory and/or hypothesis and aims to test for confirmation or disconfirmation of that hypothesis. Qualitative method is used when someone starts with observations then interprets the reality to develop a theory which bases on what was experienced. (Newman & Benz 1998, 3.)

The qualitative method focuses on in-depth interviews, gathers information based on text and uses an inductive approach to formulate theory or hypothesis. On the other hand, the quantitative method focuses on surveys, review record for numeric information and uses deductive

approach to test for a pre-hypothesis or concept. (U.S. Department of Energy Science 2018.)

This thesis aims to develop a marketing plan for a fast food restaurant in Finland. Thus, gathering information from deep interviews with the target customer group and related people for perceptions, behaviours and demands towards the market approach of a new restaurant selling fast food, is one of the steps included in the research process of the author. This step involves both text and numeric data as the author might want to find out the time during the day people spend on social media channels, or what kind of advertisements attract them the most, for example. On the other hand, the author also collected numeric related information from reports and statistics such as from Statistics Finland – the official Finnish public authority for statistics. Besides that, the author also needs to study the market from text-based reports and journal articles to gain more understanding of the current situation as well as what happened in the past and what might happen in the future. As a result, this thesis uses both quantitative and qualitative methods in research.

### 1.5 Data Collection

Primary and secondary are the two basic types of data collection. Primary data involves activities of the author themselves in the effort of collecting data for a certain purpose. Secondary data is collected from sources that have been published or made by other people for some other purposes and intentions of the researcher. (Kovalainen & Eriksson 2008, 77-80.)

Ways of primary data collection can vary: interviews face-to-face or by using email or making phone calls, questionnaires, surveys on the website, email/mail or own observations of the author, etc. For secondary data collection, sources of data are obtained from books, articles and journals, or reports. (Saunders, Lewis & Thornhill 2012, 304-305.)

This thesis involves both primary and secondary data. For primary data, the author had several face-to-face interviews and by emails with the

target customer group and entrepreneurs or restaurant managers. Additionally, the author also uses own observations and personal experience and knowledge to collect primary data. For secondary data, the author obtained from trustworthy sources such as scientific books, reports, journal articles, reliable electric sources and knowledge/information from previous lectures.

## 1.6 Thesis Structure

Figure 5 illustrates the thesis structure with each chapter's description in brief.

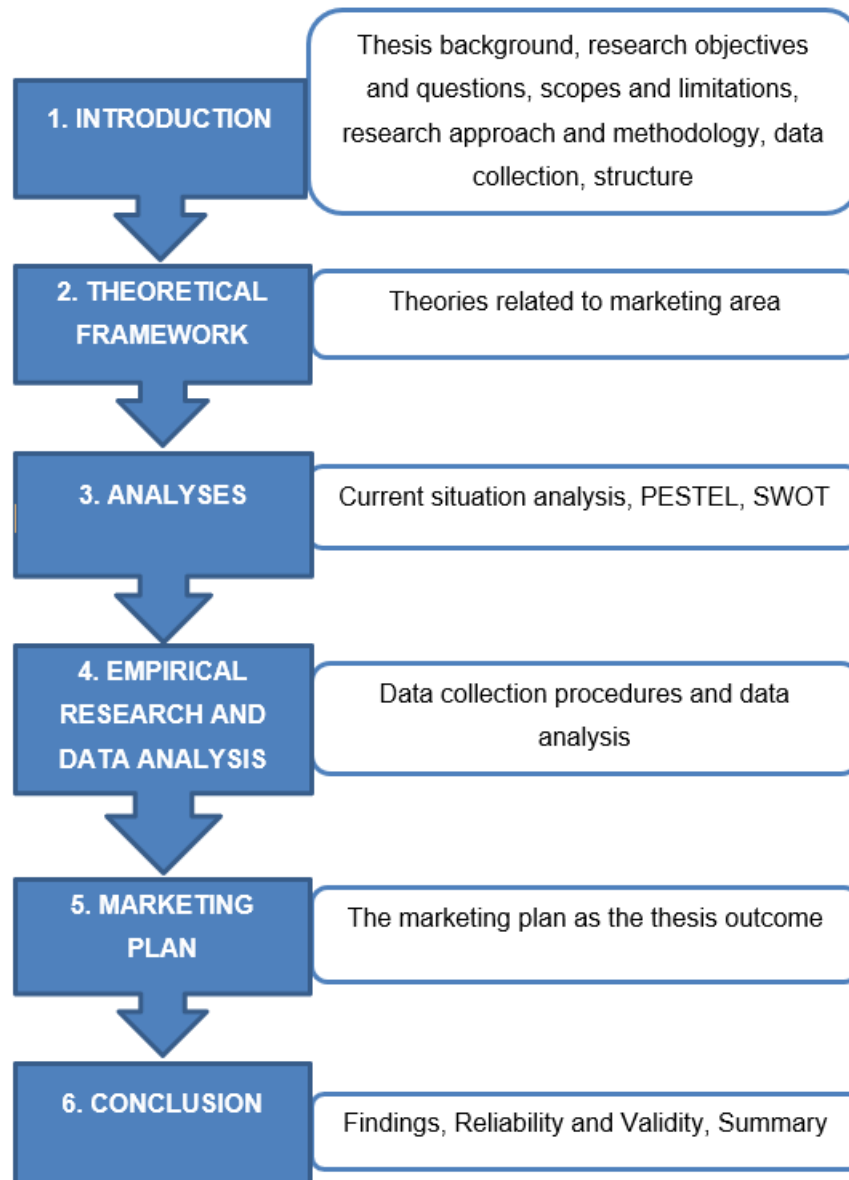


FIGURE 5. Structure of the thesis

The thesis has six chapters, in which:

Chapter 1 is the introduction chapter. It introduces the thesis background, the research objectives and main question followed by sub-questions. The scopes and limitations are also determined. Then the research approach, research methodology and ways of collecting data are presented.

Chapter 2 is the theoretical framework chapter. It contains all the theories that are related to marketing area. These include marketing definitions, marketing concepts and theories of hospitality marketing, products and services, marketing mix, consumer-driven marketing strategy, branding, and marketing plan.

Chapter 3 is the analyses chapter. It presents specific analyses from real current situations of each category, which involves company, customer, competitor, SWOT and PESTEL.

Chapter 4 is the empirical research and data analysis chapter. It includes the procedures of empirical data collection and analysis.

Chapter 5 is the marketing plan chapter. It contains the actual marketing plan that will be implemented for the start-up business as the outcome of this thesis.

Chapter 6 is the concluding chapter. It shows findings for the thesis questions, the reliability and validity of this thesis as well as the summary of the thesis.



## 2 THEORETICAL FRAMEWORK

This chapter presents all the theories and concepts related to marketing that will be used as the foundation to create a desired marketing plan as the outcome. The chapter starts by defining what is marketing, then followed by the main marketing theories and concepts which are described specifically. After that, the marketing plan theory is presented at the end of this chapter.

### 2.1 Marketing Definitions

*“Marketing is managing profitable customer relationships”* (Kotler et al. 2016, 9). This simple definition means that marketing is building and maintaining a relationship with customers and creating profits for the organisation. It is a business philosophy that prioritizes customer, meaning that the centre of the business’s decision-making process is satisfying customer’s needs and wants. This core business purpose should have involvements of all the people within the organisation. (Bowie & Buttle 2011, 4). Kotler et al. (2016) state that the two core goals of marketing are to attract new customer with the promise of delivering superior value and to retain current customers by delivering satisfaction. And, these two goals always go together.

Chartered Institute of Marketing (2007) defines in detail that: *“Marketing is the strategic business function that creates value by stimulating facilitating and fulfilling customer demand. It does this by building brands, nurturing innovation, developing relationships, creating good customer service and communication benefits. With a customer-centric view, marketing brings a positive return on investment, satisfies shareholders and stakeholders from business and the community, and contributes to positive behavioural change and a sustainable business future”*. (Bowie & Buttle 2011, 6.) Or in other words, by doing marketing efficiently, organisations process number of business strategic activities to create value to its customers which will benefit financially, satisfy everybody in the company and positively affect

to the change of behaviour and future business sustainability. To put it simply, “marketing is a management process that focuses on planning for the future success of the organisation” (Bowie & Buttle 2011, 8).

Different companies use different methods to explore their customers’ demands. They then develop appropriate marketing strategies to generate profits through advertising and selling activities. However, advertising and selling are not all about marketing. Therefore, selling and advertising are only parts of marketing and the marketing mix concept – the combination of four marketing tools that work together to meet customer needs and establish customer relationships. (Kotler et al. 2016, 10.)

## 2.2 Marketing Concepts and Theories

The following paragraphs show the main theories and concepts of marketing which will be applied to generate a marketing plan. There are seven categories that will be discussed including Hospitality Marketing, Marketing Mix, Consumer Behaviour, Segmentation, Targeting and Positioning, Branding, Product and Services, and Pricing Strategy.

### 2.2.1 Hospitality Marketing

Marketing in hospitality is more than just satisfying customers. The degree of rivalry in hospitality is high since restaurants and hotels now are trying to deliver not only good but best services to customers. Therefore, in order to survive in the competitive environment, hospitality businesses should engage in the concept of delivering memorable experiences to amaze customers and create positive word of mouth. It is the key for businesses to be recommended and build repeatable visiting from customers. (Pine & Gilmore 1999, as cited in Bowie & Buttle 2011, 6.)

Bowie & Buttle (2011, 6) indicate that achieving the goal of delivering memorable experiences in hospitality services does not only involve marketing planning, but it is also the involvement of company culture and

native responses of employees toward customer requirements. However, it is not a must for businesses to compete on this basis. There are four levels of delivering values to customers which are: basic, expected, desirable and memorable (Bowie & Buttle 2011, 6, as cited in Albrecht 1992). Figure 6 below demonstrates this concept.

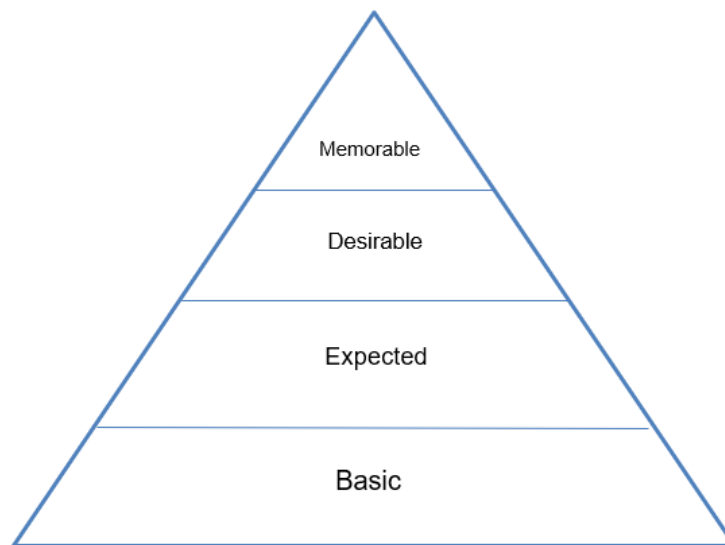


FIGURE 6. The hierarchy of customer value (Albrecht 1992, as cited in Bowie & Buttle 2011, 6)

**Basic level:** A company provides essential core products or services. Delivering a basic level of value to customers does not make hospitality firms competitive and thus it might affect negatively to the goal of generating repeat and recommended business as a result. (Bowie & Buttle 2011, 6.) For example, properly cooked food and hygiene dining room are the basics that customers need when eating at a restaurant. If the food is still raw or the place is dirty, probably customers will leave because it does not meet their basic needs.

**Expected level:** A company provides products or services that customers expect and assume as it is normal to receive. Delivering an expected level of attributes only makes the hospitality firm meet the average standard and

it does not make the firm any better than its competitors. Therefore, customers might have no reason to recommend the firm because the satisfaction level is merely moderate. (Bowie & Buttle 2011, 6 – 7.) For example, when coming to a fast food restaurant, the customer might expect to be able to pay with credit card or get the food quickly or the availability of basic condiments like ketchup or salt and pepper.

**Desirable level:** A company provides products or services that are more than what customers expect in general. Delivering a desirable level of attributes makes firms more competitive than most of their competitors. (Bowie & Buttle 2011, 7.) For example, when visiting a fast food restaurant, customers receive not only quick but friendly services or delicious food.

**Memorable level:** A company provides products or services that are exceptional or excellent in quality. Delivering memorable level attributes can help firms to outstand its competitors with a substantial competitive advantage. (Bowie & Buttle 2011, 7). For example, a fast-food restaurant provides friend table services with beautiful food presentation.

### 2.2.2 Products and Services

The product is anything that can be made with the purpose of getting attention, acquisition, use or consumption to satisfy a want or need of a market. Services are an intangible product offered to a market for sales that include activities, benefits or satisfaction and do not result in the ownership of anything (Kotlet et al. 2016, 251.)

#### **Level of product and services**

There are three levels of product and services in which more customer value is added at each level. Figure 7 illustrates these three levels



FIGURE 7. Three levels of product (Kotler et al. 2016, 256)

The core product is the first level product that addresses the question “What is the buyer really buying?”. It provides consumers with the core benefits or services that they are seeking. Actual product is the second level product which is developed or added more benefits and services on top of the core product such as features, quality, brand name and packaging. Augmented product is the third level product building around the core and actual benefit that offers more customer services and benefits than the actual product level.

### **The product lifecycle**

A product’s lifespan can be one or several years after launching depending on its type, market structure and numerous other factors. Most products have common stages of the product life cycle (PLC) which consists of five stages.

**Stage 1:** Product development – new product idea is invested and developed. No sales are involved at this stage yet.

**Stage 2:** Introduction – the product is newly introduced in the market. A period of slow sales is expected and there are normally no profits due to heavy investments in introduction and marketing.

**Stage 3:** Growth – the market starts accepting the product rapidly. A period of increasing profits occurs at this stage.

**Stage 4:** Maturity – in this stage, the sales growth speed slows down and profits decrease.

**Stage 5:** Decline – the product sales plunge and profits drop in this last stage. (Kotler et al. 2016, 259.)

However, the five stages of the product lifecycle do not apply to all products. Some products might die quickly after launching, but some others might stay decades at the maturity stage.

### **The service-profit chain**

Employees are the company's internal customers. If they receive benefits and support from the company, it will result in the company external customer satisfaction and therefore profits will follow. Because, the company's employees, especially frontline service employees, they interact with customers to create the service. Thus, the quality of the interaction heavily depends on the skills of the employees and the systems backing them. (Kotler et al. 2016, 266.) These elements interact with each other to generate a link called the service-profit chain. There are five links in this service-profit chain which are illustrated in Figure 8 below.



FIGURE 8. The service-profit chain. Modified from Kotler et al. (2016, 266)

**Internal service quality:** good employee selection and training, quality work environment and strong support for the frontline employees will create satisfied and productive service employees.

**Satisfied and productive service employees:** the employees who are satisfied, happy, loyal and hard-working will create greater service value.

**Greater service value:** more effective and efficient customer value and quality service are delivered, it will result in satisfied and loyal customers.

**Satisfied and loyal customers:** the customers who are satisfied will stay loyal and recommend the company to other customers which will create healthy service profits and growth.

**Healthy service profits and growth:** excellent service firm performance is the result. (Kotler et al. 2016, 266.)

### 2.2.3 Marketing Mix

The marketing mix is a set of controllable and tactical marketing tools which are used by firms and are blended to generate the desired response in the target market. The four common groups of variables in marketing mix are the four Ps: price, place, product and promotion. (Kotler et al. 2016, 58). These elements influence each other and are important to create a successful business plan for a company if handled correctly (The Economic Times 2018). Figure 9 below presents the content of the marketing mix concept.



FIGURE 9. The four Ps of the marketing mix (Kotler et al. 2016, 59)



**Product:** The item being sold by the firm. Unless a minimum level of performance is delivered by these products, other elements of the marketing mix won't work, even if they are performing their best. (The Economic Times 2018.)

**Price:** The value is set for a product. There is a number of factors influencing the price of a product including production costs, segment targeted, the affordable level of the market, supply-demand and a group of other direct and indirect factors. (The Economic Times 2018.)

**Place:** The activities performed by a company to make the product available to the target market (Kotler et al. 2016, 58). The aim of good distribution or place strategy of every industry is to attract consumer come to buy the product easily. Thus, a right location plays a critical role and retailers are willing to pay a premium price for it. "Location, location, location" is the mantra for every successful business. (The Economic Times 2018.)

**Promotion:** The activities to persuade consumers to buy a product by communicating its merits. These activities include advertising, personal selling, sales promotion and public relations. (Kotler et al. 2016, 58-59). Other activities can also be word of mouth, press reports, incentives, commissions, awards to the trade, consumer schemes, direct marketing, contests and prizes (The Economic Times 2018).

From another perspective, the four Ps sometimes are modified and added another four to four Ps to expand its scope. These added four Ps refer to people, process, physical evidence and productivity and quality. (Holloway 2004, 52-53.)

**People:** refers to both customer and employee of the company.

**Process:** refers to the interaction between customer and the company representative.

**Physical evidence:** refers to all experience of the customer including sights, sounds, smells, touch and taste.

**Productivity and quality:** refers to a process aiming to meet the needs, wants and expectations of the customer. (Holloway 2004, 52-53.)

#### 2.2.4 Consumer-driven Marketing Strategy

In order to satisfy customers, their needs and wants must be understood in the first place. Obviously, companies cannot satisfy all customers in the market, because there are many different kinds of needs and wants from different kind of customers. As a result, some segments are served better than the others. Hence, dividing the market into segments and choosing the best ones to serve are must-do-tasks. Then, companies design profitable strategies for these selected segments. This process includes market segmentation, market targeting, market differentiation and positioning. (Kotler et al. 2016, 58-59.)

#### **Market Segmentation**

Market segmentation is the process of dividing a market into different groups of buyers depending on their needs, characteristics or behaviours and possible requirements of separate products or marketing programmes. When consumers are grouped in a market segment, they will respond in a quite same way to a set of marketing activities. A must for marketers is to determine which segments offer the best opportunities.

The factors that can be applied to group consumers are geographic, demographic, psychographic and behavioural factors. (Kotler et al. 2016, 56-57.) Companies can either consider all or several segments and apply suitable marketing strategies with the consumers' areas of interests. By doing this, it makes marketing more personalised for individuals and groups of people which is better than aiming at a larger general consumer. (Kotler, Keller, Brady, Goodman & Hansen 2012, 236.)

**Geographic segmentation:** groups people into countries, regions, municipalities, cities and neighbourhoods (Kotler et al. 2012, 236).

**Demographic segmentation:** groups people by age, gender, income, occupation, education, family, religion, race, nationality and social-class (Kotler et al. 2012, 238).

**Psychographic segmentation:** groups people by their psychological profiles which base on personality, values and lifestyle choices. The profiles can be different for the people in the same geographic and demographic segments. (Kotler et al. 2012, 247.)

**Behavioural segmentation:** groups people by attitude, knowledge, usage or response to a product. Occasion, benefits, user, loyalty and usage status are the lower segments of this segmentation and can also be used to group people. The occasion is when buyers purchase a product and benefit is what benefits buyers in a product. On the other hand, segments can also be ex-users, potential users, first-time users, loyal customers, heavy or light users. (Kotler & Armstrong 2008, 220-221.)

### **Market Targeting**

After defining market segments, marketers need to evaluate the attractiveness of each segment and choose one or more segments to serve. It is recommended that a firm chooses segments that it can deliver the greatest value to customer and do it sustainably and profitably. (Kotler et al. 2016, 57). Target marketing is to concentrate the marketing efforts on one or few key segments consisting people whose needs and demands are closest to the offered product or service. The benefit of market targeting is that it makes the process of pricing, promoting and distributing products or services easier and more cost-effective by focusing marketing efforts on particular consumer groups. (Ward 2017.)

If there are limited resources, a firm should only focus on one or a few segments. Commonly, companies enter the market serving only one segment. The more segments can be selected if the previous one was successful. However, an analysis should be carried out regarding the decision of expanding the segments and in which markets. (Kotler et al. 2016, 57.)

## **Market Differentiation and Positioning**

The next step after deciding which segments to enter is to decide how the market offering is going to be differentiated for each selected segment and what the desired positions the company wants in those segments.

Differentiation is indeed to create excellent customer value by differentiating the market offering. Positioning is a process of occupying a 'clear, distinctive and desirable place' to compete with other products in the target consumers' minds. If a product is perceived the same as others, there is no motivation for consumers to buy it, except when it has a lower price. (Kotler et al. 2016, 57-58.)

The fact is that there are not many differences between many products from the view of the customer, only a strong position might make them stand out from the crowd. The company can either lower the price than its competitors or offer additional benefits to higher the price to give greater value to customers. If the products' prices are lower than the competitors and with an appropriate offer, many people will favour it. (Kotler et al. 2016, 58.)

### **2.2.5 Branding**

Bowie and Buttle (2011) state that the brand is the most explicit demonstration of the segmentation, targeting and positioning strategy. It distinguishes the offering of a company from its competing ones immediately. Because it is identifiable for consumers of what the company or product stands for. (Bowie & Buttle 2011, 127.)

"Brands represent consumers' perceptions and feelings about a product and its performance – everything that the product or service means to consumers" (Kotler et al. 2016, 226). Generally, branding has a strong relation to big companies. However, branding also benefits small

businesses. Branding is what a company uses to differentiate itself or its products from the competitors' and to form brand equity which is known as the effect of the brand name and image on the consumer. The effect can either be negative or positive. A company can create positive brand equity, it can create a positive feeling about the company or the product and build a bond between the customers and the brand. Branding is the foundation of loyalty and good word-of-mouth advertisement. (Kotler et al 2012, 264-265.) High brand equity is a valuable asset to a brand (Kotler et al. 2016, 231).

There are four dimensions to measure brand equity including differentiation, relevance, knowledge and esteem places. Differentiation, as mentioned earlier, is delivering superior customer value by differentiating market offering. It refers to the factors that differentiate the brand with its competitors. Relevance means the satisfaction of consumer when a product or service meets their needs. Knowledge is the consumers' awareness about the brand and how well they know it. Esteem places are the respect or value of the consumers for the brand. (Kotler & Armstrong 2008, 206.)

Brands are not as simple as just names and symbols. They play a key role in the relationships between the company and the consumers (Kotler et al. 2016, 226). However, name, logo, slogans and other visible factors are first things that create a brand. The brand elements should be short, appealing and memorable as they are the factors that help a consumer identify the brand. The six characteristics of brand elements that companies should keep in mind when choosing brand elements are memorable, meaningful, likeable, transferable, adaptable and protectable.

**Memorable:** means it is easy to remember and recognise

**Meaningful:** means it fits with the product or the company

**Likeable:** refers to the aesthetic gratification and the contemporary trends of the brand element

**Transferable:** refers to the usability of different products or transferability in multicultural environments or other target groups

**Adaptable:** means that the ability to update or adapt to the trends and changes

**Protectable:** refers to the brand being trademarked. (Kotler & Keller 2012, 272.)

Developing a positive brand image in consumers' mind takes a very long time (Bowie & Buttle 2011, 133). Therefore, the brand must be carefully built and managed by the company. However, it is not only because of the time issue, it is also because the benefits of a strong brand to a company are enormous. It gives the company higher profitability, higher attractiveness to different stakeholders and greater freedom in strategies and destiny. (Kotler et al. 2016, 244).

### 2.3 Marketing Plan

A marketing plan is a process that is structured to determine how to provide value to customers, the organisation in question, and also the key stakeholders. It is a summary document presenting what the marketer has learned about the marketplace during a certain time, through marketing what will be and how it will be accomplished. In order to conduct a marketing plan, there are three stages that the marketer needs to do: one, researching and analysing the current situation, markets and customers included; two, developing and documenting the marketing's objectives, strategies and programs; three, implementing, evaluating, and controlling the marketing activities in order to achieve the objectives that have been set in the earlier stage. (Wood 2014, 4.)

A marketing plan is necessary for every single company including start-ups, multinational corporations, and various foundations, to help it stay on the track leading to its goals. In general, a marketing plan is created for a length of one full year, but the marketing planning process starts months

before since it requires a proper research and analysis. The length and format of a marketing plan differ from company to company, depending on its exact contents. (Wood 2014, 6-8.)

There are eight sections suggested to be included in a marketing plan which is illustrated in Figure 10.

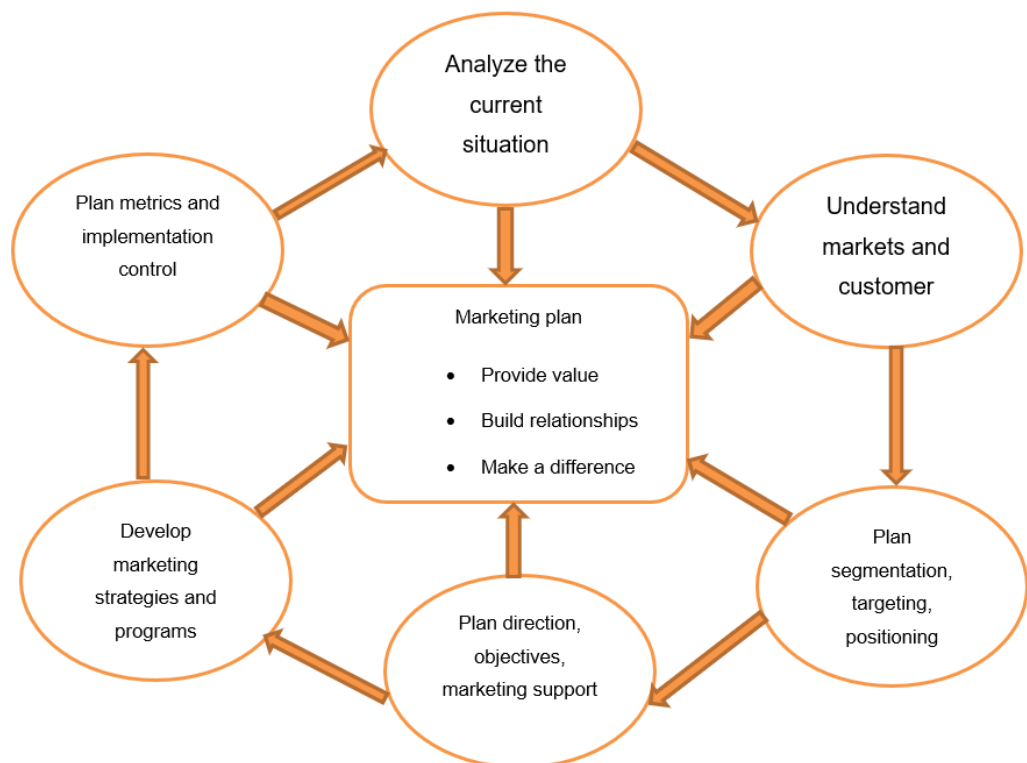


FIGURE 10. Marketing plan (Wood 2004, 28)

**Executive summary:** This part shows an overview of the plan's highlights and objectives and should be written last.

**Current marketing situation:** This part is the analyses of the changes and trends in the environment that can affect the organisation, including also the effects on the marketing and the stakeholders of the company.

These analyses cover the internal and external situation, competitive situation, market situation and the SWOT analysis.

**Target market, customer analysis, positioning:** This part presents descriptive information about the target market, customer segmentation and positioning decisions of the company in the market. An overview of customer's needs, wants, attitudes, loyalty, behaviours and purchasing patterns also are described.

**Objectives and issues:** Objectives or the desired results of the company are listed along with issues it might face.

**Marketing strategy:** A general strategy of how to achieve the objectives is explained.

**Marketing programs:** An action plan supporting the marketing strategy is presented.

**Financial and operational plans:** This part shows the plans of finance and operation of the company.

**Metrics and implementation control:** This part describes the plan of how the marketing plan will be carried out, evaluated and measured for performance. (Wood 2014, 5.)



### 3 ANALYSES

#### 3.1 Situation Analysis

Situation analysis of this marketing plan adopts a part of the template of the same title section from the marketing plan outline of the website QuickMBA (2018). It focuses on analysing the company, the company's customers, and the competitors.

##### 3.1.1 Company

The desired outcome of the company analysis is to get an overview of the company. It consists of six parts which are goals, focus, culture, strengths, weaknesses and market share of the company (QuickMBA 2018).

In company analysis, an in-depth evaluation and understanding of a company's past operation and future outlooks are undertaken (Khan 2017). However, since the case company of this marketing plan is a start-up business that has not been established in the market yet, there will not be any past performance or any information relating to the past analysed. Thus, only the current situation and the future aspects will be discussed.

##### 3.1.2 Customers

The customer analysis consists of five parts which are number, type, value drivers, decision process and concentration of customer base for particular products (QuickMBA 2018). This is an essential part of the marketing plan which will help the company to understand more aspects of its current and potential customers.

A customer analysis helps the business to determine its target customer group, identify their needs and wants, as well as indicates how to satisfy their needs. On the other hand, customer analysis helps the company answer the questions why people buy and don't buy a product. Moreover,

it assists in developing targeted marketing plans and identifying the products that meet the needs of the target audience. (ACSBDC 2018.)

### 3.1.3 Competitors

The competitor analysis consists of four parts which are market position, strengths, weaknesses and market shares (QuickMBA 2018). This part of the marketing plan will help marketers to gain a comprehension of its competitors within the market.

Competitor analysis is another important section of the marketing plan which evaluates the company's competitors. By evaluating, the company can develop products or services which distinguish them from their competitors' one. (Entrepreneur 2018.)

## 3.2 PESTEL Analysis

PESTEL or as known as PEST or PESTLE stands for Political, Economic, Social, Technological, Environmental and Legal which are the external factors that affect the company. PESTEL can be considered as opportunities and threats in SWOT analysis. In this thesis, the PESTEL analysis regards the business environment in Finland only.

PESTEL is a marketing concept which is used as a tool to analyse the surrounding environment of a company. It gives a bird's eye view which allows the company to see the environment it is operating in from different angles to check and keep track of while anticipating an idea or plan. (PESTLE Analysis 2018.) Figure 11 illustrates these external factors.

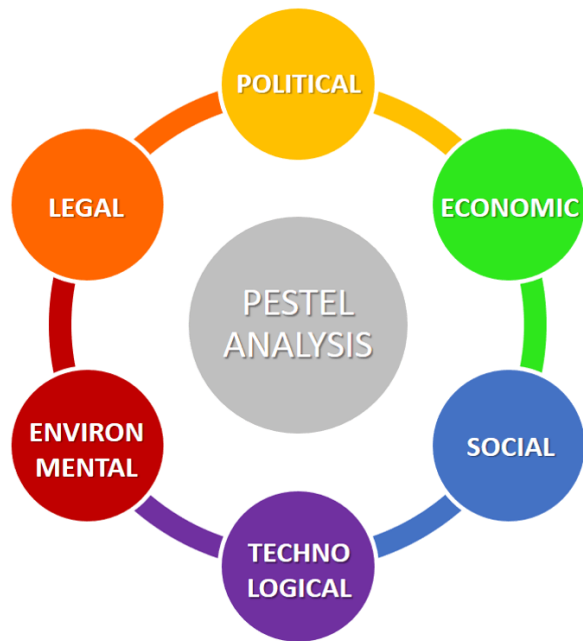


FIGURE 11. PESTEL Analysis (B2U 2016)

**Political factors:** These are factors that influence the business by the government. It presents how and to what extent the government intervenes in the economy. For example, government policy, political stability, labour law, tax policy, environmental law, etc. (Professional Academy 2018.)

**Economical factors:** Economic factors impact significantly on how a company does business and how much profits they can generate. The factors can be inflation, economic growth, interest rates, etc. Economic factors can be divided into macro-economical and micro-economical factors. Macro-economical factors refer to the management of demand in the given economy. Micro-economical factors refer to the way how people spend their money and these factors have a vital impact on business-to-customer organisations particularly. (Professional Academy 2018.)

**Social factors:** These factors deal with the shared belief and attitudes of people within a certain society. They include population growth, age distribution, health consciousness and so on. These factors impact directly

on the way how marketers will understand their customer and what drives them. (Professional Academy 2018.)

**Technological factors:** The rapid change of the technology affect significantly the way how organisations market their products. The changes that technology has made to marketing and management are new ways of producing goods and services, new ways of distributing goods and services, and new ways of communicating with target markets. (Professional Academy 2018.)

**Environmental factors:** These factors have become important since the last fifteen years. Because the scarcity of raw materials has been increasing recently as well as the rise in carbon footprint, global warming issue and pollution. Nowadays, more and more customers concern about products that are made from ethical or sustainable sources. (Professional Academy 2018.) Thus, it is critical for organisations to do business in an ethical and sustainable way in order to compete in the market.

**Legal factors:** It is important for companies to be aware of what is and what is not legal in order to efficiently operate and avoid troubles due to violating the laws (Professional Academy 2018).

### 3.3 SWOT Analysis

SWOT analysis helps the company examine its internal state of health as well as the external environment surrounding the company. SWOT refers to Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are the internal factors of the company itself. While opportunities and threats are the external factors that influence the company from the external environment. From the other perspective, SWOT analysis can also be classified into positive and negative factors in which strengths and opportunities are positive, while weaknesses and threats are negative and need to be improved. (Blythe 2012, 24-25.)

According to Wood (2014, 31), the four letters in SWOT analysis are explained as the following:

*Strengths* are the internal capacities that allow the company to achieve its goals and objectives.

*Weaknesses* refer to the internal factors that limit the company to achieve its set goals and objectives.

*Opportunities* are the external circumstances that may benefit or allow the company to use as a tool to achieve better performance.

*Threats* refer to the external circumstances that are not under control of the company directly and may have a negative impact on the current or future performance.

SWOT analysis is served as a tool for companies to identify attractive opportunities as well as environmental threats. Strengths and weaknesses also need to be analysed along with the current and future marketing actions in order to determine the best opportunities to pursue. The purpose is to match the strengths of the company and the opportunities it has, while at the same time overcoming weaknesses and diminishing threats. (Kotler, Armstrong, Lloyd & Piercy 2013, 54.)

## 4 EMPIRICAL RESEARCH AND DATA ANALYSIS

This chapter describes how primary data was collected and analysed using appropriate tools. The first sub-chapter presents the procedures to collect data. The second sub-chapter demonstrates an analysis of the collected data.

### 4.1 Data Collection Procedures

In the first chapter, the research methods used in this thesis were mentioned. Both quantitative and qualitative research methods are employed to gather relevant data. Specifically, in this thesis, interviews were conducted as a qualitative research method and a questionnaire was employed as a quantitative research method.

#### 4.1.1 Interviews

There are three basic types of interviews which are unstructured, semi-structured and structured (Saunders et al. 2012, 374).

***Unstructured interviews:*** as the name itself indicates the meaning that there is little to no preparation before conducting interviews, and no intentional concepts or theories are reflected. The common type of questions used in unstructured interviews are open-ended questions. (Gill, Stewart, Treasure & Chadwick 2008.) For example, “What is your suggestion to improve our service?”. Surely, the interviewer requires being totally aware of what he wants to explore. However, the interviewee can talk openly about anything related to the topic and then the following questions from the interviewer will be based on the flow of the conversation. (Burgess 1984.) Unstructured interviews are commonly time-consuming and difficult to control and to engage since there is no arrangement of questions beforehand to lead the conversation. Hence, this type of interview is more suitable to be used when in-depth

understanding is required or the interviewer has almost no knowledge about the topic. (Gill et al. 2008.)

**Semi-structured interviews:** the interviewer prepares a list of interview questions related to the topic to use as a guide. When interviewing, the interviewer can change the order of the questions in the list and/or extra questions may be added depending on the circumstance. Nevertheless, all main questions are answered at the end. (Bryman & Bell 2011, 467.) This type of interview provides interviewees with some ideas to talk about and also allows further information to be discovered or developed, which may not have been acknowledged by the research team (Gill et al. 2008).

**Structured interviews:** a list of predetermined questions are asked to investigate a certain subject area. Similar questions can be given to different interviewees. (Bryman & Bell 2011, 466.) There is little to no change to the questions in the list that are going to be asked. There are also no further questions are asked after to extend the scope of the interview. Therefore, structured interviews are normally quick and easy to control. (Gill et al. 2008.)

In order to identify the needs, wants and demands of the target customer groups, a list of pre-determined questions were prepared by the author. Thus, structured interviews were successfully adopted.

Due to a number of difficulties such as geographical distance, limited social networking and language barrier, the structured interviews were only able to be given to eleven people living in Helsinki. These people were selected randomly on the streets, in fast food restaurants and outside university campuses, based on the author's own prediction of their age and profession. All interviews were face-to-face interviews and were conducted on 1 March 2018. All interviews were recorded fully by phone. The replies from the interviewees are reported in the data analysis part of this thesis.

#### 4.1.2 Questionnaire

A form of a quantitative survey which is questionnaire was adopted in this thesis to use as a tool to analyse the purchasing behaviour of the target groups as well as to collect suggestions from them in order to understand more about their preferences, perceptions and awareness relating to fast food. According to Saunders et al. (2012, 417), it is necessary to develop clear and comprehensive questions to make it easy to understand for respondents. Thus, the survey of this research was created shortly and simply with only relevant questions to minimize discouragement from respondents, and yet it serves the purpose of the study.

The survey consists of 10 questions and was prepared both in Finnish and English to make it easier to understand by anyone who is not efficient in Finnish. The questionnaire was officially launched from 1 to 14 April 2018 on the internet using Facebook as a social media channel to spread out to the target groups. The questionnaire was produced using Webropol. One hundred and ninety-one people visited the survey with 65 people completing the survey.

The reason Facebook was chosen as a tool to spread out the survey because it is the most popular social platform at the moment and it is easy to use. To make sure the survey reaches the right target customer groups, the author posted it to the official page of several Helsinki's fast food restaurants such as Burger King and McDonald's. By doing this, the author can easily target customers of these brands who are also the similar customer groups of the start-up. Groups of people living, studying, working and seeking jobs and houses in Helsinki were also targeted. The questions were prepared based on the marketing mix theory and the research's objectives.

Question 1 and 2: Promotions questions

Question 3 and 4: Motivations of visiting fast food restaurant

Question 5 and 6: Products questions

Question 7: Price question



Question 8: Rating question

Question 9 and 10: Preference and suggestion questions

Each of the questions were created with their own objectives to meet the overall objective of the research. The results of the survey are applied to develop a marketing plan for the start-up business later in Chapter 5. The content of the survey is attached in the appendices at the end of this thesis.

## 4.2 Data Analysis

Since two data collection methods were adopted for this research, data analysis is organised into two different parts, interviews and questionnaire. Data collected from interviews is integrated to demonstrate the perspectives of the interviewees. While data collected from the questionnaire is represented by graphs and tables to show the number of people choosing different answers which then will be generalized to serve the research purpose.

### 4.2.1 Interviews

As mentioned earlier, there were eleven people selected randomly by the authors surrounding sites that the target customer groups are most found. Structured interview questions were asked for the same eleven interviewees.

#### **Price**

Price is one of the key factors when it comes to deciding where to eat. Interviewee 1 (2018) said “I prefer to eat in higher price restaurants with high-quality food. But since I am a student, I choose to eat in fast food restaurants because it is cheap there.” Interviewee 2 and 3 (2018) also have the same answer that their budget is tight since they are still students, so fast food restaurants would be a cheaper option. However,

Interviewee 6 (2018), a hairdresser, is willing to pay a higher price to get good food. Consequently, food quality is crucial, but the price determines customer's buying decision.

### **Product**

Considering food choices, Interviewee 1 (2018) suggested that fast food restaurants should have vegetable options on the menu for vegetarians like her to choose from. With the same thinking, Interviewee 9 (2018), a student from Kotka, recommended that fast food restaurants should have a variety of vegetable options because nowadays there are many vegetarians in Finland. Besides the healthy food choices, a fast food restaurant ought to offer healthy drink choices along with sugary sodas, such as fruit juices (Interviewee 7, 2018). Interviewee 8 (2018) suggested that smoothies should also be on the menu of any fast food restaurant. The speed of service also is one of the factors of fast food restaurant that makes Interviewee 4 (2018), a worker from a construction site nearby, choose to have lunch during his break. From another perspective, Interviewee 11 (2018) thinks that customer service is what makes her choose a restaurant or not.

### **Place**

Besides price and food quality, it is very important for a restaurant to have good service and convenient location (Interviewee 3, 2018). Interviewee 9 (2018) normally chooses fast food restaurants because it is an ideal place to meet and chat with her friends. While both Interviewee 3 and 4 (2018) often visit fast food restaurants near their school. Besides that, the shopping centre is also a great place to locate a fast food restaurant. It is a place that attracts people who do not dine in at fast food restaurants frequently like Interviewee 6 (2018). On the other hand, store decoration is another factor for Interviewee 1 (2018) to consider when choosing a restaurant besides its convenient location. A fast food restaurant should be cosy and gives a warm feeling to customers by setting up soft sofas and lights with the medium in brightness. From another perspective, a

restaurant should be able to give its customers the feeling of relaxing (Interviewee 5, 2018). Additionally, the atmosphere of the restaurant is also one of the determinants that encourages Interviewee 7 (2018) to visit a restaurant. For her, a fast food restaurant should always have contemporary music to stimulate energetic vibes. Regarding restaurant hygiene, no matter how great the price and the food is, if the cleanliness of the place is not efficient, customers will not buy from it (Interviewee 2, 3 & 6, 2018).

### **Promotion**

Social media platforms and official website are the frequency channels that Interviewee 7 (2018) gets updated with all the new products and current promotions from fast food restaurants. Interviewee 1 (2018) also prefers to visit the official page on Facebook of fast food brands to check on their activities. On the other hand, Interviewee 8 (2018) said that phone applications are where she normally finds new information and discounts from fast food restaurants. However, it is not surprising that all the interviewees are interested in discounts in price and are likely to visit the restaurant if they receive the offers.

#### 4.2.2 Questionnaire

##### **Question 1 and 2: Promotions questions**

The first two questions in the questionnaire asked the audience about their preference for restaurant promotions. Knowing what kind of promotions attract the customers the best and how they would like the information to reach them helps the business to design suitable promotions and distribute them according to the audience's preference. The target audience's preference of promotions and offers are presented in Figure 12 below.

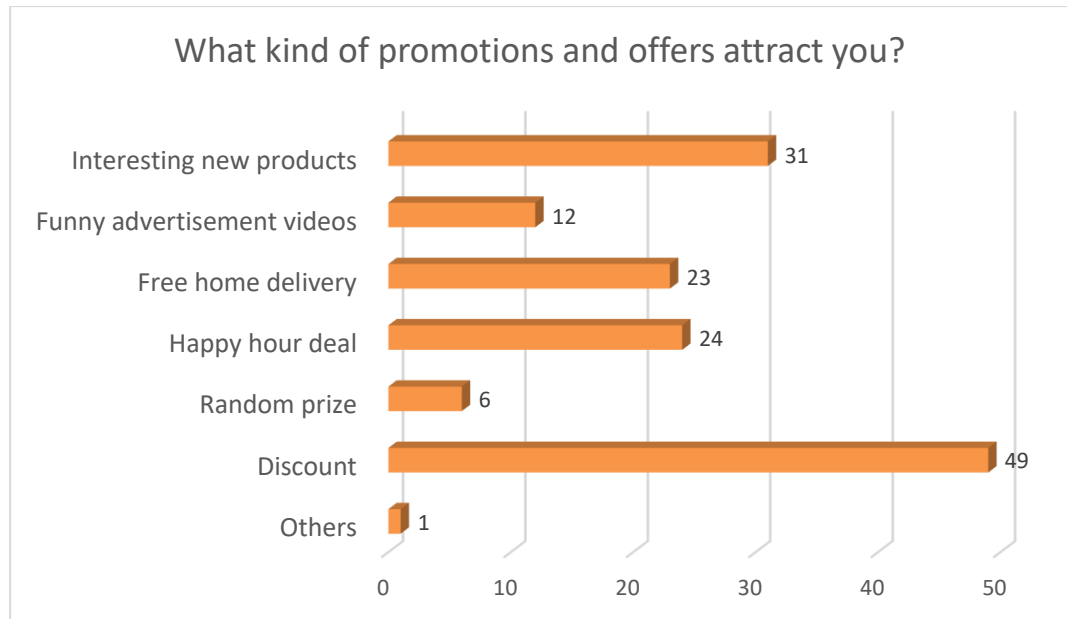


FIGURE 12. Promotion preference (answered by 65 respondents)

It can be seen in Figure 12 that 49 respondents are interested in discount offers from fast food restaurant. 31 people out of the total 65 survey respondents are attracted to restaurant's new products. Free home delivery and happy hour deal are sharing almost the same attraction to the target audience by being chosen by 23 and 24 people respectively. Surprisingly, funny advertisement videos do not earn much interest from the respondents since it is selected by only 12 people. The random prize seems to be the least popular marketing strategy since there are just six people who choose it. Only one person is interested in other kinds of offers.

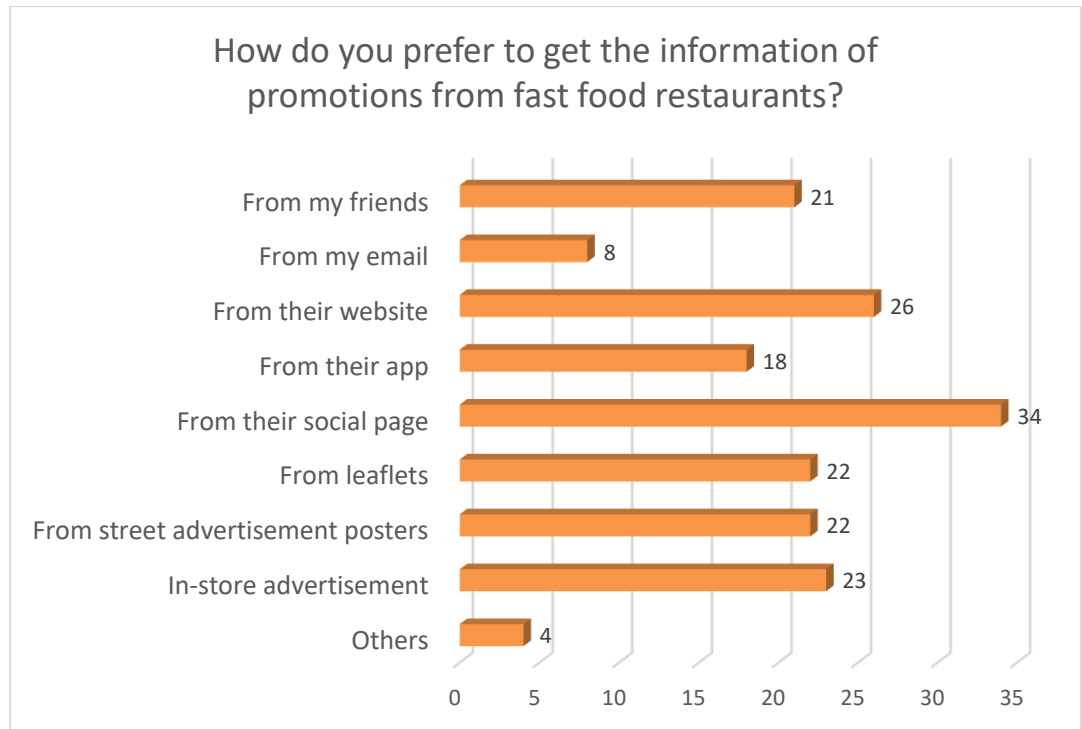
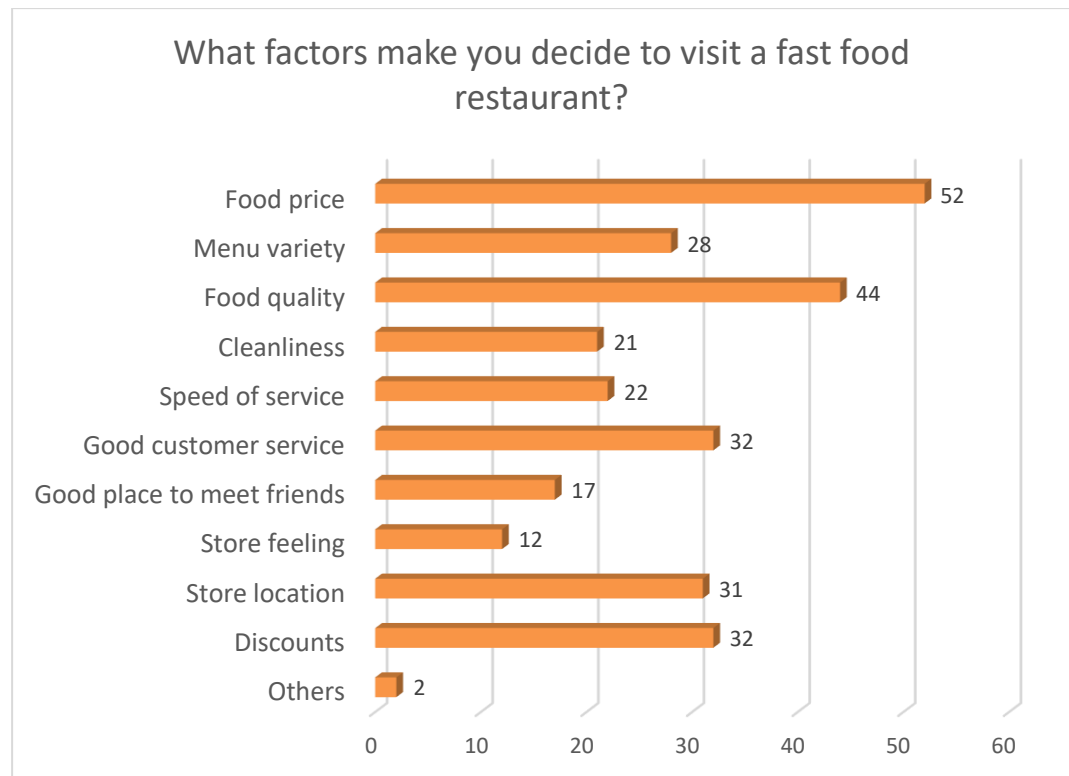


FIGURE 13. Information distribution channel preference. (answered by 64 respondents)

Regarding the information distribution channel in Figure 13, more than half of the survey respondents prefer to follow fast food brands' promotions information on their social pages, which is chosen by 34 people. The second place of distribution channel preference is a website, which is selected by 26 people. The number of respondents choosing an app, word-of-mouth (from their friends), leaflets, street posters and in-store advertisement are approximately equal, from 18 to 23 people. There are eight survey respondents would like to subscribe the information through their emails and there are four people choose different options.

### **Question 3 and 4: Motivations of visiting fast food restaurant**

Question 3 and 4 in the survey ask about what motivates the respondents to eat fast food and what determines their decision when comparing restaurants. The following two figures demonstrate the outcome of these questions.



**FIGURE 14.** Motivations for visiting a fast food restaurant. (answered by 65 respondents)

In Figure 14, it is not surprising that food price is the option being chosen by the most people for the most important factor for visiting a fast food place, 52 out of 65 respondents. Followed by the food quality which is selected by 44 people. Discount offers, which are slightly related to the food price, are the motive factor of 32 respondents. Store location and good customer service are sharing almost the same weight in motivating people to visit the restaurants, being chosen by more than 30 people. Similarly, cleanliness and speed of service are selected by an approximately equal number of audiences, at 21 and 22 respectively. It is interesting that menu variety only motivates 28 people to come visit. The number of respondents chooses the fast food restaurants to be a good place to meet a friend is surprisingly less than 20% of the total survey respondents, which is considered by 17 people. Store feeling is chosen by the least audiences, 12 people. There are only two people having divergent opinions.

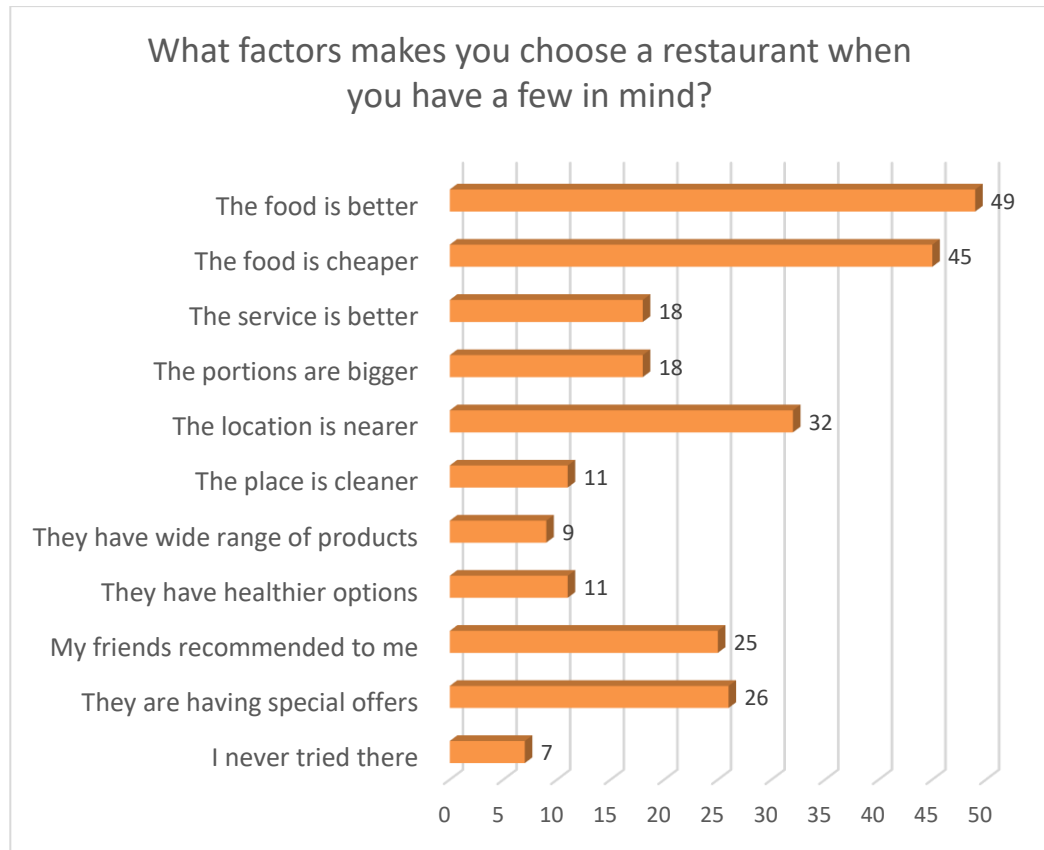


FIGURE 15. Motivative factors comparison. (answered by 65 respondents)

Figure 15 shows the motivative factors which determine the decision of the target audience when it comes to comparing between restaurants. This question is slightly similar to the previous one, however, after knowing what really motivates the audience and in order to win the competitors, the author needs to discover why customers choose this restaurant instead of the others. Undoubtedly, the majority of the survey respondents think that the food price and the food quality are the most important factors when it comes to deciding which restaurant to eat. But in this question, there are slightly more people choosing the quality of food than the price.

Surprisingly, the customer service factor is considered not so important by most of the people, being chosen by just 18 people. Similarly, the portion of the food is considered by the same number of respondents. On the other hand, 25 people think that their friends' recommendation is also one of the significant factors to visit a restaurant. While the special offers factor

weights a bit more, by being ticked by 26 people. The cleanliness and healthy options factors are weighed by 11 respondents indicating that most of the target customers don't think the restaurant hygiene essential and healthy food is somehow not yet a competitive factor that helps a restaurant stand out from its competitors. The number of people who consider a wide range of products a heavy factor is nine people. While there are only seven people willing to try a new restaurant for the first time.

### Question 5 and 6: Products questions

The start-up restaurant will be selling fried chicken as the core product. As a result, the questions asking about the products in the survey are relevant to fried chicken. With the aim to create a healthy menu for the restaurant and the desire to change the mentality of the customer toward fast food, which is considered unhealthy and a cause of obesity, question 5 and 6 ask the audience for their opinions about the importance of product information to them and their preference of healthy options.

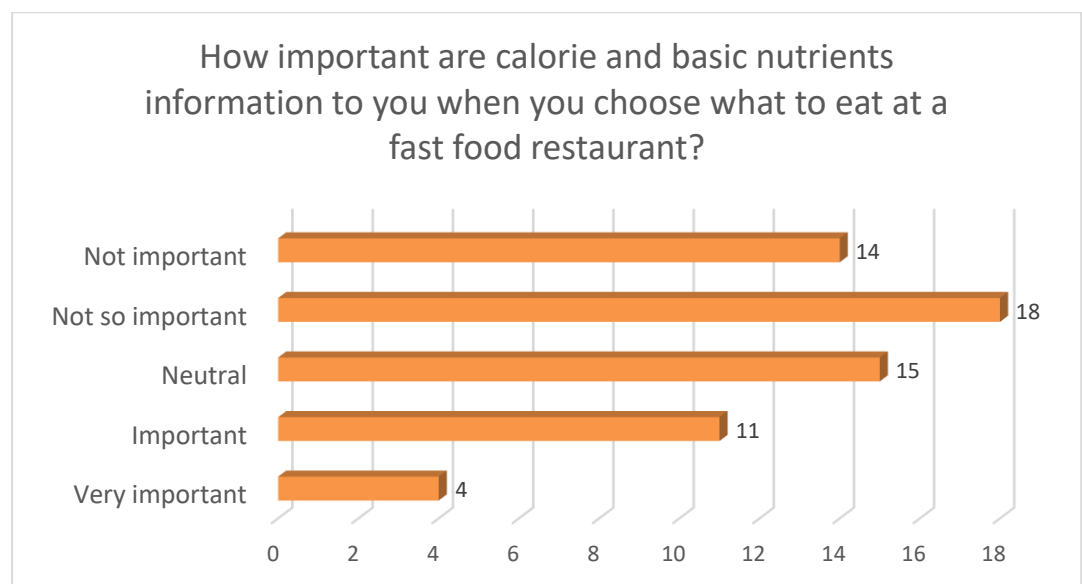


FIGURE 16. Opinions toward product information (answered by 62 respondents)

Regarding the respondents' opinions about product information in Figure 16, the result is not quite clear since there are contrasting views about whether calorie and basic nutrients information are important or not



important. Specifically, there are 14 people thinking that the information is not important, while the other 11 people think that the information is important. Another four people think it is very important for them to know when choosing what to eat at a fast food restaurant. On the other hand, 15 people choose the neutral option which means it is either important and not important to have. Eighteen respondents think that product information is not so important to them. Generally, the majority of respondents incline to the 'not so important' opinion.

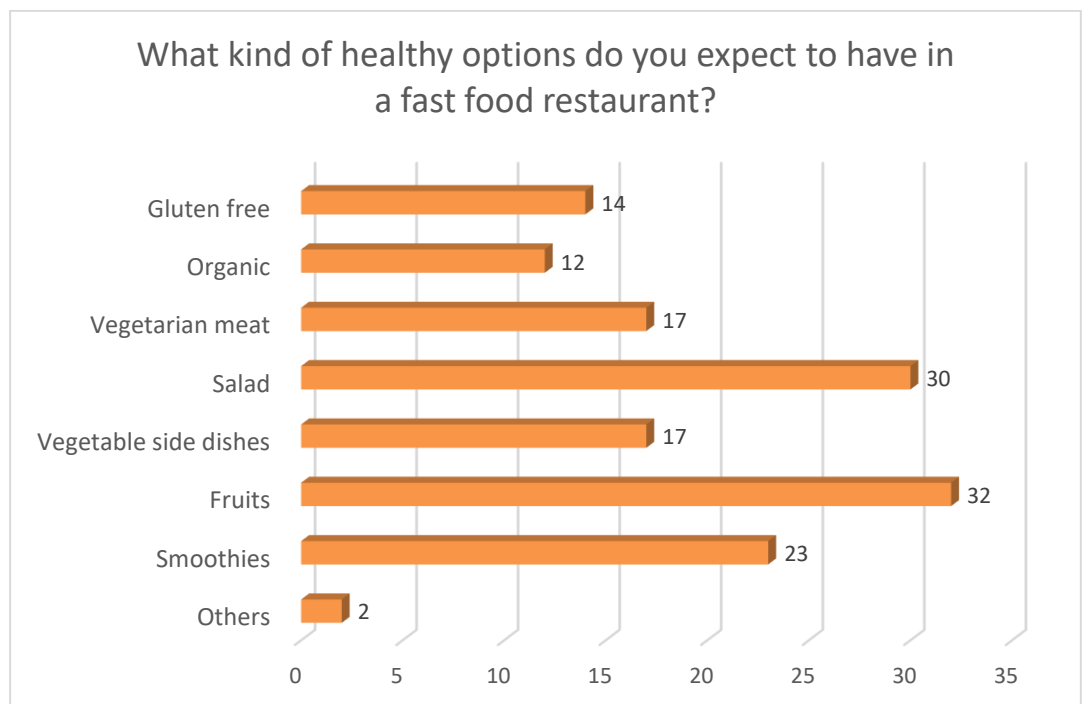


FIGURE 17. Selection of healthy options (answered by 62 respondents)

In question 6, the respondents were asked for their preference for healthy options. As can be seen from the bar graph in Figure 17, nearly half of the survey respondents choose salad and fruits to be the healthy choices that they expect to have in a fast food place, selected by 30 and 32 people respectively. Twenty-three people think that smoothies need to be on the menu, while 17 people choose vegetarian meat and vegetable side dishes. It is interesting that organic food and gluten-free options are not that important to be expected to have in a fast food restaurant as they are just chosen by 12 and 14 people. There are only two respondents prefer to have other kinds of healthy food.

### Question 7: Price question

Question 7 asks about the price range that the respondents are comfortable to spend for a fast food meal. The result is presented in Figure 16 below.

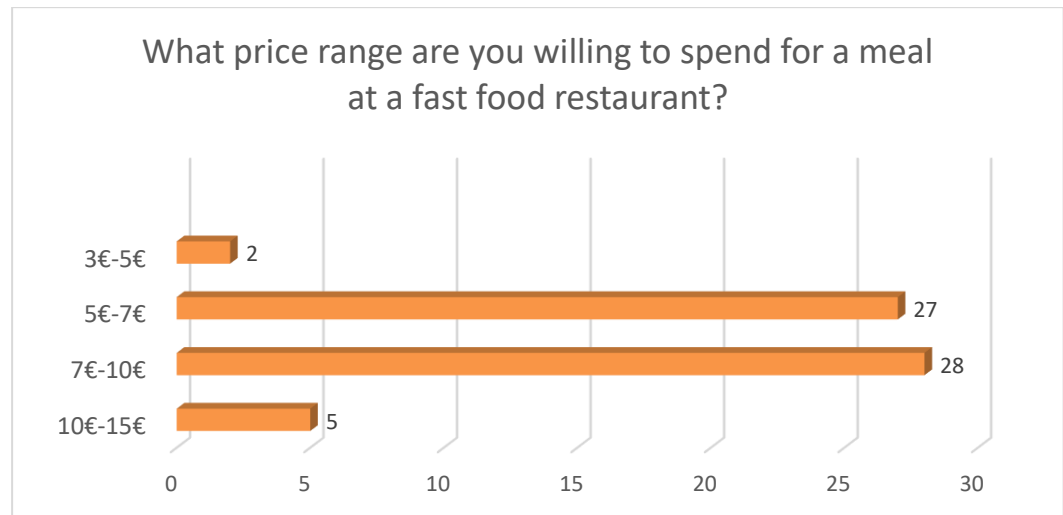


FIGURE 18. Price preference (answered by 64 respondents)

The majority of respondents agree to pay the price range from €5 to €10. In detail, 27 people are willing to spend €5 to €7, while 28 people are a bit more generous, spending €7 to €10 for a meal at a fast food restaurant. There are five respondents thinking that €10 to €15 is a reasonable price range that they are comfortable with. Only two people choose €3 to €5 to be the affordable price range at a fast food place.

### Question 8: Rating question

Question 8 is a question asking the audience about the importance of food quality, healthy choices, customer service, price and convenience. Table 1 below represents the number of people rating from *not important* to *very important* as well as the average point of each category.

TABLE 1. Opinions of product, price and place (answered by 65 respondents)

With Not important = 1, Not so important = 2, Neutral = 3, Important = 4, Very Important = 6

	1	2	3	4	5	Mean	Mode
Food quality	1	0	4	24	36	4.45	5
Healthy options	1	16	17	19	12	3.38	4
Customer service	1	3	14	37	10	3.8	4
Price	1	0	7	26	31	4.32	5
Convenience	1	4	17	30	13	3.77	4

With Mode=5, It is clearly shown that 'food quality' and 'food price' are rated by the respondents to be 'very important'. As a result, it leads to a significantly high point in the Mean value which are 4.45 and 4.32 out of 5. To be more specific, 24 people think that 'food quality' is 'important', while 36 people think it is 'very important'. There are only four people choosing the neutral option which means 'food quality' is either 'important' and 'not important'. One person thinks that it is 'not important' at all. On the other hand, 26 respondents consider 'price' is 'important', while 31 respondents believe that price is 'very important'. Only one person thinks that price is not their concern and seven people have neutral opinions.

With Mode=4, most of the respondents think that 'customer service' is 'important'. Customer service also has the highest Mean value in the remaining three categories which is 3.8 out of 5. While three people

consider that customer service is not necessary, another person thinks that it is not essential at all. There are 14 people having a neutral opinion about the quality of service.

With the same Mode=4 and slightly smaller than the Mean value of 'customer service' which is 3.77 of 5, 'convenience' is also considered 'important' by the respondents. Thirty respondent thinks convenience is an important factor, while 13 other people consider it is very important for them to choose a fast food place to eat. The number of people who are neutral about the convenience factor is 17 people. There are four people who think store location is not so essential, whereas another person believes it is not necessary at all.

The mean value of healthy food is the smallest in the five categories, with 3.38 out of 5. Despite that, with Mode=5, the Mode of 'healthy food' is equal to the other three factors. Healthy food on the menu is still a controversial matter since there is evidence in the result showing contrasting opinions from the respondents. Specifically, 12 respondents think healthy choices are very important for them, while 19 other people also think it is necessary. In contrast, the number of people who disagree with the opinions is 17 people in total including one person who believes healthy food is not important to bring into the restaurant menu. The number of neutral people is 17 people, which is considerably high.

### **Question 9 and 10: Preference and suggestion questions**

The last two questions of the survey asked the respondents individually about their preference for a fast food brand and their suggestion for a fast food restaurant. The purpose of asking the target customers about the brand that they like and the reason for it is to help the author to visualize what the target group wants and why they want it. On the other hand, the purpose of asking a suggestion question is to learn what the target customer really expect from a fast food restaurant. Consequently, after knowing exactly the answer to the *what* and *why* questions, it allows the author to learn and pick the best things from the competitors to apply into

the business operation. Thus, it helps the restaurant to satisfy accurately what the target group really wants.

- Question 9

There are 44 answers in total both in Finnish and English. Some respondents gave more than one answer. As a result, the number of brands listed is more than the number of respondents answering this question.

There are 10 people choosing McDonald's to be the best fast food brand because their customer service is good and fast, as well as they have good menu selection. Some others think McDonald's is cheap, offer a quality meal and more popular than other brands. A respondent also mentions that he likes the American brand because of the automatic ordering machines at the restaurant.

On the other hand, a fast food brand from Finland, Hesburger is listed by nine respondents. The majority of respondents choose Hesburger because it is a Finnish brand. Some of them express that Hesburger is the best hamburger brand in Finland as they always offer top quality food with cheap price. Some of the others think that Hesburger has a good menu and ideal combo-meal options to choose from.

Another burger brand from the United States is also mentioned by 12 respondents, Burger King. The main reason for choosing Burger King as the first choice on their list of fast food preference is that this brand offers fresh and delicious grill-meat patty burgers at low prices. A person indicates that they like the brand because of their generous discounts being given regularly to the customers as well as their offer of unlimited refillable drinks. While another person likes the brand for its alternative menu, but also complaints about the cleanliness as a negative aspect.

A sandwich brand from America, Subway, is also on the list. There are five people choosing this brand to be the best. 4 out of 5 respondents like Subway because they offer healthier food than other fast food brands.

One person indicates that the range of healthy bread options is what keeps he stay loyal to the brand. While another person expresses that he likes the simplicity of the restaurant. The vegan and seafood options of Subway are also praised by a respondent.

A fried chicken brand from America which is not in Finland, Kentucky Fried Chicken (KFC), is also mentioned by nine respondents. They all believe that KFC offers the best fried-chicken menu. One person thinks that KFC has a reasonable price menu and good customer service as well.

Some other brands are also listed by some respondents such as Taco Bell, Chopt, Soi Soi, American Diner, Lotteria, Popeyes, Kotipizza New York Pizza and Fafas. The main reasons that they choose these brands are their healthy options on the menu, fresh food ingredients and menu variety. Furthermore, some of those brands are not yet in Finland, so the respondents like to try as a new experience since the fast food menus in Finland already became too familiar to them.

- Question 10

The total number of respondents for the last question of the survey is 31 people. The respondents give various suggestions and advice from their own point of view. “Be creative with a new product or the restaurant decoration because they affect customers' curiosity and attraction” – a respondent suggests. “Have more vegan alternatives because vegans are becoming more and more common” – another respondent advises. The number of suggestion of creating more vegetarian options is noticeable. A survey respondent has an interesting idea that it will be environmental-friendly if restaurants use sustainable cutlery such as leaf-based plates or eatable cutlery. “I hope fast food restaurants can be more generous with a different kind of sauce” – a respondent expresses. “I think fast food restaurants should focus on the drink menu since hamburgers and fries taste more or less the same as those from other brands” – an advice of a respondent. While another advises that offering special drinks may help a fast food restaurant to stand out. On the other hand, a person suggests

that free delivery service within five kilometres should be offered. While another respondent concerns about the speed of service suggesting that restaurants should have an app to allow customers to order food before even arriving at the place.

## 5 MARKETING PLAN FOR THE RESTAURANT

In this chapter, a marketing plan for the restaurant is developed based on the theories, the knowledge of the author and the data that has been collected and analysed in the previous chapter. The marketing plan applies partly the marketing plan outline taken from QuickMBA (2018) website consisting of four sub-chapters. Executive summary starts the chapter by briefly describes general information about the start-up business. Situation analysis is the second chapter presenting the analyses of the company, the customers, the competitors, macro-environmental PESTEL and SWOT. Followed by the market segmentation which shows the description of each target market segment. Then a marketing strategy is demonstrated based on the marketing mix concept. Lastly, the short and long-term projections chapter describes the effects of the strategy, expected outcomes and required actions to accomplish the objectives of the marketing plan.

### 5.1 Executive Summary

Since the marketing plan is developed for a start-up business in the future, there is no actual present company case with exact information described. Hence, this chapter only presents the business description based on the author's own plan.

Aloha Chicken Land (ACL) is a medium-sized fast food restaurant owned by a foreigner. ACL sells fried chicken and other chicken related products as well as desserts and drinks. There are approximately ten employees in which two employees work full-time from 30 to 40 hours a week and eight employees work part-time from 10 to 30 hours a week. Employees are trained to work only in their designated sections. The owner is the manager and also works in the kitchen of the restaurant. The shifts are scheduled by the manager based on the employees' availability and employment status. ACL is located in Kamppi, Helsinki. The restaurant opens seven days a week. In the weekdays, it opens from 10 a.m to 23



p.m. In the weekends, it opens from 11 a.m to 5 a.m of the next day. In the daytime, the majority of customers of ACL are students and workers from universities and companies nearby. In the night time, customers of ACL are mainly young people going out and nightclubbers from bars in the area. A major challenge facing ACL is how to attract customers to the newly opened restaurant.

The assessment of the situation which consists of the restaurant, the customers and the competitors as well as the internal strengths and weaknesses and the external opportunities and threats are the foundation of this marketing plan. The plan focuses on gaining the restaurant's visibility in the market and building a strong customer base for the business.

## 5.2 Situation Analysis

This chapter contains both internal and external environment analyses that are essential to generate a suitable marketing strategy for the start-up business.

### 5.2.1 Company

#### **Concept**

A restaurant concept is a general theme or idea that defines a restaurant. The concept consists of dining room décor, restaurant name, style of service, style of food and name of the dishes on the menu. (Webstaurant Store 2018a.) Fast food restaurants are also known as quick service restaurants which do not offer table service. They sell pre-made food and customers can choose to dine in at the restaurant or take away the food with them. (Webstaurant Store 2018b.)

After finding a potential niche in the fast food market in Finland combining with personal interest and experience, an idea of opening a fast food restaurant selling fried chicken was generated. The main reason for

choosing the fast food concept instead of the traditional restaurant is due to limited budget and the author's own desire for future expansion of the brand. Because the fast food concept enables restaurant with small area by designing combining furniture for both single and group customers. Thus, it saves more area for the restaurant which leads to reducing expenses of the renting cost, investment cost into the furniture and decoration initially, labour cost in cleaning and electricity cost in the lighting system. On the other hand, the fast food concept allows the restaurant to have more rounds of customer compared to the traditional ones, especially single customers who tend to leave right after finishing eating. When the tables are available, the restaurant can continue to serve the next round of customers. As a result, the less turnaround time between diners, the more revenue the restaurant is going to make.

Fried chicken is the main product on the menu of ACL which come in chunks, battered and deep-fried. The customerS can choose sauce base and spiciness level for their fried chicken as they wish. Other alternative products for fried chicken can be burgers, salads and wraps. There are also side dishes, desserts and beverages to serve along with the main dish as a meal. Table service is not provided. Food will be served at the counter where customers order and pay. A receipt will be given to customers containing a unique number of their order. After placing an order, customers wait on the side to wait for their food. And then the cashier will take orders from the next customers in line. When the order is ready, the order number will be called out and the customer hands the receipt number to collect their food and drinks by the counter. Food is packed or displayed on a tray according to customer's wish to dine in at the establishment or take away. For dining in, customers can choose to seat at any place in the dining area of the restaurant. Straws, serviettes, sauces and other condiments will be placed in a public section where everyone can access to take. In the end, when finishing eating, customers throw the food waste into the trash bin and trays are put on top to be collected by the employees.

## **Goals and objectives**

The start-up business is going to be financed by the author's own personal budget and is planned to be established in the summer of 2021.

Therefore, one of the main goals of the business is efficiency in cash management. By controlling the cash flow, it helps the business to ensure that sufficient levels of capital are available to short-term needs (Bryant 2018). It is vital for restaurants to manage their cash flow, especially newly opened restaurants. If this issue is not taken seriously, it can fail the business quickly. According to a study of Ohio State University, 60% restaurants close or change ownership in the first year and 80% fail within five years of business (Mealey 2016). Any restaurant should secure an adequate amount of cash to cover costs such as procurement, renting, equipment maintenance, bills and payroll. Hence, cash management is the first main goal to ensure the well-being and sustainability of the business.

Since the restaurant is a new business, therefore it takes time to widely recognised by customers within the market. Along with a good selection of location, marketing will be focused to gain awareness of the business among consumers. The goal is to attract more customers to the business and thus, gradually build a strong customer base which leads to increase in market share and profits.

On the other hand, an objective of ACL is simplifying the production system by applying technology and using machinery to do tasks and minimising unnecessary procedures to enhance the productivity which results in cost savings on personnel and profits increasing. The more efficient and productive the system is, the quicker and higher quality the process of producing products and services will be. It leads to more satisfied customers and lower product prices can be offered. This is the reason why many fast food chains have their menu affordable to almost everyone. For example, at the beginning of 2018, McDonald's the United States started launching its '\$1 \$2 \$3 Dollar Menu' which customers can mix and match three price tiers (Lufkin 2018).

## **Focus**

“When you treat customers with care and respect while providing an excellent meal, they will come back to your restaurant again and again” (Restaurant Engine 2018). Understanding that food quality and customer service are the priorities of a successful business, ACL focuses on providing quality meal and delivering memorable customer service. Food quality includes the deliciousness, the ingredients, food hygiene and presentation. In order to deliver excellent customer service, ACL concentrates to train staff to communicate with customers by a right manner, appropriate behaviour and respectful attitude.

By focusing on delivering great food quality and service, it will result in higher customer satisfaction. And highly customer satisfaction leads to an enormous increase in revenue. And revenue is what helps the business achieve its goal in cash flow. According to a study of Havard Business School about Starbucks' customers, the satisfied customer visits 4.3 times per month, spends \$4.06 and is a customer for 4.4 years. It is equal to \$209.50 per year or \$921.78 in 4.4 years. However, another finding from the study states that the highly satisfied customer visits 7.2 times per month, spends \$4.42 and is a customer for 8.3 years. It means that the customer spends \$381.89 per year or \$3,169.67 in 8.3 years. The difference between highly satisfied and satisfied customer is an increase of 82% per year in revenue for the business. (Schier 2018.)

## **Culture**

At ACL, a friendly and fair work environment is provided to every employee. The aim is to create a culture of unions at the workplace, a culture of impartiality, stress-free, gender equality and no homophobia.

A friendly environment is what makes employees feel comfortable and supportive when working together. Everybody respects each other. New members are trained by the team leader and are helped by other co-workers. Each person is responsible for his own section which is organised by the manager on that day. However, whenever someone

faces some difficulty at work, other people will help. On the other hand, a fair environment is where everybody is treated equally regardless of gender, age, skin colour, education background or nationality.

Indeed, employees are internal customers. Only when the internal customers are satisfied, the productivity and efficiency of the work can be delivered. Consequently, it results in satisfaction of the external customers of the business. In order to create the desired culture at work, ACL should consider the following ten attributes:

*The company is viewed positively:* Employees should feel proud of the company for its good reputation in the community.

*Everyone feels valued:* Appreciate employees' work. Listen to their ideas. Notice their presence. Compensate appropriately for their effort they put in the work.

*Legitimate sense of purpose:* Employees will put their best effort into the work when they realise the connection with the company.

*Employees feel like they are part of a team:* Employees should be able to be on a number of different teams within the company.

*Believes in diversity and inclusion:* Employees are free to express their own perspectives and to be themselves without being discriminated because of their races, backgrounds, religions, sexual orientations or generations.

*Referrals come from employees:* If the work environment is good for employees, it is natural for them to share with others and refer their friends or family to work at the restaurant.

*Ability to learn new things and given resources to do so and advance:* Encourage employees to learn new things and move forward with training, development programs and new technology.

*Treats employees fairly:* No bias towards anyone.

*Executives and managers are coaches and mentors:* The manager should interact and coach the employees through their jobs and careers.

*Dedicated to employee health and wellness:* Wellness of employees has a direct impact on their job performance. If physical and mental health is not taken care well, employees cannot focus on work. (Inc. 2017.)

### 5.2.2 Customer

Since being a fast food restaurant selling fried chicken which everyone can eat, ACL has a broad target market. As mentioned earlier in the first chapter of this thesis, the target customers of ACL are from 5 to 65 years old. These can be family with children, students, workers, officers, nightclubbers who enjoy eating fast food.

Finnish consumer behaviour is affected by the three most important factors which are quality, safety and the product origin. Brand is seen as a strong signal of quality. Finns have the tendency to consume national products, especially regarding food. According to a study of K-Group, more and more Finnish consumers invest in food quality. Finns consider products that meet the Conformity with European norms as known as CE marking are quality guaranteed products. In a study report of Ernst&Young, it states that food quality is prioritised by Finnish consumers. And generally, Finns are open to new products and concepts. The mobile commerce is expected to boom in the near future as the internet retailing is growing steadily year by year. (Santander 2018.)

Moreover, Finnish consumers are increasingly interested in the ecological label. As long as the products are high quality and comply with the criteria of environmental protection, Finns are willing to pay a higher price. Additionally, simple packaging and practical simple products also attract Finnish consumers. (Santander 2018.)

According to a survey of Statistics Finland in 2009 – 2010, there are differences among age group regarding where Finns have their meal. The

column chart below presents the different age groups from 10 to above 75 years old and their places of eating.

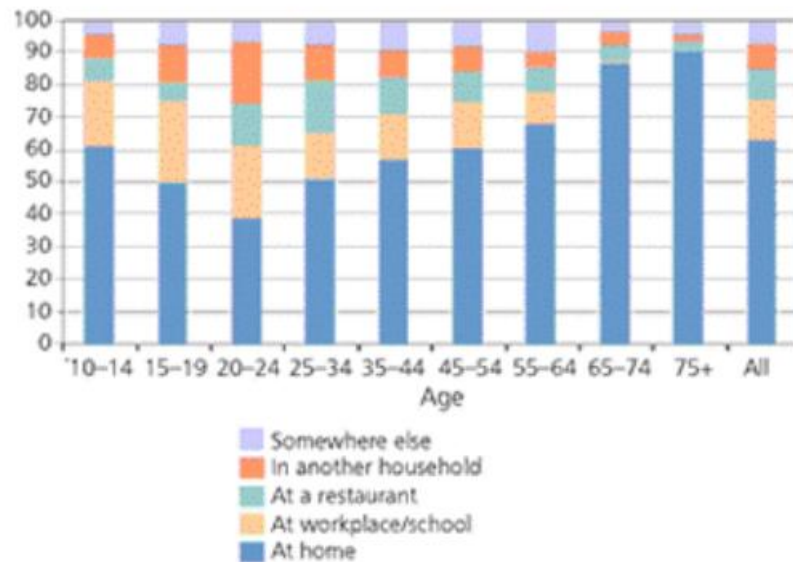


FIGURE 19. Where Finns have their meals by age group in 2009-2010 (Statistics Finland 2013a)

It clearly is seen from the chart that the age group 25-34 years old is the group that choose to eat out at a restaurant more than any other group, at approximately 16% of the total chosen places. The second biggest group that eat at a restaurant is 20-24 years old which accounts for roughly 12% of their eating places. The third age group is 35-44 years old with about 11% of their preferred place to eat. Followed by the age group 45-54, 55-64 and 10-14, 15-19, 65-74, and 75+ with 9%, 7%, 5%, 3%, and 2% respectively. (Statistics Finland 2013a.) To put it simply, the following list demonstrates the age group with the tendency of eating at a restaurant from high to low.

1. 25-34 years old – 16%
2. 20-24 years old – 12%

3. 35-44 years old – 11%
4. 45-54 years old – 9%
5. 55-54 and 10-14 years old – 7%
6. 15-19 years old – 5%
7. 65-74 years old – 3%
8. 75+-year-old – 2%

In the same study of Statistics Finland about occasions for eating out, 40% of all meal taken at restaurants were work-related. In other words, 40% restaurant customers are people who visit in their break at work. Many of them felt eating out is easier than bringing their lunch to work and as at the restaurant, they can enjoy the food of their choice. The key for selecting a restaurant for these people is food quality. However, the location has become another important factor recently. (Statistics Finland 2013b.)

On the other hand, eating out on the weekends have been the result of the changes in eating out in free time. Couples without children and less than 45 eat out most often and more than ever before. The number of couples and a single person aged 45 and over, as well as parents of young children, have been also increasing in recent years. (Statistics Finland 2013b.)

### 5.2.3 Competitor

#### **Southern Fried Chicken (SFC)**

This British fast food chain was founded in 1983 by Arthur Withers. There are more than 700 Southern Fried Chicken restaurants across 70 countries in the world, mainly in Europe. (Alternative Finland 2013.) Currently, it has two outlets in Finland. Both of them are in Helsinki centre (SFC 2018a). SFC does not have any website in Finland, thus the information presented in this paragraph is taken from its official website in



the United Kingdom. Besides fried chicken, SFC serves a number of other chicken dishes such as fillet sandwiches, grill chicken salad, chicken Piri Piri, fillet wraps. It also offers beef and vegetarian burgers.



IMAGE 1. SFC Chicken Bucket meal (SFC 2018b)

Significantly, the main product, SFC chicken buckets come in a choice of 8, 10, 12 and 15-piece buckets served along with fries, coleslaw, baked beans and drink as a meal. (SFC 2018). The current rating on Google of SFC in Finland is 2.9 out of 5 (Google 2018). And the price range of SFC is from €13 to €21 per meal (Yelp 2018).

### **McDonald's**

This famous fast food chain from the United States stepped into the Finnish market in 1984 with its first store opened in Tampere. Until 2013, there were total 88 outlets across the country and the expansion has been going steadily. (Alternative Finland 2013.)

An interesting promotion that McDonald's is running on its official website in Finland to celebrate its 50<sup>th</sup> birthday is the Big Mc Potti. The interface is designed as a slot machine and if players can get three Big Mac burgers

after spinning, they will be rewarded with valuable prizes. (McDonald's 2018a).



IMAGE 2. Big Mac Potti (McDonald's 2018a)

The menu of McDonald's varies from chicken to beef meals as well as salad, breakfast and beverages. It is interesting that McDonald's Finland serves almost all of its burger menu with of gluten-free versions beside the standard ones, which is hardly found somewhere else (McDonald's 2018b).

On the other hand, McDonald's also offers McVegan as a choice for vegetarians. It seems that this US chain understands very well its Finnish customers. Moreover, this fast food brand also puts on the menu a choice called Big Share which comes with six chicken wings, four cheese buttons, six chicken nuggets and two dipping sauces. The price range of McDonald's' meals is from €4.40 to €7.95 (McDonald's 2018b.)

### **Burger King**

Another popular American brand, Burger King (BK), also presents in the Finnish market. Officially stepping in the market in 2013 through a

franchise agreement with Restel group, until now BK has opened 42 restaurants across Finland including four of them are in the centre of Helsinki. The fast-food chain is well known for its flame-grill beef patty burgers and desserts. It also has a list of gluten-free items to choose from. In addition, It offers meal options for children with collectable toys. (Burger King 2018.) Interestingly, the chain has been offered beer as a substitute of soda for whopper meals (Rantanen 2015).



IMAGE 3. Whopper meal with beer at Burger King (Rantanen 2015)

Currently, BK has a promotion to encourage customers to buy more. Specifically, with just 8€, customers can buy two Whopper burgers with portions of fries and drinks. (Burger King 2018.) In summer 2016, in order to boost the brand sales, BK opened to the public a fast food spa within one of its restaurants in Helsinki (Fantozzi 2016).



IMAGE 4. Burger King's sauna (Fantozzi 2016)

The price range of BK's meals is from 4.95€ to 8.90€ (Burger King 2018). BK is rated 3.6 stars out of 5 on its Facebook's official page by 578 customers (Burger King Suomi 2018).

### **Hesburger**

Hesburger or as known as *Hese*, is a famous Finnish-founded fast food chain in 1980 by Hekki Salmela with its headquarter in Turku. There are two hundred sixty-nine Hesburger restaurants in Finland. They have been also internationalised the brand with 37 stores in Russia, two stores in Germany, three stores in Ukraine, 11 stores in Bulgaria and one newly opened store in the Middle East, Iran. (Hesburger 2018a.) The chain established a Hesburger Hotel in Turku with a Hesburger restaurant on the ground floor which is also the hotel reception for guests to check in (Alternative Finland 2013).

Similar to other burger chains, Hesburger focuses to provide consistent product quality with exceptional customer service, clean and cosy restaurant and delightful experience. On the other hand, Hesburger offers a program for frequent customers called *bonusklubi* with three levels of silver, gold and platinum. (Alternative Finland 2013). Moreover, the chain has a mobile app pre-order system which allows customers to find the

nearest stores and order meals through their phone at cheaper prices and collect at the restaurant.

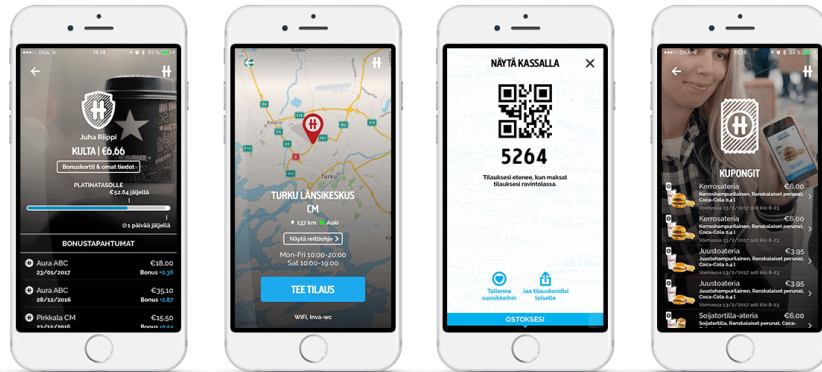


IMAGE 5. Hesburger's pre-order mobile app (Vincit 2018)

The price range of meals at Hesburger is from 4€ to 9.90€ (Hesburger 2018a). And it is currently rated 3.9 stars out of 5 on its official Facebook page (Hesburger 2018b).

There are a number of other different fast food brands in Finland such as Arnolds, Koti Pizza, ScanBurger, Taco Bell, Snacky, Rolls & Rolls Express, etc. Most of these brands have their outlets in Helsinki. In summary, there have been many national and international fast-food chains taking their share in the Finnish market. Although the market is small and seems to be getting saturated as well as the tax rate is considerably high, Finland is still a promising country to do business.

#### 5.2.4 PESTEL Analysis

The following paragraphs describe the external environment of businesses in Finland that ACL should consider when doing its business and implementing its marketing strategies in the future. These external factors

include political, economical, social, technological, environmental and legal factors.

### **Political**

After gaining independence in 1917, Finnish political situation has been stable. According to a report of Transparency International in 2017, Finland was ranked 3<sup>rd</sup> in 175 countries in the world with least corruption index. The average corruption rank of Finland from 1995 to 2017 was 2.39. The highest rank was recorded was 6 in 2009 and the lowest rank was 1 in 2000. (Trading Economics 2018a.)

The new VAT rates which were changed at the beginning of 2013 has a significant influence on businesses in Finland. The standard VAT rate for most goods and services is 24%. Food, restaurant and catering services have a reduced rate of 14%. The buyer of good or services is obligated to pay VAT. The seller adds VAT on top of the price charged for the good or service. The VAT collected must be paid to the Tax Administration. (Vero Skatt 2018.)

Profits earned from activities of a self-employed professional individual, a self-employed business entrepreneur or a general or limited partnership are fully taxable. The taxable income ascribable to the business operation or trade is divided between a capital-income portion and an earned-income portion. In 2018, capital income under €30,000 is taxed at 30% and over €30,000 is taxed at 34%. Earned income is assessed using the progressive scale. (Expat Finland 2018.)

### **Economical**

According to the Index of Economic Freedom (2018), Finland is ranked at 26<sup>th</sup> of the world with the score of 74.1 this year which is just one step behind Germany. Among 44 countries in Europe, Finland is ranked 15<sup>th</sup>. The overall score of the nation is higher than regional and global averages. The following chart presents the GDP of Finland from 2000 to 2017.

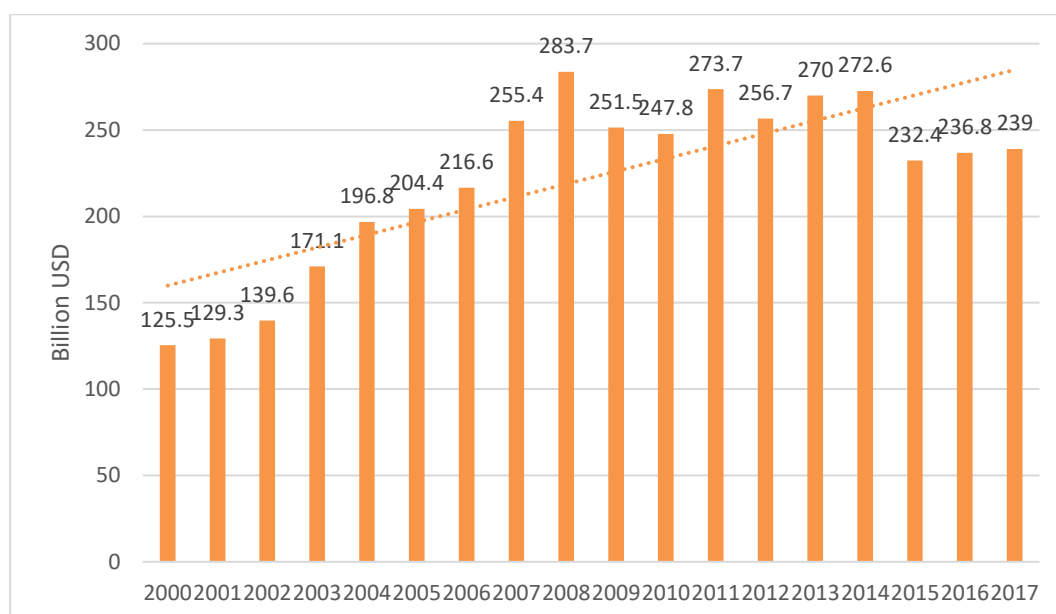


FIGURE 20. Finnish GDP from 2000 to 2017. Modified from World Bank (2018) & Forbes (2018)

It is clearly shown on the chart that the GDP of Finland has almost doubled compared to 2000. Although there are some fluctuations throughout the years, generally the GDP has increased. Interesting that, Finland reached its peak in 2008 with 283.7 billion USD despite the global financial crisis in the same year. In 2017, Finnish GDP is 239 billion USD.

In 2017, the growth rate of GDP is 1.9% and the GDP per capita in Finland is \$43,100. With this income per person, it implies a strong purchasing power among Finnish consumers. On the other hand, Finnish currency is Euro which is quite stable indicating the risk of inflation of the country is not high. The inflation rate of Finland in 2017 is 0.4%. Furthermore, the unemployment rate of this country is noticeably high at 8.8% which means that Finnish citizens are in need of employment opportunities at the moment. In 2018, Finland is ranked 14<sup>th</sup> best countries for business all over the world. (Forbes 2018.)

In the first quarter of 2018, the number of companies in Finland went bankrupted was increased to 733 companies from 526 companies in the last quarter of 2017. From 1986 to 2018, the average bankruptcy in Finland is 840.26 companies with its peak of 2038 companies in the fourth quarter of 1992 and its lowest record of 447 companies in the first quarter of 2017. (Trading Economics 2018b.) Overall, the number of closed down businesses in Finland is significantly high.

At the beginning of 2018, the Government of Finland introduced a new type of residence permit for startups to assist the immigration of entrepreneurs and experts to Finland. The purpose of the new visa type is to promote the growth of national economy and reduce the unemployment rate. (Ministry of the Interior 2018.) It is expected that the new residence permit is positive to create a wave of immigration of entrepreneurs from all over the world to Finland, which means that there is possibly a significant number of restaurants will be opened in the next few years. Another attractive factor is that either local citizens or foreigners are allowed to borrow loans from banks in Finland to do business as long as the business model can prove a potential for growth.

## **Social**

Finnish government provides good social security to entrepreneurs in Finland. Excluding accident insurance, a self-employed person receives pension insurance, unemployment security, occupational healthcare and sickness allowance. With that social security, Finland is really attracting international entrepreneurs coming to do business in the country. (Tuulikki 2007, 140-146.)

Finnish people use their time effectively. They like to plan ahead their timetables and stick to it. In general, a typical working day starts at 8 a.m in the morning and ends at 4 p.m in the afternoon. 11 a.m to 1 p.m is the lunchtime. (Enterprise Agency 2017, 83.) At home, dinner time normally starts at 5 p.m and ends at 6 p.m. Dinners at most restaurants starts from 6 p.m. Before the actual closing time 45 minutes, many restaurants stop



taking orders from their customers. Performances at theatres and concerts often begin at 7 p.m. Therefore, audiences often visit restaurants at around 10 p.m. Unlike the US, tipping after receiving service is not a culture in Finland. An interesting fact is that Finns drink a lot of coffee. "They drink coffee anywhere and everywhere". Meals usually finishes with coffee along with post-dinner drinks or immediately after. (Alho 2010.)

In a report of the United Nation in 2018, Finland is ranked the world's happiest country. Finnish citizens trust the police and the law. Commonly, Finns don't do small talk and they are quite honest. (Obordo, Stevens & Guardian readers 2018). Finland is the country with most independent judicial in the world, the soundest banks, the most trusted police, the second most ethical companies, the second freest elections, the highest level of personal freedom, choice and wellbeing, the third most gender-equal and the fifth lowest income inequality. (Henley 2018.) Undoubtedly, Finland is an ideal country for foreign entrepreneurs to live and work.

### **Technological**

In 2016, internet usage in Finland was 93.7%. There are 90.3% of households having access to the internet. It was estimated that approximately \$5.09 billion was spent online on retail goods by Finns. The factors that motivate Finns to shop online are cheaper prices and a wider range of goods. The Finnish Information Society Code, which has come into force since 1 January 2015, sets regulations on e-privacy, communication networks, data security and consumer protection in order to promote the protection of consumer and security of data, the simplicity of procedures and equality on opportunities for service providers within the market. (International Trade Administration 2017.)

In 2016, almost half of the digital marketing in Finland utilized Facebook and Google. 88% of the population used the internet in 2016 with 56% using social media. Approximately, 89% of the age group 16 – 34 subscribed to social media service. The most social media amongst young Finnish people was WhatsApp. The second popular platform is Youtube.

Followed by Facebook, Instagram, Spotify and Snapchat. (International Trade Administration 2017.)

Wolt and Foodora are the two popular logistics applications that allow customers to order food from restaurants and cafeterias nearby and deliver the food to their door (Tran 2017). Currently, both of these two logistics companies cooperate with a few fast food chains such as Burger King, Pizza Hut, Subway, Picnic (Wolt, Foodora 2018).

### **Environmental**

Due to the small population and large land area, the population density in Finland is low. Finnish people care about environmental protection. Therefore, enterprises which take the environmental matters into account earn respect from the public. Examples of business that is aware of the environmental issues are sorting waste or doing procurement in accordance with the values of the environment. Waste is sorted into different categories such as bio, energy, glass, metal, paper. On the other hand, make purchases of eco-label, Fair Trade or organics products. Green electricity is encouraged to use such as new fridges, freezers or dishwashers. New equipment is more energy efficient than old one. The following figure shows some of the eco-friendly labels that businesses in Finland should familiarise themselves with. (Enterprise Agency 2017, 82.)



IMAGE 6. The Nordic Ecolabel, The European Ecolabel, The Energy Mark, “Reilu kappi” (Fair Trade), “Lomu” (Organic mark), The EU Organic mark, and Demeter. Modified from Enterprise Agency (2017, 82)

### Legal

Food Act (23/2006, 2 §) subjects food premises including restaurants, cafes, kiosks and other types of food facilities. It requires the food premise operator to notice the Environment Center by sending written document four weeks before starting or changing the activities of the business at the latest. Fees are applied for handling the notification, costs of inspections, sampling and tests conducted in accordance with the municipal food control plan. (City of Helsinki 2012.)

Food Act (23/2006, 41 §) requires that risks relating health when handling food must be aware of by the food business operator in order to prepare an in-house control plan to prevent risks. Restaurant managers or people in charge must monitor the implementation of the risk control plans and provide guidance to workers. (City of Helsinki 2012.)

Regarding the rules of advertising in Finland, it is allowed for businesses to advertise in foreign languages such as English. On the other hand, it is stricter to advertise for children under 18 years old. Mild alcohol drinks can only be aired on television and radio after 10 p.m. And in order to protect

young people, outdoor advertisement of mild alcoholic drinks has been prohibited. However, newspapers and internet advertisements are allowed. Furthermore, if the product is not completely free of charge, the word “free” must not be used. Additionally, Regulation on Nutrition and Health Claims Made on Foods (1924/2006), which has come into effect in 2007, pays attention to advertising of nutrition and health claims such as “low fat”, “high in vitamin C” or “helps lower cholesterol”. (Santander 2018.)

Restaurants and cafes that play music need to have a licence. The licence allows the premises to play music from sources such as television, radio, records or computers as well as live music arranged within. More importantly, if the restaurant has more than 50 seats, it is required to have a rescue plan with instructions for emergencies. (NewCo Yrityks Helsinki 2015, 25.)

#### 5.2.5 SWOT Analysis

It is substantial for every business to understand itself in order to grow and play safely in the market. A SWOT analysis will help the business to achieve those goals. The following paragraphs analyse the internal strengths and weaknesses and external opportunities and threats of ACL.

##### **Strengths**

The author has many years working in various fast food restaurants when he was living in Australia. Thus, it can be said that ACL will be managed by an experienced owner with good knowledge about fast food business including teamwork, work safety, order taking and handling, stock management, team scheduling, food hygiene, creative recipes, cooking techniques, work section organisation, cleaning and washing procedures.

On the other hand, the author is going to design the menu for his own restaurant based on his knowledge and the target groups' preference. As an immigrant from Vietnam, the author is inspired by Asian cuisines after living in the country for 18 years. For that reason, the food menu at ACL will be infused by some cuisines of Asian countries such as Vietnam,

Thailand, China, Indonesia, Japan and Korea. However, in order to serve Finnish customers, the Western and Asian cooking styles will be compounded. And this is promising to bring a unique experience to customers in the Finnish fast food industry.

ACL's aim is to have a fair work environment which gives equal opportunities to everybody. Hence, the staff at ACL will not only native Finnish-born citizens but also immigrants from around the world including ones who are limited in understanding Finnish. Consequently, it creates a multi-cultural work environment where individuals from different continents with different skin colours and languages come together and work as an union.

### **Weaknesses**

The author came to study in Finland in autumn 2016. Until now, it has been only more than one and a half years. Although he has been learning Finnish as a compulsory course at school, it takes time and a lot of effort to use the language efficiently in daily life. Hence, it might affect the communication between the manager and the staff as well as the business suppliers or advertising agencies. Consequently, the language barrier possibly will cause misunderstanding which might lead to unexpected results or lower the productivity and efficiency of work.

Even though the author has years of experience working in the fast food industry, it does not mean the same as years of experience in doing business. Working for somebody and working for oneself is different. When being an employee, a person just needs to follow the instructions from the manager, take care of his/her job and goes home when the time is up. In contrast, when being a manager or especially an owner, a person is responsible for everything including acknowledging of legislation and regulations to do the business legally, developing products, hiring people and ensuring a safe work environment for everybody. Thus, this is one of the weaknesses that need to be improved.

As mentioned earlier in this chapter, the startup will be financed completely by own personal budget. Therefore, the initial investments into the business will be limited. Technological equipment used for ordering, labelling and recording work history of employees will be limited or replaced by paper documents. Some of the machines will be limited in quantity. These disadvantages result in a limited number of products available offering to customers.

### **Opportunities**

If the cash flow is managed well, there will be more cash available to invest again in the business. ACL can invest to buy more essential machines to make the production more productive and faster. Additionally, it also can upgrade the ordering system to eliminate handwriting or oral passing orders from the cashiers to the kitchen staff which is unprofessional. The results of these investments influenced to the brand are enormous. By having more advanced facilities, ACL will be able to expand its product ranges, leverage better customer service, attract more customer and improve the brand image.

On the other hand, cooperating with logistics companies like Wolt or Foodora will bring excellent opportunities to ACL. It does not only increase sales but also help ACL reach more customers which will enhance the brand awareness and build a strong customer base.

Furthermore, once the multi-national culture of ACL is recognised among consumers, the establishment can become a place for offline meetings or events of foreigners and locals to exchange cultures and languages. This will also increase sales, enhance reputation and popularise the brand culture in the market. Later on, when the brand has a strong position in the market, it can expand to more locations either using hierarchical mode or franchising mode.

### **Threats**

As an entrepreneur immigrating to Finland, a residence permit must be granted in order for the author to continue to do the business. It cannot be guaranteed that the worst situation will not happen, the visa application is refused by the Finnish immigration department. The immigration policy can be changed anytime to adjust with the employment and economic situation of the country.

Another threat that might harm the business causing by the low investment into technology and machines is slow speed of service. In addition, with a limited budget, the restaurant might end up hiring less staff in order to save personnel cost. This can put some people to multitask that might exceed their capacity. As an unavoidable result, the work efficiency will be affected and bad food quality and degraded customer service will follow.

Finland is a small size market with an abundance of players. Hence, it is an intensively competitive market. Especially, restaurant businesses, which the costs of entry and exit are high, it requires business operators to be flexible to adapt to changes, be aware of the situation and have a vision for the future of the business. On the other hand, small market and high competition also mean it is likely to become saturated in the coming years. And only the businesses with a strong position in the market will survive.

### 5.3 Consumer-driven Marketing Strategy

#### **Market segmentation**

In order to segment customer groups, demographic segmentation and psychologic segmentation will be applied based on customer age, income, marital status and lifestyle.

##### *Segment 1*

As mentioned earlier in the customer analysis chapter, the age group 25 – 34 is the group choosing to eat at restaurants more than any other group.

This is somehow obvious since people belong to this age group commonly have finished the study and started to work. They choose to eat at restaurants as much as eating at their workplace. Moreover, these people mostly are still single person or couples who have not yet had children. Therefore, their time spent eating outside is more than other age groups as well as their generosity in spending their income to enjoy themselves. Carolina (2018), one of the interviewees, who is a hairdresser, belongs to this group, is also willing to pay a higher price to receive good food quality.

### *Segment 2*

On the other hand, the age group 20 – 24 is the second group that choose to eat at restaurants more than other age groups. The people belong to this groups are mostly students whose income is generally taken from family or loans from the government. Thus, these people prefer to have a cheaper meal price than the customer group at segment 1. This information matches with what the student interviewees in this research answered. Food quality is important for them but since they are still students, food price is still the factor determining where they eat. This is the reason why this age group also spend more time eating at their school since school meals in Finland are significantly affordable. This age group also often visit fast food restaurants with their friends.

### *Segment 3*

The age group 35 – 64 are single persons, couples and young parents with small children from 5 to 19 years old. These people also are middle-aged workers with a stable income. Excluding the occasions that they eat at fast food restaurants on their lunch break and night outing with friends, children are brought along with them.

### *Segment 4*

The age group from 65 years old and above is the last customer segment. These are people who have already been retired and received a pension



from the government. They rarely eat out at restaurants and mostly choose to eat at home.

### **Market targeting**

The most attractive age group is the 25 - 34 group. Because these people belong to the working age which means they have income. Most of them are single people or couples which means they don't have kids to take care of and spend their money on. Therefore, they have more time and money to spend on treating themselves. They also have an active lifestyle and open-minded to new concepts.

The second attractive age group is the 20 – 24 group or the student group. These are young adults who are most active and social. Although, they are financial dependant, however as long as eating out is affordable, it is one of the alternative options for their repeated school meals.

## 5.4 Marketing Strategies

This chapter presents the marketing strategies that will be implemented by ACL based on the marketing mix principles which are product, price, place and promotion.

### 5.4.1 Product

#### **Brand name**

The chosen name of the startup is *Aloha Chicken Land* or *ACL* as the abbreviation. The reason this brand name was selected is that it satisfies the characteristics of a good brand name which are memorable, meaningful, likeable, transferable, adaptable and protectable.

*Aloha*, /ah-loh-hah/, is easy to pronounce in both English and Finnish. In English, *Aloha* is a noun meaning “hello” or “greetings”. It also is an adjective meaning “friendly; hospitable; welcoming” (Dictionary.com 2018.) According to Cambridge Dictionary (2018), *Aloha* is “a Hawaiian word that

*is used to welcome someone or to say goodbye*". Thus, the brand name is meaningful and implies that it is a friendly place where everybody is welcome and is not discriminated. The brand name is also protectable since there is no restaurant in Finland with the same name. Therefore, it can be registered for trademark later on.

## **Quality**

One of the objectives of ACL is to deliver the best food and service experience to customers.

### *Food*

At ACL, food is made with freshest and high nutrient ingredients selected from best local suppliers. Chicken is very easy to cause food poisoning if not prepared, handled and preserved according to the standard procedures. Raw chicken pieces at ACL stored in accordance with the standard storage times which are 1 to 2 days for refrigerator 40 °F or below and 9 months for freezer 0 °F or below (Foodsafety 2018). Cooked chicken will be stored in the heater and has three-hour shelf life. Chicken will be prepared in-house along with other foods by trained staff. When the preparing process is done, pre-cooked food will be packed, air vacuumed and froze to ensure food hygiene and shelf life extension.

On the other hand, cooking oil used to fry food will be changed every week to avoid health risks causing by reused oil. The work sections are cleaned by staff *"as they go"* which means workstations are maintained and cleaned all the time to ensure food hygiene. Gloves are changed every half an hour and anytime they are dirty or oily to prevent the oil to be transferred to the food packages.



IMAGE 7. Standard clean food-making section (Image taken by the author at the workplace).

### *Service*

Staff at ACL are trained to work at all positions in the house in the beginning. However, they are assigned by the manager to work at only one specific position in one shift. By doing this, ACL can be sure that everyone is responsible for their own section which will result in more productive and efficient work and thereby, service quality will increase.

Front-of-house staff are people who represent the brand. Thus, it is very important to train them how to do customer service that corresponds to the standard, culture and objectives of the brand. The following factors are what ACL will train staff accordingly to deliver desired excellent customer service.

- Greet with smile and energy
- Use body language and speak with a pleasing voice
- Listen carefully and understand customer's demand
- Respect customer

- Pay attention to the resolution of customer's demand
- Deliver more than expectations to delight customer
- Apologize to and empathize with customer when necessary
- Focus on counselling rather than hard selling
- Build rapport with customer through suitable resolution
- Report the interaction for future research and development. (Sridhar 2016.)

### **Scope of product line**

Product categories at ACL vary from fried chicken pieces, burgers, wraps to side dishes, desserts and beverages. However, ACL tries to drive its menu to be healthier since it is a good lifestyle to eat green food and according to many pieces of advice from the survey respondents and interviewees, healthy eating is becoming more and more common nowadays and therefore healthy choices should be on the menu of any restaurant.

At ACL, healthy options include meat-based salads, vegan salads which combine different kinds of fruits and vegetables, vegan burgers and wraps, vegetable side dishes and fruit smoothies

Chicken and all kind of meats, as well as sauce bases, will be prepared in-house by staff according to the recipes and standard of ACL. There are four kinds of chicken: chicken chunk, chicken fillet patty, chicken popcorn chicken nugget. Chicken chunks are the main course of the fried chicken meal. Chicken fillet patties are the elements of chicken burgers and chicken salads. Chicken nuggets and chicken popcorn are served as snacks. French fries, sweet potato fries, mashed potato and coleslaw are side dishes which come along with the meal.

ACL offers several kinds of desserts including ice creams with different types of toppings, cookies and fruits smoothies. Available beverages at ACL are ice-blended flavoured drinks, sodas, juices, and coffee.

However, in order to grow the business, it is critical for ACL to constantly adapt to new changes in the market to develop more new products, test more new recipes, try more new flavours. It is also important for ACL to develop its products to be suitable for the seasons as well as the occasions such as Halloween, Easter or Christmas. Thereby, it allows ACL to stay updated with the contemporary trends and attract more new customers to the business. In other times of a year, ACL will create seasonal products which will be only available for a limited period of time. For example, Coca-Cola sauced fried chicken or cocktails as a choice of mild alcohol drink. By doing this, it will create a sense of urgency and stimulate the curiosity of the customers.

### **Packaging**

In order to save cost and care for the environment, all products at ACL will be packed with eco-friendly and recyclable materials, excepting straws, cutlery, smoothies and ice-blended beverages. Since the majority of survey respondents do not consider product calories and basic nutrients information important to know, the information will not be displayed on the restaurant menu boards, but on the packages only.

Food at ACL will be packed and bagged or trayed for takeaway orders. For customers that choose to dine in, their food will also be packed but instead of being bagged, it is displayed on a plastic tray along with the beverage.

Burgers and wraps will be wrapped in thin papers printed with the product name and the basic product information. Each burger or wrap has its own colour wrapping paper to be easy for staff and customers to recognise. Staff are trained to wrap products according to ACL's own wrapping method. Chicken will be put in buckets with handles for customer to carry easily. In order to avoid the crispy chicken getting soggy, no lid will be included.

### 5.4.2 Price

Instead of just setting the price by multiplying the total costs of making and serving the product or putting the desired profit percentage on top of the costs, ACL sets prices for its product also based on customer's payment ability and the competitors' price ranges. In other words, ACL determines the suitable prices for its products first and then adjusts the products in size and quality to be able to get profit and more importantly bring the best possible value to its customers within that price. To be clear, the ACL price formula is presented below.

$$\text{Product Price} = \text{Costs} + \text{Profit} = \underbrace{\text{Customer and Competitor price ranges}}_{\text{Market}}$$

As mentioned earlier in the data analysis chapter of this thesis, the majority of the survey respondents choose the price range from 5€ to 10€. The price range of the target customer also corresponds with the price ranges of the competitors that were analysed earlier. Therefore, ACL will base on this market price range to price and adjust its products accordingly.

### 5.4.3 Place

The first common reason that most restaurants fail is simply location (Bellini 2016). Moreover, store location is also selected by half of the respondents to be the attractive factor of a restaurant. Thus, the convenience of the restaurant location is very important. Indeed, ACL is also planning to locate its first store in Kamppi, Helsinki because this is an area with high population density and surrounded by main train and bus stations, universities, bars and clubs. Therefore, it is easy to reach the target customer groups as well as raise the brand awareness.

ACL restaurant size is medium. The area is approximately 100m<sup>2</sup> which 60% is dining area with 50 seats and 40% is the kitchen area. The restaurant furniture is designed for singles, couples and group customers

which consists of granite stone tables, single chairs, cushioned benches and a couple of comfortable armchairs. Additionally, music will be played in the restaurant during the opening time and mainly in contemporary English songs. On the other hand, the interior colours are mainly in red, yellow and green which combine with the warmed-coloured lights will make the place looks more pleasant and the food looks more tempting.

Understanding that many customers do not have time to go out and buy food or they might just feel comfortable eating at home, ACL will cooperate with the two logistics companies, Wolt and Foodora. Food menu of ACL will be published on their websites and customers place and pay for the orders. Wolt and Foodora staff come to the store to pick up and pay for the order, then deliver to customers. By outsourcing logistics, ACL will be able to focus on sales. Moreover, it increases one more sale platform which then surely increases sales for ACL. Besides that, these are popular companies at the moment, thus it is a marketing channel for ACL to raise the brand awareness among consumers.

Staff will be wearing a uniform when working. The uniform at ACL is designed to be comfortable to wear and has an active style. All staff are required to wear headbands to prevent hair falling in the food as well as to differentiate the brand dress code from other fast food brands which normally wear caps. This idea is influenced by the Japanese culture which called Hachimaki. It is a symbol of energy and perseverance. (Runnebaum 2017.) Each position corresponds to a headband colour. Specifically, front staff wear the blue colour, kitchen staff wear the red colour, team leaders wear the green colour and the managers wear purple colour.



IMAGE 8. People wearing Hachimaki in Japan (Runnebaum 2017)

Besides the physical store as the representative, ACL will create an official website which allows customers to view all the products, prices, current promotions and especially the brand stories to get them to know more about the business and the culture.

ACL will also set up its official social pages on Facebook and Instagram to reach out to and interact with customers as well as to promote and advertise the restaurant on these social media channels in order to raise awareness of the target groups about the brand. By using Facebook, customers can also comment, share, like and rate the brand. Moreover, ACL also needs to set up its accounts on Yelp and Google and adds as many restaurant information on those websites as possible. If ACL can earn good rating on these social platforms, it will boost the brand image, attract more new customers as well as customers who are still sceptical about the brand since they have never tried before.

#### 5.4.4 Promotion



There are several strategies that ACL can apply to promote the restaurant. Store grand opening is an essential step that the restaurant takes after advertising on the internet. Besides the help of digital media marketing, ACL can use flyers to distribute to the local area as well as advertise in the newspaper to acknowledge people about the opening of the store. In the grand opening day, ACL staff bring trays with free product samples to the storefront to offer customers to try. The outdoor decoration of the store on the day should be eye-catching. For example, hiring a person wearing a chicken outfit waving at people or placing a giant chicken chunk outside of the store or decorating the entrance door with balloons.

On the other hand, ACL holds a food eating competition once in a year. It is fun and none of the competitors is doing it at the moment. Therefore, if ACL tries this idea, it will help the brand to stand out from the competition by doing something different, attract more new customers and especially get noticed from media. The eating competition can be any food on the menu of the restaurant. It challenges the candidates to eat a big amount of food and the winner is the one who finishes the food first. The prize that ACL offers is a golden chicken egg card that allows them to have every day one free meal of their choice at ACL. However, in order to validate the card, the winner has to buy a drink. The purpose is to create a win-win game that benefits both customers and the restaurant.

Besides the food competition, ACL will organise occasionally food challenges. This challenge allows only one candidate competing. The rule is to challenge the candidate to eat large quantity of food within a limited time. If they can finish within the duration, they are free to walk away without paying for the food and rewarded by a silver chicken egg card that allows them to have ten free meals excluding drinks.

## 5.5 Short & Long-Term Projections

In order to grow the business, ACL needs to analyse the outcome of the marketing strategy and figure out what works and what does not work.

Hence, it can eliminate these impractical elements out of the marketing plan and continue to develop these practical elements. The success of the marketing plan is measured by the satisfaction of customers which is represented by the rating as well as the comments on Google, Yelp, Instagram and Facebook. On the other hand, a successful marketing plan is also measured by the sales of the restaurant. The number of sales represents the number of customers purchased at the restaurant. The more customers satisfy with the products and services, the more times they will come back. Thus, more customers generate more sales and more sales mean more profits.

ACL needs to look closer to the number of sales of each product in order to find out what products are selling good and what are selling slow. The manager should make a decision whether the product should be modified and innovated or it should be discarded to leave the place for a new product. By considering the number of sales, the costs of making the products, the profit of the product as well as paying close attention to the wants of customers, then the manager will be able to come to a right decision and know that which products or services are the keys helping the business to achieve its goals.

When the business makes good profits, it means there will be more cash available to invest again in the business. Within the first five years of operation, ACL upgrades its current hand-writing order system to computational system to speed up the order process and eliminate mixing up orders. In addition, ACL also invests in building an employee shift management system to be easier to control and also avoid miss or extra payment due to mistakes in shift recording and counting. On the other hand, ACL builds a mobile phone application that allows customers to subscribe for news and discounts as well as to order products through the system and pick up in store. After five years, ACL will open another store to start expanding its location network. The same business concept, culture and standard will be implemented in other store locations to ensure the products and services quality.

## 6 CONCLUSION

In this chapter, the findings of the research questions are answered. The evaluation of the reliability and validity of the thesis outcomes are also presented. At last, the thesis is concluded by summarising the main points.

### 6.1 Findings

In order to achieve the goal of the thesis, a large amount of primary and secondary data are collected to find out the answer to the research questions. The following table presents the main findings of the research.

TABLE 2. Findings of the research questions

Research questions	Findings
Sub-question 1: What does a marketing plan include?	A marketing plan includes an executive summary of the business; situation analysis which consists of the analyses of the company, customer, competitor, macro-environment PESTEL and SWOT; market segmentation, marketing strategy and short & long-term projections.
Sub-question 2: Does the new business fit in the market?	<p>Yes. Firstly, the start-up business belongs to the fast food industry which is highly competitive in the market. However, the chosen niche of the business is low in degree of the rivalry since KFC is not in Finland and there is only one British chain which is SFC in the market with two stores in Helsinki.</p> <p>Secondly, several survey respondents express that they like KFC but unfortunately it is not here in Finland. Thus, there is a moderate volume of</p>

	demand for the chicken product in the market.
Sub-question 3: How to approach the target audience and gain the business's visibility?	<p>In order to approach the target audience and gain the business's visibility, the store location is significantly considered carefully by the business. The city centre is selected to be the location of the business due to its high population density and surrounded by universities, companies, offices and nightclubs.</p> <p>On the other hand, local newspapers, flyers and popular social networks will be used to approach the audience.</p> <p>Moreover, a number of promotions will be implemented in order to attract new customers come to the restaurant.</p>
Sub-question 4: What are the trends, expectations or preferences of the target group?	<p>People nowadays concern more about their health. Thus, creating healthy menu should be considered by restaurants. A number of respondents answer that they prefer some of the food brands than others because they have healthy food.</p> <p>Food price and food quality are also factors that the target groups consider important.</p>
Sub-question 5: What are the channels and tools to be used for marketing purpose of this restaurant?	The marketing mix is used to be the main tool for marketing purpose of the restaurant. In addition, the internet is also used as an online channel for the marketing. The two popular social media

	<p>platforms among young Finnish people which are Facebook and Instagram will be used to connect with the current customers and reach out to the new customers through paid advertisements and regular online postings.</p>
<p>Sub-question 6: How will products/services be developed based on the research and data analysis to meet the demands of the target market?</p>	<p>Based on the data collected from primary and secondary sources, a number of different vegetarian options will be available to serve the customers who have healthy eating style.</p> <p>Alternatively, product pricing will be based on the affordable price range of the target groups, €5 to €10.</p> <p>Furthermore, staff will be trained to make high-quality products, maintain workstation cleanliness and food hygiene, respect other co-workers and deliver excellent customer service.</p>
<p>Research question: How to market a fast food restaurant profitably?</p>	<p>A fast food restaurant will only be marketed profitably when it is able to approach the target customers and raise high awareness of the business among people. Additionally, using the right tools and channels to approach them are also important. Moreover, the business needs to pay attention to the competitors and the market trends to adjust the business to fit into the market. On the other hand, understanding what the target customers' demands, preferences, expectations and</p>

	<p>financial ability are essential to develop the suitable products and services.</p> <p>Accordingly, in order to market a fast food restaurant profitably, it requires using the right strategies to build strong customer relationships and deliver exceptional values to the target customers.</p>
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## 6.2 Reliability and Validity

The two criteria that determine whether the results or findings of a research are trustworthy are reliability and validity. Reliability is the stability of the research model which means it must give the same result when the same data is input. Validity is the correspondence of the research model which means it reflects what it is supposed to represent. A measurement is valid if it can indicate what it is supposed to measure. (Bryman & Bell 2011, 157-160.)

Both qualitative and quantitative research methods were applied in this thesis. In qualitative research method, there were ten interviews conducted with the target customers. All these interviewees are not friends and relatives of the author and were selected randomly surrounding the planned store location. In addition, there were no reward or praise given after the interviews, thus there was no reason for them to give unfairly prejudiced answers against anyone or anything. Therefore, their answers from the interviews are reliable. All ten interviews are structured interviews consisting of seven questions. During the interviews, all the questions were ensured to be understood by the interviewees and answers were ensured to be taken clearly. All the interviews were recorded and documented after. As a result, the data collected from the interviews corresponds precisely to the answers of the interviews. Thus, the answers of from all ten interviews are valid.

On the other hand, in quantitative research method, there were total sixty-five people answered the questionnaire. The survey language was originally in English. By getting help from a few Finnish friends, the survey was completed additionally with the Finnish comprehensive version. Prior to spreading out the survey, a test was conducted to ensure the system working well. Facebook was used to be the distribution channel of the questionnaire. It was posted on the official pages of several fast food brands such as Burger King and McDonald's. The respondents are people who subscribe to these pages and also are the target customers. Hence, the results of the survey are reliable and valid.

### 6.3 Summary

The objective of the thesis is to develop a marketing plan for a fast food restaurant in Helsinki. The theoretical framework chapter of this thesis provides necessary relevant theories including marketing definitions, marketing concepts and theories and marketing plan. On the other hand, the analyses chapter provides important relevant theories that will be used to analyse the internal and external environment of the company including situation analysis, PESTEL and SWOT analysis. Empirically, the thesis adopts both quantitative and qualitative research methods to collect data which then is analysed to gather meaningful information. Accordingly, the research questions and sub-questions are sufficiently answered and the marketing plan is developed based on all the primary and secondary data gathered throughout the thesis.

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## APPENDICES

### APPENDIX 1. Interview questions

1. What price range are you willing to pay for a meal at a fast food restaurant?
2. Where are the fast food restaurants that you normally visit?
3. What normally attracts you to come to a fast food restaurant?
4. How do you like a fast food restaurant look like?
5. What kind of products do you expect to have in a fast food restaurant?
6. What kind of drinks would you like to have along with your meal?
7. How do you normally get updated with promotions and discounts from restaurants? (social media/website/newspaper/flyers/radio)
8. What kinds of promotions attract you the best?

## APPENDIX 2. Questionnaire

The survey consists of 10 questions and was prepared both in Finnish and English to make it easier to understand for anyone who is not efficient in Finnish. Question 1, 2, 3, 4, 6 and 7 have multiple choices of the answer and are set to allow the respondents to choose several answers at once. Question 5 and 8 also offer choices of the answer and are set to let the respondents give a single answer. Question 9 and 10 are questions allow the respondents to answer freely with text. Below is the list of survey questions.

1. What kind of promotions and offers attract you?

Answers: Interesting new product, Funny advertisement video, Free home delivery, Happy hour deal, Random Prize, Discount, Others

2. How do you prefer to get information about discounts, new products and other promotions of fast food restaurants?

Answers: From my friends, From my emails, From their website, From their app, From their social pages, From leaflets, From street advertisement posters, In-store advertisements, Others

3. What factors make you decide to visit a fast food restaurant?

Answers: Food price, Menu variety, Food quality, Cleanliness, Speed of service, Good customer service, Good place to meet friends, Store feeling, Store location, Discounts, Others

4. What factors make you choose a restaurant when you have a few in mind?

Answers: The food is better there, The food is cheaper there, The service is better there, The portion is bigger there, The location is nearer, The place is cleaner, They have wide range of products, They have healthier options, My friends recommended me, They are having special offers, I never tried the food there, Others

5. How important are calorie and basic nutrients information to you when you choose what to eat at a fast food restaurant?

Answers: Not important, Not so important, Neutral, Important, Very important

6. What kind of healthy options do you expect to have in a fast food restaurant?

Answers: Gluten-free, Organic, Vegetarian meat, Salad, Vegetable side dishes, Fruits, Smoothies, Others

7. What price range are you willing to spend for a meal at a fast food restaurant?

Answers: 1 to 3 euros, 3 to 5 euros, 5 to 7 euros, 7 to 10 euros, 10 to 15 euros, 15 to 20 euros, More than 20 euros

8. Rate your opinions on the following:

Answer: Food quality, Healthy options, Customer service, Price, Convenience

9. Please list a fast food brand that you like? And why?

10. Do you have any idea or suggestion for a fast food restaurant?