



Marketing strategy for imported Asian snacks

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BACHELOR'S THESIS
January 2021

International Business

ABSTRACT

Tampereen ammattikorkeakoulu
Tampere University of Applied Sciences
Degree programme in International Business

Hexun Yang
Title of Thesis

Bachelor's thesis 42 pages, appendices 3 pages
January 2021

A marketing plan helps a new business to identify potential customers, and the ways to reach them. The growth of a business depends heavily on a marketing plan and requires proper research and planning. In the past few years, global trade has been growing through internationalisation. Nowadays, more people purchase a product not only for its function but also for the meaning behind it.

Qualitative research was conducted, and quantitative data were collected to create a marketing plan for import Asian snack food. The objective was to build a value proposition and market segmentation which can be a practical reference for entrepreneurial activities. Qualitative data was collected through interviews, and quantitative data are found from reliable Internet resources.

After collecting and analysing the interviews with three different participants, the author created a value proposition plan in six different aspects – customer jobs, gains, pains, product & services, gain creators and pain relievers. A market segmentation plan was formed based on two kinds of data, which are consumers by age and gender. Demographic segmentation was based on the data of consumers age and gender. The interviews inspired psychographic segmentation.

Key words: value proposition, market segmentation, marketing plan

CONTENTS

1	INTRODUCTION	6
1.1	Thesis Topic.....	6
1.2	Aim and Objective	7
1.3	Research Plan.....	8
1.3.1	Methodological Approach	8
1.3.2	Research Method	9
1.3.3	Validity and Reliability.....	9
1.3.4	Research Tool	10
2	LITERATURE REVIEW	11
2.1	Value proposition	11
2.1.1	Understanding proposition.....	11
2.1.2	Value proposition design	12
2.1.3	Customer Jobs	13
2.1.4	Value map	14
2.1.5	Fit	17
2.1.6	Practice	17
2.2	Customer Segmentation	17
2.2.1	The Segmentation process.....	19
2.2.2	Segmenting	19
2.2.3	Targeting	20
3	CASE STUDY.....	23
3.1	Yamibuy	23
3.1.1	Backgroud	23
3.1.2	Operation.....	23
4	DISCUSSION	24
4.1	Interview.....	24
4.1.1	Interview with entrepreneur (First participant)	24
4.1.2	Interview with snack distributor (Second participant).....	25
4.1.3	Interview with a potential customer (Third participant).....	26
4.2	Qualitative Data.....	27
4.2.1	Snack Food – consumers by age in the Snack Food market.....	28
4.2.2	Consumers by gender in the Snack food market.....	29
5	THE MARKETING PLAN	30
5.1	Value Proposition	30

5.1.1 Customer jobs	30
5.1.2 Customer gains	30
5.1.3 Customer pains	31
5.1.4 Product & Services	31
5.1.5 Gain creators	32
5.1.6 Pain relivers.....	32
5.2 Market Segmentation	32
5.2.1 Demographic Segmentation	33
5.2.2 Psychographic Segmentation	33
6 CONCLUSION	34
REFERENCES	37
APPENDICES.....	40
Appendix 1. Interview questions with entrepreneur	40
Appendix 2. Interview questions with snack distributor	41
Appendix 3. Interview questions with a potential customer	42

GLOSSARY

Imported snacks

Imported Asian snacks

Refers to various snack subcategories e.g., cookies, chips, jerky, popcorn, crackers, bars, granola, candies, baked goods and frozen goods.

1 INTRODUCTION

1.1 Thesis Topic

This thesis is a marketing plan for imported Asian snack food products in the Finnish market. A marketing plan is critical when introducing products, service and marketing strategy. A well-applied marketing plan can bring a brighter insight to entrepreneurs. A market plan can provide a focus for a company; it is a blueprint how the company's resources are going to be used to reach the customer group where the sales can be maximised (Leonard, 2018). A successful market plan can not only reduce cost and risks but also make the company gain a competitive advantage in an existing market (Chernev, 2018). A market plan secures the consistency of a business, and this will provide a foundation for further growth of a company. A healthy company, in most cases, has consistent sales through the business (Armstrong & Kotler, 1980).

This business idea was inspired by his personal experience travelling in different countries and knowledge of the different culture. After careful observation and initial research of the market, the author believes that there is a potential demand for imported Asian snacks in the Finnish market.

The main goal for this thesis is to identify what value can import Asian snack food products bring to customers in Finland, and which are the main customer groups. This thesis is a marketing plan, which contains a value proposition and a market segmentation plan. The thesis first tried to discover what are the elements of creating a value proposition when developing a business idea and how to determine a customer group when introducing products and services to a market.

The thesis is written in 6 different chapters. The first chapter is the introduction, which explains the thesis topic and reason for choosing this thesis topic; also, explanation of how this research will be conducted. The second chapter is a literature review where all the related academic knowledge was gathered for this thesis—followed by a chapter which introduced an existing company located in the United States. Understanding how that company operates brings ideas of forming the marketing plan for this thesis. The fourth is where all data obtained

through primary and secondary research. The fifth chapter is the actual plan created based on the data and theories, whereas the last chapter is the conclusion and thoughts on the research process.

1.2 Aim and Objective

This thesis aims to create a marketing plan for the imported Asian snack food business idea. Before introducing new products to a market, it is vital to have a clear marketing plan as a foundation of a business. This thesis is going to learn and comprehend what are the elements needed for creating a market plan. To gather all the relevant information and data, the author researched with useful literature review. The research allowed the author to classify the objective.

The objective of this thesis is to research the steps for creating a value proposition and market segmentation. The objective can be developed in to research questions as follows:

1. *“How to create a value proposition for imported Asian snacks?”*
2. *“How to create a market segmentation for imported Asian snacks?”*

Data from different dimensions should be gathered to create a value proposition. The core research question covers a wide range of elements. Therefore, there are three sub-questions which can help to collect data more precisely.

The three sub-questions are:

- a) *What is the potential customer(s) perspective on imported Asian snacks?*

This question focuses on customer jobs, pains and gains. The goal of this question is to identify what do customers think of the business solution, which data was used to creating a customer profile.

- b) *What gains can import Asian snacks bring to its customers?*

Once the customer profile is identified, then the next step is to discover the positive experience that customers want. This question is based on the “gain creators” in the value proposition canvas.

c) What pains can be relived with imported Asian snacks?

This question is based on the “pain relievers” in the value proposition canvas, which is used to discover what is a negative experience that customers are unwilling to see.

According to McCombes (2020), a research question is one of the most critical parts of a thesis, and it should be focused and specific to an academic matter. The thesis focuses on answering all the research questions, and the questions were designed to guide through the whole thesis process.

1.3 Research Plan

In this section, the methodological approach, the research method, as well as the research tools involved, are explained.

1.3.1 Methodological Approach

According to USCLibraries, the goal of qualitative research is to gain an in-depth understanding of a specific scenario, rather than a general description of a large sample of a population (no date). Qualitative research applies a naturalistic approach that aims to understand a phenomenon in context-specific backgrounds where the researcher does not interrupt the phenomenon with "self-interest" (Patton, 2001, 39). In a general term, qualitative research defined as "any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification" (Strauss and Corbin, 1990, 17). Unlike quantitative research, quantitative research seeks illumination, and extrapolation (Hoepfl, 1997). In the case of this report study, the goal is to create an initial value proposition plan of this business idea which can be applied in reality after completion, which fits the profile of qualitative research.

1.3.2 Research Method

Once the research objectives were identified, a research method was designed to conduct this search study. The main data collection method selected for this research is qualitative research method. This is due to the nature of the research objective, which is to create a value proposition. A value proposition is less likely to be quantified with numbers but from ideas presented by different individuals. The core research question is: *“How to create a value proposition?”*

The participants were selected based on three aspects. The first aspect is how a new entrepreneur understands the value proposition. The second aspect is what is the opinion of a person who works in the snack industry on the value proposition. The third aspect is what is the experience of a regular buyer. Three participants were invited for the research, and all of them want to stay anonymous. The first participant a young entrepreneur who just started his own company, the second participant works for a snack distribution company, and the third participant is a young Finnish female, who orders Asian snacks often from overseas. All three participants were selected because the author believed that every participant would have a different vision to create a value proposition. The participants were found through the author’s network, which was reached through social media platforms.

There are general questions for every participant and specific questions, depending on the role of the participant. For example, there are the business and customer-oriented questions for the different participant. The literature review was applied to design interview questions and understand related academic theories. The specific questions for each participant can be found in the appendices section.

1.3.3 Validity and Reliability

This research aims to create a value proposition plan with the information gathered from different sources through qualitative research. One participant is from overseas. It was unlikely for the author to conduct face-to-face interviews. The other two participants live in Finland but did not agree to a face-to-face interview

because of the COVID-19 situation. Face-to-face interviews could provide more information than a skype interview, such as body language. It is also more challenging to have as many interactions with participants through skype interviews as face-to-face interviews. The other factor which limits this research was a short timeframe to find more suitable participants. Even there were several obstacles which could affect the research; however, there were several approaches which applied to help improve the validity and reliability of this research.

Several terms describe the concept of validity in qualitative research. According to Winter, this concept is not a single, fixed or universal concept, but a contingent construct (2001). It is hard to determine whether the validity is sufficient or not because there is no supporting data from a third party to prove the credibility of the participants. Terrell stated that there are several ways to establish validity; the first approach is to prolong engagement (2016). This means that in order to increase the validity of research, the researcher is suggested to make an argument based upon a broad timeline. In this research study, the author prolongs the engagement by listening and analysing the audio recording several times. The other approach is peer-debriefing. Peers may be useful in checking the author's understanding of the information in ways that add to the research's validity. A student from TAMK was invited to do peer-debriefing; the student provided interpretations to help to understand the interviews from a different perspective.

1.3.4 Research Tool

The interviews were conducted through skype meetings and, videos and audios were recorded for the analysis purpose with the consent of all the participants.

2 LITERATURE REVIEW

The literature was selected to gather critical, relevant concepts having an in-depth understanding of the subject.

2.1 Value proposition

The first step of building a business is to decide what to offer to potential customers, which means the value to be delivered.

2.1.1 Understanding proposition

Designing a value proposition is a critical part of a company's business strategy. Because a value proposition brings a strategy to guide customers' decision-making process, a value proposition can be presented in various ways, such as marketing materials from the company's website. The value proposition is a powerful tool to drive sales, and a suitable value proposition can significantly increase the success of the company's marketing strategy. In general, the value proposition is regarded as the most effective marketing activity (CFI n.d.).

A value proposition is the essential articulation of the value that any organisation where the business or non-profit provides to its customers. There are many different descriptions of what constitutes a value proposition; commonly, it describes the collection of products and services that a business offers to meet its customers' needs. It also includes how those products and services are different from existing offers in the market. However, a value proposition is much more than just a simple articulation of the organisation's value. It is the critical foundation that underpins a business model and an essential tool for testing a business hypothesis in the market place (VentureWell, 2018). A value proposition is a critical element of an organisation's long-term marketing strategy; it associates to the value that an organisation commits to deliver to customers and makes them choose products and services (Hallmark, 2015). A value proposition provides information about the organisation's statement, which tells customers what the company stands for and why consumers should choose their products and its operation.

A company can present its value proposition through business and marketing statements, which can also be used to summarise why a customer should choose this product than other products. A value proposition can be seen as a promise by a company to its customers. It should be a straight-forward and easy-to-understand reason why customers should choose products and services from this company. An organisation's value proposition should clearly explain how their products match needs, communicate the specifics of its added benefit, and state why it is better than similar products (Twin, 2020). The concept of the value proposition is to meet consumers' strongest decision-making drivers. Companies use value proposition to target customers who will benefit the most from their products and services, which can also maintain a stable economic moat. This distinct advantage creates the protection of market share and profitability (Ganti, 2020).

There are four critical elements of a good value proposition. 1. Who is the customer. 2. What problem does the company want to solve for the customers. 3. What is the solution, and how does it solve the particular problem. 4. What are the differentiators, and how does the solution be better than the exciting ones. It is important to note that differentiators must be quantifiable to be tested and evaluated with customers; if the solution cannot be quantified, it is challenging to determine whether the solution is sufficient. If the solution does not fit the consumers' needs, changes can be applied to align it with customers' needs (VentureWell, 2018).

2.1.2 Value proposition design

The Simplest idea to design a value proposition is to determine a positioning statement that tells the benefits provided for which kind of customer and why it can solve it better than the others. The idea value proposition should describe the target customer group, business problems, solution, and why this particular business solution is distinctly better than the alternatives. Skok stated that defining a value proposition involves "4Us". If a business idea has positive answers to those questions, then a compelling value proposition can be created. If not, adjustments should be applied before significant issues happen (Skok, 2013).

The "4Us" are:

1. *Is the problem Unworkable?*
2. *Is fixing the problem Unavoidable?*
3. *Is the problem Urgent?*
4. *Is the problem Underserved?*

After answering the "4Us", it is time to apply the Value Proposition Canvas. Osterwalder believed that the Value Proposition Canvas has two sides: the customer profile and value map. Customer understanding can be clarified with the customer profile, and a value map can describe how the business solution creates a solution for that customer. A compelling value proposition can be achieved when the customer profile and value map meet the other (Skok, 2013).

2.1.3 Customer Jobs

The first step in creating a customer profile is to understand customer jobs. Customer jobs describe the things that the customers want to be done (JTBD). A customer job varies from problems need to be solved and needs to be satisfied. It is essential to think from the customer's perspective when considering customer jobs. What the business planner's thought about importance might not be the real customers are trying to get done. There are three main types of customer jobs, and it is critical to distinguish them (EforAll, 2018).

- *Functional jobs* – needs to perform a specific task and solve a specific problem such as losing weight.
- *Social Jobs* – needs to be perceived special by others, such as looking good or gaining power.
- *Supporting Jobs* – needs to achieve a particular emotional state, such as feeling peaceful and secure.

Customer jobs are depending on the context in which they are performed. For example, hiring a car for a road trip is different from moving to a new house. Likewise, buying a coffee for the taste is different from boosting energy. It is important to note that not all jobs have the same importance to customers; it depends on customers' perception (Korolev, 2018).

Customer pains describe the things that displeasing while trying to get a job done or preventing customers from getting a job done. Additionally, pains relate to risks, which are adverse outcomes. Pains are functional – things do not work, a social – negative review from other people and ancillary. Some factors stop customers from getting started with a particular job, such as the existing products, are too expensive. As for this research, it is critical to consider the following question to prevent potential customer pains (Pijl, 2020):

- How do your customers define “too costly”?

Customer gains mean the positive outcomes and benefits that your customers are expecting. Gains are either required, expected, or desired by customers, which can be a functional utility, social gains, and positive emotions. Required gains are basic expectations of the products, such as a mobile phone that can make calls. Desired gains are slightly above the expected basic gains, but customers can still accept without them, such as free shipping. Desired gains are beyond what customers expect from a solution but would love to have if it is possible. These are usually gaining that customers would come up with if you asked them, such as free samples. Unexpected gains are the additional benefits that customers would not even come up with them if you asked them (Osterwalder, Pigneur, Bernarda & Smith, 2014).

2.1.4 Value map

The understanding value map is another critical element to build a compelling value proposition. A value map is a tool to visualise the problems the products solve, allowing business planners to find the right balance between produces and expectations. A list of everything about what the business offers should be discovered to build a value map. The pack of products and services helps customers satisfy their functional, social, or emotional jobs or help them basic needs. To understand the products, one should try to answer questions (The House, 2017):

- What is the type of your products and services? Are they physical, intangible, digital, or financial?

- Which products do you offer that allows your customers to get either a functional, social, or emotional job?

Pain relievers describe how your products and services reduce customer pains (Oreilly, n.d.). It tells how the business planners plan to minimise the things that irritate customers while completing a job. A remarkable value position should focus on the pains, especially the extreme ones. It is unnecessary to have a pain reliever for every pain that your customers have; in fact, a great value proposition only focuses on several pains that they alleviate exceedingly well.

Gain creators describe how the products and services build customer gains. It is how the products and services intend to generate outcomes and benefits which will meet customers' expectations, desires, and even better surprises. Like pain relievers, gain creators do not need to fulfil gain in their profile. A good gain creator should focus on the part where the products and services can make a difference. One should consider the following questions to identify a gain creator (Mansfield, 2019):

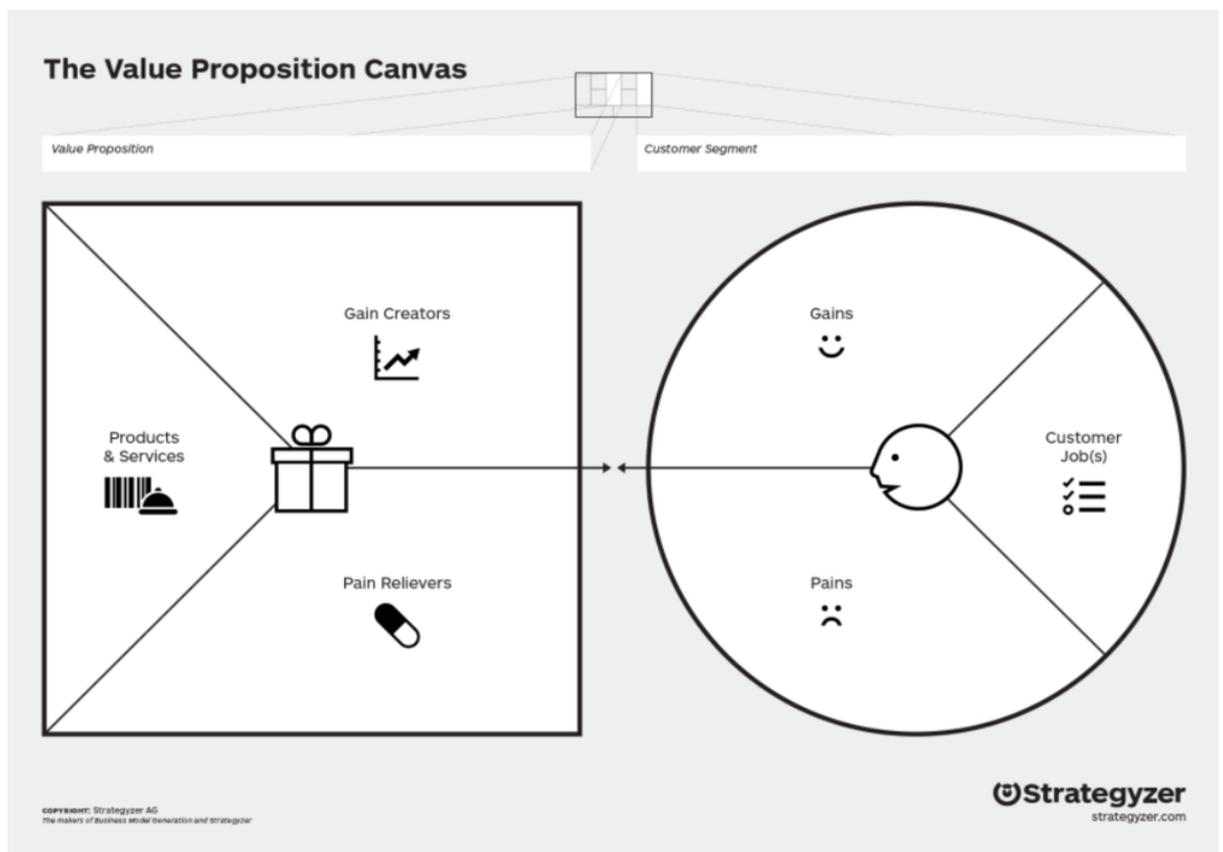
- Do they produce outcomes that meet your customers' expectations or exceed by offering more or less?
- Do they fulfil desires customers dream about?
- Do they make your customers' life more comfortable?

A sign of a successful fit is when customers get excited about the value proposition. Fit is achieved when the value proposition addresses important customer jobs, reduce extreme customer pains, and provide gains that customers dream about. It is hard to find and maintain a fit. Value proposition design should always strive for fit. Searching for fit is a process of designing value propositions for products which can meet jobs, pains and gain what customers care about. Finding out the fit between what a company offers and what customers want is the most fundamental value proposition requirement. There are three stages of a fit. The first stage is the Problem-Solution Fit, which occurs when jobs, pains, gains are identified, and a suitable value proposition addresses the jobs, pains, and gains. The second stage is The Product-Market Fit; it happens when customers react

positively to the designed value proposition. The third stage is Business Model Fit, which occurs when the value proposition can be embedded into a profitable and sustainable business model. A value proposition without a great business model may cause a financial failure (Osterwalder, Pigneur, Bernarda & Smith, 2014).

The investigation for value propositions that meet customer jobs, pains, and gains is a continuous and repeating process. Value Proposition Design intends to test and improvise business ideas as quickly as possible in order to learn and discover better ideas and tests. The image below is the Value Proposition Canvas, which can be used for the thesis research topic.

PICTURE 1 The Value Proposition Canvas



2.1.5 Fit

Fit is achieved when customers get excited about the value proposition. Searching for fit is to design value propositions for the products and services that meet customer jobs and create gains. The fit between the company's products and customers' needs is essential for a successful value proposition. Fit develops in three stages. The first stage occurs when the customer jobs, pains, and gains are identified, and there is a feasible solution to address the value proposition. The second stage occurs when customers react to the value proposition positively. Moreover, the final stage occurs when the business model becomes profitable.

2.1.6 Practice

After studying the elements of the value proposition, the practice can be understood more easily. The first mistake to avoid is mixing several customers segments into one profile. Customer segments should be clear, and one customer segment should match with one profile. Some business planners only focus on functional jobs but ignore social and emotional jobs, which are reasonably necessary also. Defining customer jobs pains and gains should be objective where personal opinions should not be involved (Osterwalder et al., 2014, 48).

When mapping value creation, it is essential to note that the value created by products and services only in a relationship to a specific customer segment. Sometimes the pain relievers and gain creators do not have any connection with the pains and gains in the customer profile. One should realise that a great value proposition is about making choices regarding which jobs, gains and pains to address and which to abandon. There is no single value proposition can address all of them (O' Cass and NGO, 2011).

2.2 Customer Segmentation

Customer Segmentation is seen as the milestone of modern marketing. It is widely applied to most kinds of organisations in all sectors. The concept of market segmentation is in the centre of a marketing strategy for businesses operating in both consumer and business markets. A business can achieve success when it

can satisfy the needs of its customers, including the suitable product and service combinations that meet these diverse needs. Customer satisfaction alone does not lead to a guaranteed competitive success. Market Segmentation is a fundamental marketing strategy concept, which bridges the gap between customer needs and the organisation's resources (Dibb & Simkin, 2008, 25).

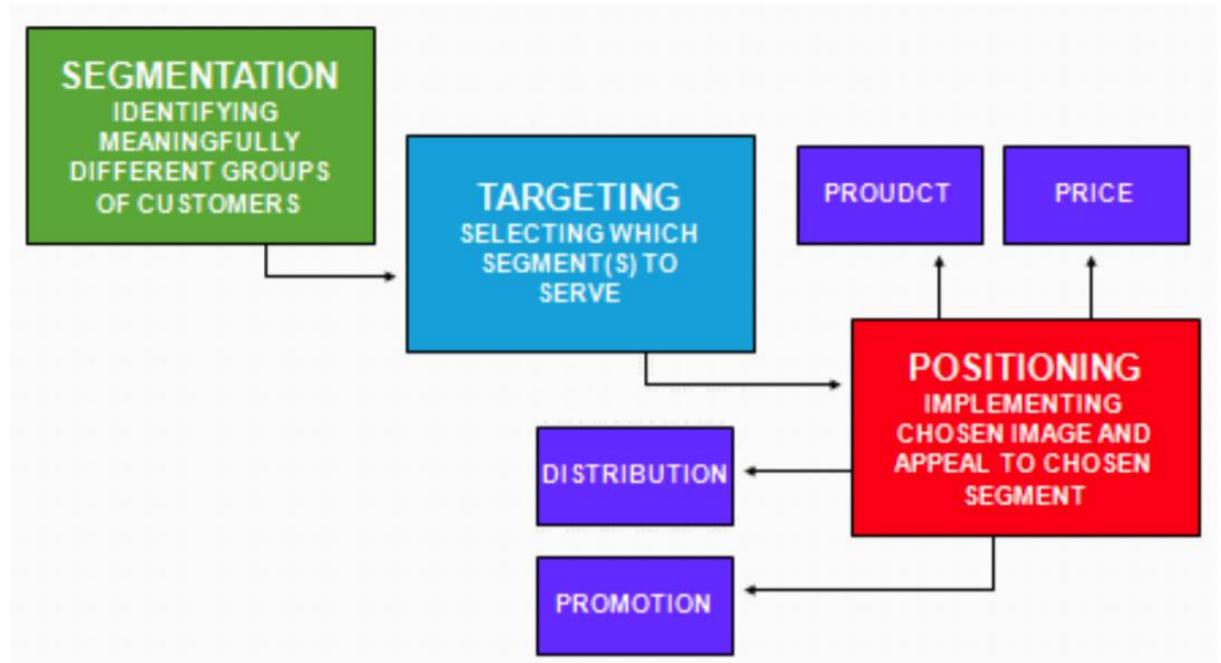
A business' success is determined by its ability to meet the needs of customers. Customer segmentation is one of the tools to help achieve this objective. The reason is simple: when the right products create satisfied customers, who are willing to repurchase the products, and later on, become a loyal customer. The study suggests that organisations should routinely use market segmentation principle to adjust their marketing strategy (Dibb & Simkin, 2008, 26).

Bibb and Simkin (2008) stated that market segmentation is based on a simple principle: customers are different and have diverse needs and buying behaviour. This applies to not only commercial sectors for all products and services but also including non-profit sectors. For business planners, this means that customers expect to be offered products with various features and benefits. Customers want to see a choice of items that fits their requirements and be able to purchase the products, which fit their shopping patterns. For instance, younger female's preferences for skincare products are very different from the middle-aged female.

Segmentation helps organisations to solve the diversity of customers. The rationale is that consumers from a particular segment can be grouped with a single marketing programme. Customer Segmentation is the process of organising customers into groupings. Different grouping is based on different needs, different reaching channel. A market segment is a collection of customers who share something in common, which makes them have similar product needs and buying behaviour. According to the Theory of Price, maximum profits can be achieved when pricing levels discriminate between segments (Banton, 2020). Organisations, nowadays, apply segmentation because they believe it can help to improve their competitive advantage and enhance business performance.

2.2.1 The Segmentation process

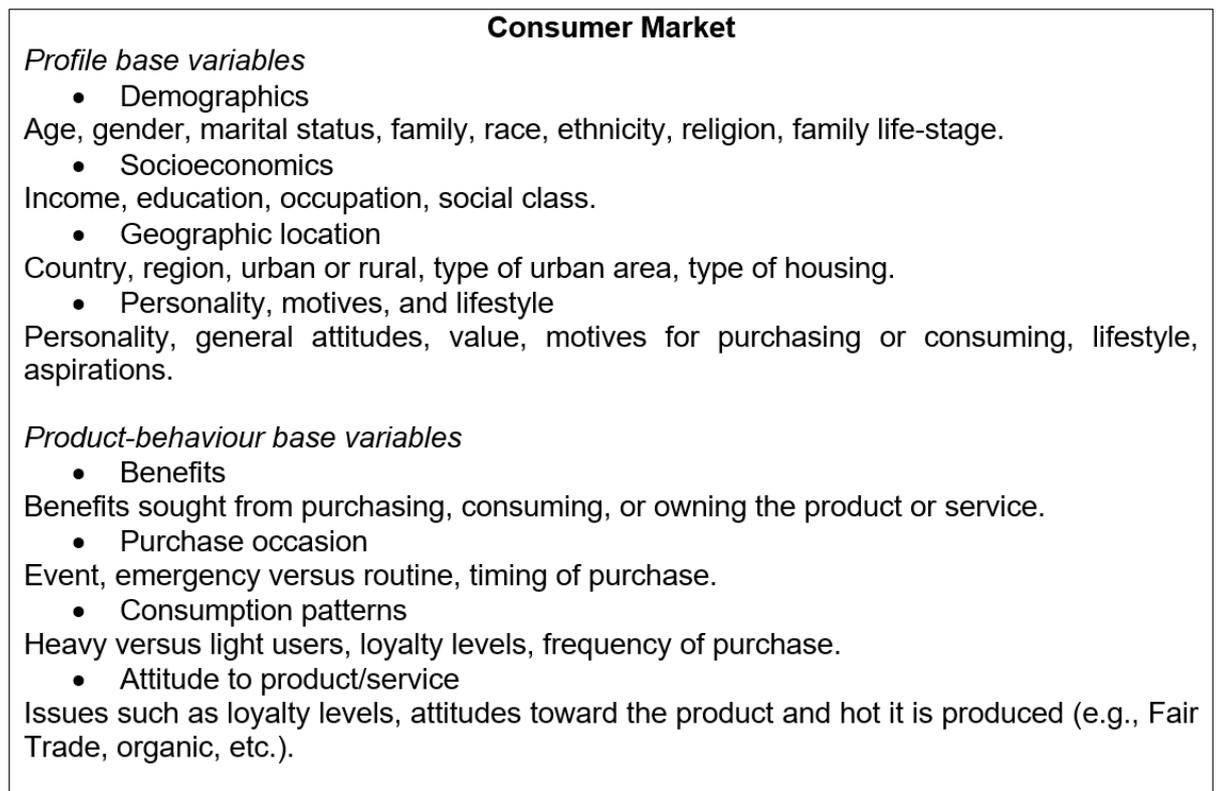
The segmentation process consists of three stages: segmenting, targeting, and positioning.



PICTURE 2. The Segmentation process

2.2.2 Segmenting

The first step is to identify segments in a particular market. Segmentation variables also called “base variables”, are the first criteria for grouping consumers or business customers into different segments. A booming segment should contain customers have similar needs for products and buying behaviour. Dissimilar customers should not be grouped into the same market segment. There are two primary types of base variables, one is used in consumer markets, and the other one is used for business markets. As the topic of this thesis is for customer markets, the segmentation base variables for consumer markets were only referenced (Dibb & Simkin, 2008, 7).



PICTURE 3. Segmentation Base Variables in Consumer and Business Markets

Nowadays, companies routinely track a range of information about their customers. This provides more reliable variables for segmentation. There is not a fixed approach to segment a specific market, although some variables can adopt widely than others. In the consumer market, the benefit segmentation mentioned in *PICTURE 3*, which ground customers based on the benefits they seek, has been proved to be a critical segmentation approach in many markets. Lifestyle segmentation is also widely used for testing how customers spend their time and what they become involved (Michman et al., 2003). On the other hand, market segmentation with personality characteristics approach has proved difficult to implement in practice.

2.2.3 Targeting

The targeting stage is all about making choices. Most organisations have neither the resources nor the desire to target and reach all the available segments. Decisions to be made must be related to the segment or combination of segments on which the marketing and sales will be focused. The process of targeting involves balancing the attractiveness of segment opportunities, the available re-

sources, and the company's capabilities. A systematic evaluation of the company's goal, product factors and the company's capabilities. There are two essential questions that targeting decisions should answer (Dibb & Simkin, 2008, 12):

1. *How many segments should be targeted?*
2. *Which segments should be targeted?*

To answer the first question, one should consider an organisation's corporate strategy, development in the market and expectations. The solution to the second question relies on an accurate assessment of the attractiveness of the available segment options.

There are three different approaches to the board targeting strategy. An organisation can either choose a differentiated or undifferentiated approach to the market. The option is as follows:

Mass Marketing Strategy. This approach involves a single product or service apply to most of the market, across all different market segments. Sometimes organisations choose this approach when the differences in customers needs and buying behaviours are minor. Alternatively, the organisation does not have enough resources such as capital, to target different segments separately. The potential threat is that the product or service cannot satisfy the customer needs, and the marketing strategy is too broad to apply (Dibb & Simkin, 2008, 13).

Single-Segment Strategy. This approach is applied when the organisation only focusses on one single segment. This involves creating a product or service to a well-defined group of customers. For organisations with limited resources, this approach is remarkably optimistic. Also, this can put the company into risk when the unpredictable market changes. For example, Kodak faced severe financial difficulties even they produced one of the best film sheets when the digital camera came out (Dibb & Simkin, 2008, 13).

Multisegment strategy. Using Multisegment approach involves targeting different each segment with a different product or service. The advantage of this approach

is that the risk can be spread. However, organisations with limited resources may find this approach difficult to achieve and sustain (Dibb & Simkin, 2008, 14).

3 CASE STUDY

The following chapter introduces an existing company located in the United States, which has a similar business concept as this thesis. Learning how they operate their business in the United States can help to have a better understanding and idea to build a similar business in Finland.

3.1 Yamibuy

3.1.1 Background

Yamibuy was founded in 2013, and now it has become the leading Asian American-centric Internet Company. The company provides Asian snacks, food, health products and books. After years of operating, the company had US\$100 million in revenue in 2017. Now, Yamibuy is one of the most popular e-commerce websites among the Asian community in North America, with more than 800,000 users (Downer, 2018). The founder of Yamibuy was an international student who found that there were no authentic Asian snacks available anywhere near where he lived. He mentioned in the interview that he had to drive almost 200 miles to get what he wanted, and that is when the founder discovered an untapped market (Soo, 2018).

3.1.2 Operation

The business philosophy of Yamibuy is straightforward: listen to customers and let their feedback guide the company's direction. The company maintains an extensive database of customer feedback. Their staff researches trending products in social media regularly. Also, the company analyse their sales data for procurement as when they order higher volume, they can negotiate the price with suppliers and eventually lower price for customers. Other secrets to Yamibuy's success are the ability to build a strong community of loyal customers. The company created a platform that enables customers to share products they purchased with friends on social media. There is also features such as blogs where customers can write reviews and communicate with other customers (Lin, 2017).

4 DISCUSSION

This chapter contains all the interview (primary) and quantitative (secondary) data which gathered through multiple online data bases. All the data will be combined and discussed with previous literature review in the following chapters.

4.1 Interview

This section provides information on different interviews. Three interviews were applied for three different purposes; the goal of choosing different participants is to understand value proposition from different perspectives.

4.1.1 Interview with entrepreneur (First participant)

A male entrepreneur who started his own company in Finland not long ago was invited for the interview. Currently, he is operating an online store and planning to open a physical store. He has participated in an entrepreneurship training programme, which makes him understands the value proposition in both a theoretical and practical perspective. The interview was straight-forward, and it was started from how he understands the value proposition and then he shared his personal experience when designing a value proposition in the initial stage of his company.

He started with: "One of the things that are very critical when deciding upon a product or a service that you want to sell is to assess what the value proposition is to customers". He explained the value proposition by saying there are "big" and "small" value propositions. Companies which offer "big" value propositions are the pharmaceutical companies because basically, they offer products to save lives, customers are willing to pay whatever they can. One the other hand, for most of the entrepreneurs, we aim to offer "small" value proposition. For instance, helping customers to save time, feel better, and look better.

One of the key points he mentioned the reason why some entrepreneurs tend to quit in the very beginning is that some entrepreneurs have the thought that there are bigger companies which have better operation and production and there is

not much possibility for a new company to join the market. “We are all relative experts to other people,” he said. As long as a start-up company can offer a product or service, they can do a bit better, and the start-up company has a greater level of expertise in that product or service category comparing to a big company which operates in multiple business fields. Spreads and differences in expertise create a value proposition.

“Spread creates value proposition” he noted. Spread means difference in expertise and speciality. He gave an example of coffee shops. Most coffee shops have similar products; however, different coffee shops might have different expertise. For example, some coffee shops might have better coffee beans, and some might sell better bakeries. Expertise creates value for customers. Spread also means time and ease. If a business solution can save customers’ time and make their work or life more comfortable, a great value proposition can be created the base upon that.

4.1.2 Interview with snack distributor (Second participant)

The purpose of interviewing a person who works in a snack distribution company is to gain an in-depth insight into the snack industry from a distribution perspective. This participant is a male who has been working in the snack industry for three years. The company he works for is located in Netherland, and mainly distribute imported snacks in Europe.

Traditionally, human consume individual meals at a particular time, such as breakfast in the morning, lunch during the day and dinner in the evening. Moreover, this tradition was taken over dramatically by “mini-meals”, “snack on the go”, and “eat and run”. In Europe, the snack market is expected to grow by 3.8% every year. In addition to the trend of snacking and increasing snacking behaviour, there are also sub-trends underneath the surface, reshaping how the snack phenomena are playing now. One trend is the fade of the sweet food such as doughnuts and the rise of salty snack preferences. The consumption of sweet snacks has been replaced partly by the accelerating growth of savoury snacks in particular salty snacks.

Another trend which has been increasing is premiumisation. He said that is how imported Asian snacks positioned in the snack market. Comparing with snacks made in Europe, imported snacks tend to be more expensive due to the import taxes and shipping costs. He emphasised: “The uniqueness of imported snacks makes them special and premium, although in most of the cases those snacks in their origin countries are seen as normal products.” It is nearly impossible to compete with European snack companies in price. The value of imported snacks is different from domestic snacks. Hence, imported snacks are not targeted for the most majority of the population in the country. “It is more like a weekend treat than a lunch break biscuit,” he said. The shopping frequency of imported snacks is lower than domestic snacks. Nevertheless, the growth of the market is significant.

There is a mainstream fiction of Asian culture in Western countries. It starts with Japanese animation and pop culture to an awareness of Asian foods such as sushi. Nowadays, it is not difficult to find a place to eat Asian food, but back then, it was considered exotic to eat Asian food. Asian snacks, on the other hand, are more approachable. The bright colour packaging, cute characters denotes the purpose of fun treat and fantastic taste.

4.1.3 Interview with a potential customer (Third participant)

The goal of interviewing a potential customer is to discover customer jobs, pains and gains through the interviewee’s personal experience. As mentioned in previous sections, a complete value proposition will be able to identify who the main customers are and what are the customers’ problem. Customer job, pains and gains were asked indirectly by letting the participant telling her personal experience rather than asking direct questions. The participant is a Finnish female who is in her 20s. She watched Japanese animation like most other Finnish kids when they were a child. She likes shopping for snacks, but due to the limit collection of snacks from local stores, she orders her snacks online.

People consume daily meals differently than snacks. For the three main meals we consume (breakfast, lunch and dinner), everything tends to be repeating, which means people do not try new cuisine very often; probably once a week.

However, snacking habit is the opposite. She said she likes to try to explore new snacks every now and then. When the participant was asked why she likes Asian snacks, she mentioned the connection to childhood is the critical part of the attractiveness. She likes to choose to purchase snacks with some characters on the package, which were from one of the animations she watched when she was younger. She also mentioned another factor that drives her and her friends to purchase Asian snacks, which is the internet — and more specifically, YouTube videos and Instagram posts. Besides social media, there has also been a massive collection of Asian content on platforms such as Netflix. She said: “You do not just have a snack; you spend for the whole culture.” The keywords related to customer jobs are childhood connection, adventure and social media trends.

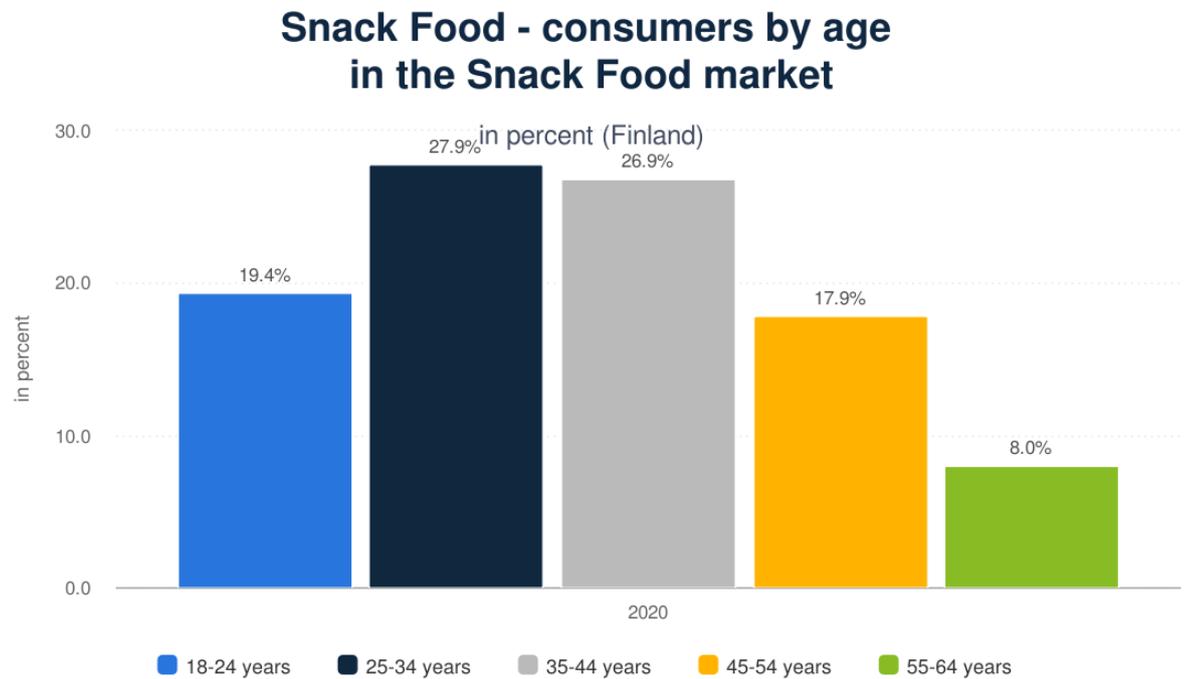
Subscription is a crucial driver for the early growth of new companies. Subscription snack and food box businesses have been growing very fast in America and some parts of Asia. (The New York Times, 2015). The participant is a fan of snack subscription service, and it is called “snack box”. It is a box posted every month from Asia (mostly Japan and South Korea), and the customer can try different snacks each month. “It takes a lot of thinking and decision-making out for me when there are so many products to choose from,” the participant said. Custom duty is another thing that bothers the participant as sometimes she has to pay for the Finnish Customs (Tulli) when the package posted from overseas contains many products. In most of the cases, snack companies do not offer free shipping to Europe unless the price of the order exceeds a certain amount and the shipping usually takes around two to three weeks at least. The keywords for the “pains” she experienced are “Expensive shipping, occasional custom duty, and too many products to choose from.

4.2 Qualitative Data

This section provides the secondary data gathered from the Internet resources, which will be used for creating a market segmentation.

4.2.1 Snack Food – consumers by age in the Snack Food market

Survey conducted by Statista in October 2020.



Source: Statista Global Consumer Survey, October 2020

statista

FIGURE 1. Snack Food – consumers by age in the Snack Food market

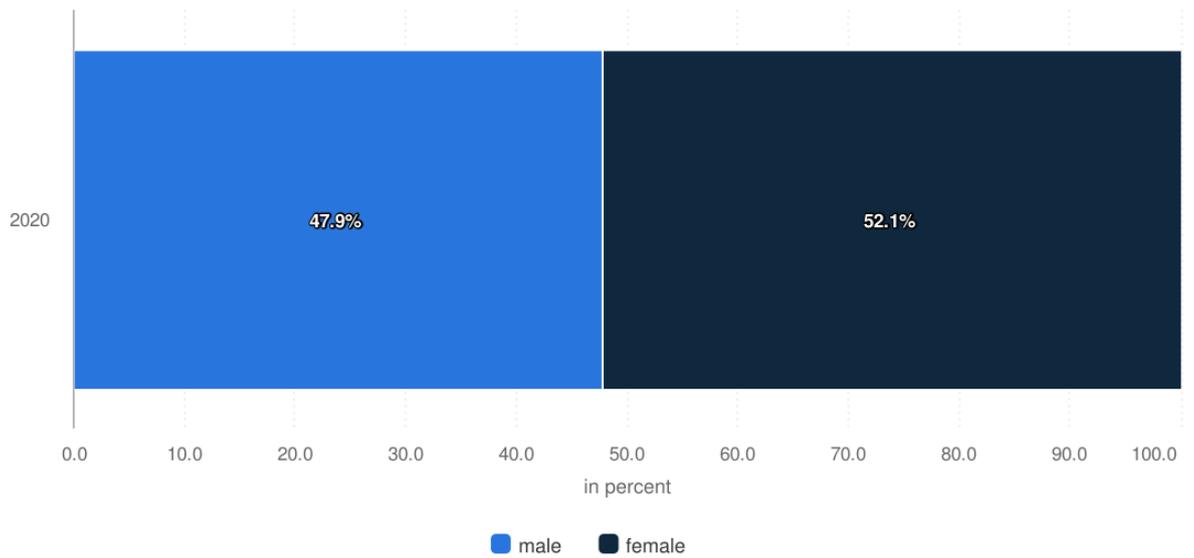
From FIGURE 1, we can see people aged from 25-34 years old are the largest age group of people in the snack food market, followed by 34-44 years old. This is due to the income and lifestyle reasons.

4.2.2 Consumers by gender in the Snack food market

Survey conducted by Statista in October 2020.

Consumers by gender in the Snack Food market

in percent (Finland)



Source: Statista Global Consumer Survey, October 2020

statista

FIGURE 2. Consumers by gender in the Snack food market

From FIGURE 2, we can see that female consumers spend 4.2% more than male consumers in the snack food market.

5 THE MARKETING PLAN

This chapter provides the market plan, which was created according to the literature review and all the data gathered for this thesis. There are two parts in this chapter. The first part is the value proposition plan, and the second part is the market segmentation plan.

5.1 Value Proposition

According to the Value proposition Canvas (PICTURE 1), a value proposition is split into two parts – customer and product. From the customer side, there are customer jobs, pains and gains, and from the product side, there are product & services, gain creators and pain relievers.

5.1.1 Customer jobs

There are two ways of understanding customer jobs in this thesis topic, according to Participant Three. One is purchasing snacks for the taste, and the other is a sense of satisfaction. Buying snacks for the taste is pretty straight forward. There is a specific limit of snacks that are available in the regular grocery stores, which are for the general population. In many cases, the snack categories and flavours are chosen based on general preference. In this case, some potential customers are willing to explore and try new snacks that they have never seen before and the products they see on social media, for example, a snack YouTube channel. Buying snacks for the sense of satisfaction is more challenging to determine. However, based on the interview with Participant Three, buying snacks which are the connection to childhood is one of the elements to the sense of satisfaction. The term “childhood” is the animation that most people watched when they were younger.

5.1.2 Customer gains

Imported Asian snacks have the same customer gains as other snacks which are available in every grocery store, which provide comforts and release stress, and this is the required customer gains. However, imported snacks can be seen as

“premium snacks” for its higher price and limit availability. The outstanding taste is one of the expected gains as imported snacks are considered “exotic”. Participant Three mentioned that as a customer, she wants to try new flavours and products. Consumers would like to explore new taste from imported Asian snacks.

5.1.3 Customer pains

Taxes and long shipping time are the two main customer pains. Participant Three said that it takes multiple weeks for her orders to ship from Asian to Finland. In the interviews, Participant Three mentioned that it is annoying to pay extra money for the things that they ordered – taxes. According to the participant’s personal experience, it is unpredictable to know if her parcels will be charged with import taxes. This creates a certain level of stress and uncertainty. The delivery time depends on many different factors as the parcels travel through different countries and unforeseen delays happen often. There is a minor customer pain that the participant mentioned is that she cannot understand the product labels which are written in other languages. It is challenging for her to know if there are ingredients which she is allergic.

5.1.4 Product & Services

Based on the interview and research, the author came up with the idea of products & services. As the First Participant mentioned “Spread creates value proposition”, it is critical to specialise in one thing. In this case, the business should be specialised in imported Asian snacks rather than imported food in general. The tangible products are imported popular and trendy Asian snacks; this is the core of the business idea. All products will be labelled in multiple European languages and marked with food allergies. Products will be sold online to minimise the cost so that the price can be lower. There will be a snack subscription box, and customers can choose their preferences because it allows customers to discover something new which appeal to unexpected customer gains. One important critical service will be provided the after-sales service.

5.1.5 Gain creators

Making the products and packaging unique is the first gain creator. The goal of this business idea is not solely selling imported Asian snacks but bringing customers a positive experience. Confidentiality means protecting customers' personal information from being accessed and used for an unwanted purpose. It is essential for every business nowadays as personal information such as bank details, name, and address will be involved whenever a consumer makes a purchase. Guaranteed confidentiality can make customers feel safe and secured to purchase. Free trial and samples can act like a "surprise" for customers, which is suitable for food business. Because food product can be consumed immediately and customers can learn the product at the same time.

5.1.6 Pain relievers

The company will pay for all the import duty and storage them, and this can relieve the pains of paying import duty and long delivery time by customers. Translated labels help customers to understand the products to avoid an unexpected allergic reaction. Subscription snack box solves the problems when customers have a hard time to choose products but still want to make a purchase.

5.2 Market Segmentation

The target market for businesses is the consumer that a business is trying to direct all of the marketing efforts towards, to attract them to purchase the product. It means all the marketing resources will be geared towards one type of consumer. All products and marketing plans are designed for a specific type of consumer. By tailoring potential customers into a specific group, a business can increase the likelihood of them being desired by that specific group (Weinstein, 1987).

The market segmentation for imported Asian snacks can be defined through two main market segmentation methods: Demographic and psychographic segmentation. Demographic segmentation can be achieved through the secondary data

gathered in Chapter 5.2. The interview inspired psychographic segmentation with the potential customer and snack distributor.

5.2.1 Demographic Segmentation

From FIGURE 2, we can see that female consumer have 52.1% market share in the snack food market, which is 4.2% more than male consumers. In Figure 3, 25-34 years old consumers have over a quarter of the whole snack food market. Furthermore, 35-44 years old consumers have 26.9%; however, the author came to the assumption that this age group have a different habit of consuming snacks, which means people from this age group prefer local snacks than trying exotic snacks. Consumers aged from 18 to 24 are the young generation, they are the group of people who like to try and experience new things. Since people from this age group do not have the same level of income as older age groups, 18-24 years old consumers do not spend more money on snacks.

Consumer aged 18-24 and 25-34 both are selected for the demographic market segmentation for their snacking habits and income. Furthermore, the focused gender group is female.

5.2.2 Psychographic Segmentation

Psychographic segmentation is achieved through psychological traits that influence consumption habits. This includes daily activities and opinions of individual subjects (Wedel & Kamakura, 1999). A customer profile was created according to the interview with Participant Three. The customer profile is a young working female who likes watching Japanese animation and other Asian TV Series, who are influenced by Asian culture and consume snacks regularly.

The key is to create a brand image which customers can experience not only the snacks but also the culture. This can be achieved through marketing, communities and product design.

6 CONCLUSION

The objective of this thesis is to develop a value proposition and market segmentation of imported Asian snacks. The ultimate goal is to use this thesis as a reference to start a business related to making a difference in the Finnish market. The author started having this idea from his personal experience of living in different countries and communicate with people from different backgrounds. The author first started from researching the domestic market and European market and then comparing with existing companies from other countries. After that, he discussed with different people with this idea and eventually decided to conduct academic research on this topic.

There are two main research questions designed to guide the whole research process. A research plan was formed based on the two research questions. The questions were answered as follows:

1. *“How to create a value proposition for imported Asian snacks?”*

This question was answered mainly through the primary research data – interview. Three percipients involved in the interview, each one of them gave ideas and opinions from a different perspective which are highly valued. This question was answered in chapter 5.1. In chapter 5.1, there are six different sections which six elements of value proposition were answered in details according to the interviews. *“What is the potential customer(s) perspective on imported Asian snacks?”* This question was answered mainly from the interview with Participant Three (See 5.1.3). This participant is a regular buyer of Asian snacks, and she is also a fan of Japanese animation. Her answers were representative of other potential customers who share similar interests. The other two participants also played an essential role for the author to understand the snack market and create a value proposition with their opinions and thoughts on imported snack market.

2. *“How to create a market segmentation for imported Asian snacks?”*

This question was mainly answered though the secondary data collected in chapter 4.2. quantitative data is more useful to create a market segmentation than

qualitative data. The market segmentation was created in two main methods – demographic and psychological segmentation.

Consumers by age in the Snack Food market provides information on the market share of different age groups. This data helped the author to determine which are the ages groups should be focused on. Furthermore, FIGURE 2 (Consumers by gender in the Snack food market) clarifies which gender group spends more on snacks. With the analysis of FIGURE 1 and 2, the author came to a demographic market segmentation which is to target 18-34 years old female. Older age groups were not selected even they tend to have a higher income than younger age groups, because according to the research from GlobalData in 2017, they found out that "seniors are least likely to try new products".

The interview results inspired psychographic market segmentation with Participant Three. Psychographic market segmentation not only brings a better understanding of the customers but also makes the market segmentation more accurate towards potential customers. The customer's group based on psychographic market segmentation are those who enjoy watching Asian TV shows and influenced by Asian culture.

Combined demographic and psychographic segmentation, the author built a market segmentation – female aged 18-34 who are the fan of Asian cultural products.

The general idea of the products and services were created according to the research results. The products are aimed for female users, so the packaging and the website design will be in a clean and feminine style. Subscription box service will be one of the services. The products and services will be advertised on social media platforms and the animation community. The author saw the potential in this business idea, and business actions will be conducted. The interview and this thesis will be reviewed again when preparing for a business plan.

Speaking of validity, there are some processes that the author could do differently to boost the validity. First of all, more participants would make the data more accurate, and there would be more ideas from different people. Secondly, it would be better to launch a survey about shopping habits which can be used for market

segmentation. Thirdly, observations would be helpful for the author to understand when do people shop for snacks and how much do they spend on average each time.

Finally, this thesis is a fair learning process for the author. The most challenging part is to get the right participants involved in the interview. However, in the end, there are satisfying results which can be a useful reference for planning the business into practice. The thesis planning in the early stage was critical, and there should be extra time planned for unexpected situations, for example, when the participant cancelled the interview. The author gained a deep understanding of how to conduct business research and knowledge related to market plan.

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APPENDICES

Appendix 1. Interview questions with entrepreneur

1. How long have you been being an entrepreneur?
2. What business do you do?
3. How has your business been growing?
4. How does it differ from your competitors?
5. Do you know the value proposition and what do you know about it?
6. How do you design a value proposition for your company?
7. How do the theories of value proposition apply to your business operations?
8. How do you test if the value proposition is successful?
9. What suggestions do you have for entrepreneurs who want to start their own business?

Appendix 2. Interview questions with snack distributor

1. What is your company about?
2. How long have you been working in this industry?
3. What are your responsibilities at work?
4. How much do you see the changes in this industry for the past few years?
5. What are the pains of your customers?
6. How do you maintain a long-term customer relationship?
7. What kind of products are getting popular nowadays and do you know why?
8. How do you track trends in this industry?

Appendix 3. Interview questions with a potential customer

1. How old are you?
2. How much do you spend on snacks weekly on average?
3. What is your favourite type of snacks?
4. Have you purchased imported Asian snacks?
5. How do you buy them? Online or offline shopping?
6. What are the advantages and disadvantages of online snack shopping?
7. Why do you buy imported Asian snacks?
8. Does any of your friends like to buy Asian snacks also?