

Feasibility study of an African restaurant in Helsinki

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<p>This bachelors thesis is a feasibility study of an African restaurant in Helsinki. The aim of this study was to ascertain the possibility of establishing a successful African restaurant in Helsinki.</p> <p>This aim of the study came to play as a result of the fact that many investors have tried in the past to open an African restaurant in Helsinki, but due to many factors including lack of experience and lack of the required skills, the business failed.</p> <p>A survey was carried out on 106 respondent inhabitants of Helsinki during the Months of June and July 2012 and also one week each in October and November, 2012. The data collection process had to be extended many times due to the rigorous process and challenges associated with data collection.</p> <p>The findings of the survey turned out to be a bite different from some of the researchers earlier expectations. However, the result of the study reveals the possibility of successfully operating African restaurant in Helsinki. Many of the respondents opined that it is a good idea to have African restaurant in Helsinki but it should be of high quality and of good price. The type of food to be served was also refered to, on this, the respondents wants the food to be made out of natural ingredients and the served portions should be big.</p> <p>One main disperity between the researchers point of view before the research and the result of the study is; the researcher was of the view that it would be better to set up this propective African restaurant like the traditional Finnish restaurant, but the result reveald that many of the prospective customers are only willing to pay between 11€ and 15€ for a meal. Some respondents also want the price for drinks to be included in the price of the meal, and they would prefer the possibility of having to have as much drinks as they can for the same price. Many of the respondents also want a buffet type restaurant.</p> <p>On the whole, the result of the entire study was quite good, up to standard and met the researcher's overall expectations.</p>	
<p>Keywords Feasibility, study, restaurant, entrepreneur, Helsinki, African.</p>	

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1 Introduction

This thesis is a feasibility study of an African restaurant in Helsinki. Initially, the plan was to write a business plan on African restaurant in Helsinki but after careful considerations carrying out a feasibility study was seen to be a more viable study on this subject area.

However, before 2012 there have been no African restaurants in Helsinki, but 2012 brought about the establishment of two African restaurants in Hakaniemi and Kallio areas of Helsinki but these are more into business lunch preparation; fast food.

From observations, African foods are not popular in the world but only popular in Africa and amongst Africans abroad. However, the popularity has limits even amongst Africans. This is so because the continent is quite big and the culture very diverse. The cultural diversity is of a very big magnitude among the countries in Africa and also within the different countries.

Africa as a developing continent with still high level of illiteracy has not been able make research and come up with a type of food and menu that is popular among countries both within the continent and outside the continent. More so, there are a lot of African dishes which are very delicious and at the same time very healthy. A careful collection of popular dishes from different African countries with well-defined recipes as well as readily available ingredients will be a good starting point in selling African dishes to the world.

In Helsinki, there are 1053 restaurants. Over the years, most African restaurants that have been previously established have failed for different reasons such as incompetence and lack of experience. In that perspective, the few which established in the past did not succeed and ended up closing down (yle.fi/uutiset/)

The major reason for this study is the writers own interest to set up an own African restaurant business in Helsinki. The challenges faced with this type of business are quite enormous as there are many good different restaurants to compete with each

other, both local and immigrant owned. The major competitors in this kind of business owned by foreign investors are the Chinese restaurant and Kebab restaurants.

The Chinese people as well as people from the middle east, in terms of this business have been able to carve a niche for themselves; Chinese foods and kebabs are generally accepted in the whole world and in this case they no longer need to brand or market themselves so rigorously. Their competitive advantage is that they make good foods with healthy ingredients and spices, and they easily make them very fast and the prices are relatively cheap, which is most important.

That African restaurants have not succeeded in Helsinki in the past is due to the fact that it has not been able to brand itself remarkably and noticeably. In establishing African restaurants, there have to be a clear cut definition whether to adopt a kind of service strategy of the Chinese restaurants or that of normal typical Finnish restaurants. The Chinese restaurant is more of fast and lunch time restaurant while typical and normal Finnish restaurant is more of an executive restaurant whereby three course meals are served as well as wine and other drinks.

In order to find out what kind of African restaurant Helsinki inhabitants would like to have, a survey was carefully carried in this regard. For this purpose, the survey was carried out during the summer of 2012; between June and July and also the last week of October 2012 and the first week of November 2012. The results obtained will be presented and discussed in chapter 4.

1.1 Scope and limitations of the study

The scope of this study is limited to Helsinki, and in order to be more precise and specific to the course of this study as well as the interests of the inhabitants of Helsinki who are the prospective customers. The survey question then was narrowed down to the interest areas where the prospective customers would prefer the restaurant to be located, because the location of a business is very important for the success of the business.

Therefore, the Helsinki city centre, Hakaniemi, Itäkeskus, Kannelmäki were selected as the options for the prospective location of the business. The prospective customers of the restaurant thereby selected their choice options, and the results will be interpreted at the later part of this study.

For researches of this nature, limitations are always eminent and it happened that it was not an easy task to get respondents for the survey. Both online and paper questionnaires were used in conducting the survey and in many cases people were either too busy or in a hurry to go somewhere or just not willing to commit sometime to fill up a questionnaire on the spot. Some however promised to take it home to fill but eventually did not keep up with an appointment to fill and return the survey the next day.

Furthermore, on the limitations faced, giving the internet link to the questionnaires to the respondents was a bit tricky, many ended up not filling the survey even when they got to their homes. This made the survey period to be many times extended in order to be able to get substantial responses which will lead to a more viable research.

Also, owners of currently existing restaurant businesses in Helsinki were not willing to grant interviews about their business, because the researcher was seen as future competitor which they would not like to reveal the details of their business.

1.2 Research problem, aims and objectives

The research problem of this study answers the following question:

What is the possibility of establishing a successful African restaurant in Helsinki?

Therefore, the aim and objective of this study is to ascertain the possibility of establishing an African restaurant in Helsinki and that setting it up will be worthwhile venture at the end of the day. The intended restaurant will be the type that can stand up to the present day competitive challenges in Helsinki, and be well able to favourably compete

with existing competitors. The target group is aimed at people living in Helsinki but however with special focus on the Finnish people because they are the largest group.

In this report, the researcher has tried to follow the use of British English in the language used, especially with spellings. Any observations which shows otherwise are thereby not deliberate but due to complete mistake and oversight.

The next chapter gives an insight on the theoretical framework adopted for this study.

2 Feasibility study and forms of business

A feasibility study or analysis is a process whereby you can test the various components of your business concept and arrive at the condition under which you are willing to go forward with the business Allen (2001).

2.1 Purpose of feasibility study

The purpose of a feasibility study is simply to establish the possibility of starting or venturing into the particular type of business being planned, or whether to adopt an area of interest in an already existing business; maybe opening more offices as the case may be. However, at the end of the study if it gives a positive indication then the project or business can be started, but if on the other hand it gives a negative indication, then the project or business is avoided and other areas of business can be considered. For this research study, the purpose is the writer's quest of possibly starting his own new business and checking how realistic this can be. Feasibility studies entails different forms depending on the areas of interest and purpose of the study, this therefore brings us to the different types of feasibility study

- Comprehensive feasibility
- Economic feasibility
- Technical feasibility
- Schedule feasibility
- Legal/Ethical feasibility
- Cultural feasibility
- Marketing feasibility
- Resource feasibility
- Operational feasibility
- Real Estate feasibility

The above list of the different types of feasibility studies includes other types not mentioned, depending on the company or individual interested in the study.

A feasibility study can be carried out or conducted by either an individual wanting to enter into business or an already existing company trying to expand its frontiers.

2.2 Explanation of the different types of feasibility study

A brief explanation of the different types of feasibility study;

Comprehensive feasibility: this study covers all the different types of feasibility study in one study, and all these parts ranges from economic, technical, marketing, real estate and etc. This type of study is very important when the project focuses on establishing a new business.

Technical feasibility: this refers to the disposal of the technological resources needed for the business or project however the case might be.

Schedule feasibility: this feasibility explains the resource in terms of time needed to invest in the project.

Legal/Ethical feasibility: this feasibility determines the ability of the project or business to meet the laid down rules and regulations or legal and ethical requirements needed for the business to function well without hitches.

Cultural feasibility: The culture of the proposed location of the business if not an already existing business must be respected for the business or project to run smoothly.

Marketing feasibility: This feasibility looks at the available market for the business. The target group has to be clear and there have to be a target market. Without this the project or business should not be started in the first place.

Resource feasibility: The resources needed for the project has to be readily available for the smooth and successful execution of the project.

Operational feasibility: This feasibility explains the ability of the company to be able to identify opportunities as well as a good adoption of problem solving techniques.

Real estate feasibility: This involves the laws regarding the properties and land needed for the project. Forms of Business

For the type of business proposed in the research, the comprehensive feasibility study will be the approach adopted by the researcher.

There are different forms of business required when setting up a business. The form of business of interest for a prospective business person needs to be already defined in any case. Therefore, for the purpose of the business idea which this research is about, the following paragraphs will deal on these different forms of business.

However, the basic forms of business organization from which an entrepreneur finds more suitable for himself are listed as follows.

- Sole proprietorship
- Partnerships
- Corporations, and
- Limited liability company

These make up the legal implications of every business venture.

A sole proprietorship is a form of business organization involving one person, and the person and the business are essentially the same. Barringer and Ireland (2008)

The sole proprietorship is the most basic form of business organization. This form is commonly adopted by many entrepreneurs and in many new business and SME's.

This form of business is very easy to set up compared to other forms of business and it also required less money. The business and the business owner are the same entity and the business owner gets all the profit accrued from the business.

However, as simple as it is to set up this kind of business there are also some uninteresting things that accompanies it. One of it is that, since the business owner and the business have the same legal entity/identity, in terms of the losses incurred by the business, the business owner bears it all.

The owner of this kind of business is referred to as the sole proprietor.

Advantages of sole proprietorship

- Setting up or start up is very easy and cheap when compared to other forms
- The sole proprietor is completely in charge of running every aspect of the business and he gets all the profit
- The business can be easily stopped or discontinued

Disadvantages of sole proprietorship

- The owner incurs all liabilities of the business.
- The business solely depended of the skills and abilities of the sole proprietor and every aspect of the business lies on him
- probable difficulties in getting capital on the part of the owner

2.3 Partnership

Partnerships include more than one person in the ownership of a business. This has been classified into two parts for better clarity in the definition.

General partnerships: this involves two or more people coming together with their resources, skills and abilities and investing them in a business venture. Depending on the partnership agreement which is a legal document, all the partners involved in this business has equal rights to decision making which relates to the business.

Advantages of a general partnership

- Set up is comparatively easy and cheap
- The business enjoys the skills and expertise of all the partners
- Generating funds is easy because it has more than one owner

Disadvantages of general partnership

- The liabilities of the business lies on all the partners
- The business is dependent on the expertise and skills of the partners
- There can be disagreements in terms of decision making relation to the business which can negatively affect the business

Limited partnerships

This is a form of partnership which includes classification of its owners to general partners and limited partners.

The number of partners from both classes; the general partners and the limited partners has no restrictions. However, the difference here worthy of note is that the general partners are responsible for both the debt and obligations of the partnership while the limited partners are only liable depending on how much they have invested.

Corporation

According to Bruce R. Barringer and R. Duane Ireland – Entrepreneurship, successfully launching new ventures, a corporation is a separate legal entity organized under the authority of a government. There are two types of corporations; C corporations and sub-chapters corporations. For the scope of this research, the C corporations will be of the focus, which is however the most popular in terms of peoples knowledge of the word corporation.

The C Corporation is a legal entity which is by law distinct from its owners. A corporation is owned by more than two people and they are referred to as shareholders. They are called the shareholders of the corporation or company because they all have stakes in the company.

However, because the shareholders and the corporation are separate legal entities, the shareholders therefore are not liable in the debts obligations of the company in situations whereby the corporation run into loss.

Administration of the corporation is made the responsibility of a board which is set up by the shareholders; this board is called board of the directors. This board of directors then employs the services of professionals to run the daily affairs of the institution.

Setting up of a corporation is more difficult than the above forms of business discussed earlier. However, it is easier for a corporation to raise investment capital because the shareholders are only legally responsible to how much they have invested in the organization. This makes it also simple for the organization to grant partial ownership interests to interested individuals and shareholders, which is done through stock distribution.

There are two categories of stock.

- Common stock, and
- Preferred stock

The preferred stocks are issued to people with bigger investments in the company; they have more stakes in the company and are therefore treated with preference compared to the common investors. The preferred investors have more rights.

However, the common stockholders have voting rights in term of electing members of the board of directors but they are the last to get paid when the occurrence of liquidation of the company arises.

Advantages of a C corporation

- Liability of the owners in terms of debts and obligations of the corporation is only a function of the amount of their investments.
- The process of raising capital is comparatively easier.
- There are no limits to the number of shareholders.
- Trading the stock on a major stock exchange gives money back value.
- Employees can be motivated by way of allocating or sharing some shares to them.

Disadvantages of a C corporation

- Establishing and running is comparatively more difficult.
- There exists double taxation on income.
- Losses cannot be deducted on shareholders other sources of income.
- Shareholders having fewer shares are voiceless in the affairs of the organization.

The following chapter defines, explains and presents the research approach and methods used in this study.

3 Research approach and methods

In the broadest sense of the word, the definition of research includes any gathering of data, information and facts for the advancement of knowledge. Shuttleworth (2008)

3.1 Definition of research

A research is a studious inquiry or examination; especially : investigation or experimentation aimed at the discovery and interpretation of facts, revision of accepted theories or laws in the light of new facts, or practical application of such new or revised theories or laws. (The Merriam-Webster Online Dictionary)

Research is also defined as a process of steps used to collect and analyze information to increase our understanding of a topic or issue. It consists of three steps:

Pose a question, Collect data to answer the question, Present an answer to the question. Creswell (2008)

The Oxford dictionary simply defined research as “the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions”.

Research methodology is the methods used in approaching a research. This involves the specific methods of data collection and analysis.

There involves two methods of conducting a research which are the primary research and secondary research. These two methods also define the mode of data collection.

Primary research is a research which involves the use of primary sources such as the original documents and data.

Secondary research on the other hand involves the use of secondary sources such as a synthesis, interpretation, or discussions about primary sources.

3.2 Qualitative and quantitative Research Designs

There are there research designs or approach which can be adopted in the process of research methods, this depends on the type of research being carried out where there-fore determines the approach used. They are;

- Qualitative research
- Quantitative research and
- Mixed research method

Of which the qualitative and quantitative methods are the two main approaches to re-search designs.

Qualitative research

This is the collecting, analysis and interpreting of data by observing what people say and do. In a qualitative study, inquirers state research questions, not objectives (specific goals for the research) or hypotheses (predictions that involve variables and statistical tests). These research questions assume two forms: a central question and associated sub questions.

The central question is a statement of the question being examined in the study in its most general form. The inquirer poses this question, consistent with the emerging methodology of qualitative research, as a general issue so as to not limit the inquiry.

Quantitative research

This research approach involves the use of structured questions where response op-tions have been predetermined and a large number of respondents are involved. In quantitative studies, investigators use research questions and hypotheses to shape and specifically focus on the purpose of the study. They are used frequently in social sci-ence research and especially in survey studies.

Mixed research

This is a combination of both qualitative and quantitative research, where the advantages of both can benefit the research project.

Mixed methods studies need to have both qualitative and quantitative research questions included in the studies to narrow and focus the purpose statements.

These questions and hypotheses need to incorporate the elements of good questions and hypotheses already addressed in the quantitative and qualitative approaches.

In a two-phase, sequential project in which the second phase elaborates on the first phase, it is difficult to specify the second phase questions in a proposal or plan. After the study is completed, the researcher can state the questions of both phases in the final report. In a single-phase project, it is possible to identify the qualitative and quantitative research questions in the proposal because one set of questions is not contingent on the other set of questions.

Some attention should be given to the order of the research questions and hypotheses. In a two-phase project, the order would consist of the first-phase questions followed by the second-phase questions so that readers see them in the order in which they will be addressed in the proposed study. In a single-phase strategy of inquiry, the questions might be ordered according to the method that is given the most weight in the design.

A variation often seen in sequential mixed methods studies is to introduce the questions at the beginning of each phase. For example, assume that the study begins with a quantitative phase. The investigator might introduce hypotheses. Later in the study, when the qualitative phase is addressed, the qualitative research questions appear.

Creswell (2008), Groucutt, Leadley, & Forsyth (2004)

3.3 Data collection and data analysis process

Consequent upon the nature of the research, a quantitative research approach was adopted. This approach was seen as the best approach in getting first hand opinions,

leading to a fairly viable result. This led to the most difficult and challenging part of the entire research – sampling peoples opinion. A survey was therefore carried out with the use of structured questionnaire containing only closed ended questions, with a small room for open ended responses in the comments and suggestions option at the end of the questions. A copy of the structured questionnaire used for this survey can be found at the end of this report as an attachment.

Data collection process

After several attempts at data collection, the researcher got a total of 106 usable responses (both papers and online responses). This was possible after very rigorous attempts, to collect data in the heart of Helsinki. In the questionnaire, special interests requiring the responses from the respondents were on some specific parts of Helsinki.

The emphasis laid on the respondents' interest concerning the location of this restaurant was on the following areas in Helsinki; the city centre, Hakaniemi, Kannelmäki and Itäkeskus, and the result shows that this was a very good idea because many people would not like the restaurant to be located in some areas. Some areas have a lot more preference, compared to other areas listed in the questionnaire.

Data analysis process

The use of a statistical analysis tool known as SPSS analysis software was used to analyse the obtained data as a result of the survey carried out. This analysis therefore gave a very clear graphical and diagrammatic result leading to precise interpretations. In the following chapter, the result is presented and interpreted.

4 Key results and discussion

4.1 Background factors: respondents and gender

The most important results as far as this research is concerned are given below as shown in diagrams;

A total of 106 responses were obtained as data for this research, this data was analyzed to give the results below.

Therefore, throughout this chapter this number will be represented as $n=106$ for easy comprehension.

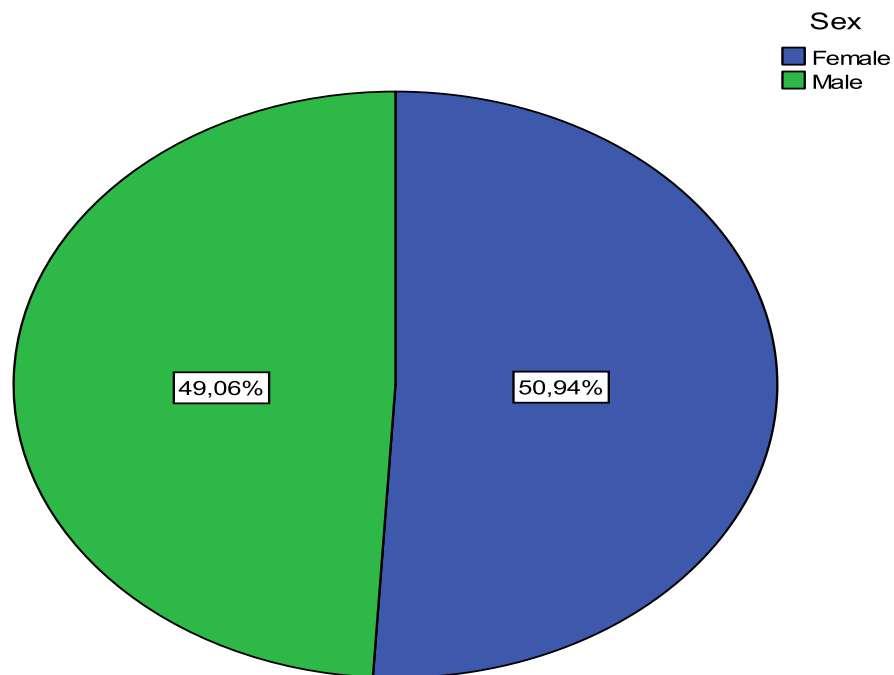


Figure 4.1: Respondents and gender

$n = 106$

This result shown in the diagram above is presented in percentage. In order to get the opinion from both male and female researcher tried to keep the survey at a balance, by reaching an equal number of male and female to take the survey.

The result here shows that after analyzing a total number of 106 data collected, 49.06% males took the survey and 50.94% females also took the survey. This means that about half of the total number of respondents was male and the other half female. The researcher thinks that this is a good result in this regard.

4.2 Background factors: respondents and age

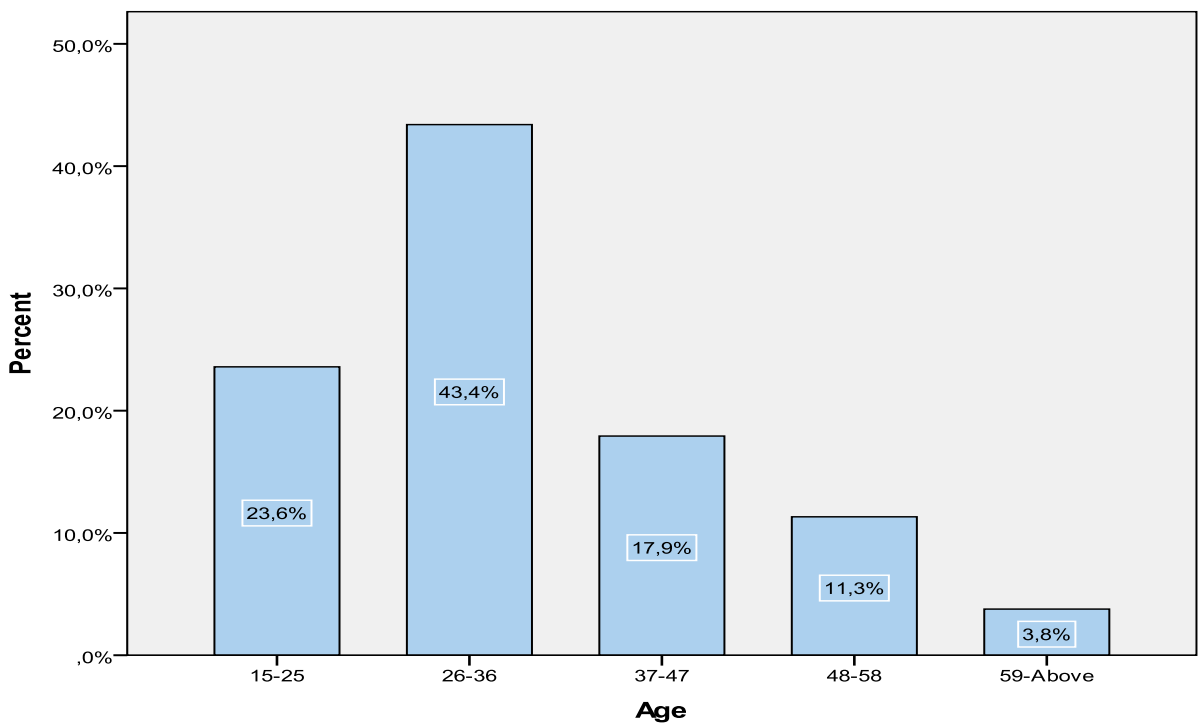


Figure 4.2: respondents and age

n=106

The result shown in the above chart reveals in percentage the respondents according to their age.

The highest number of response was obtained from people between the ages of 26 – 36 years with 43.4%, followed by ages between 15 and 25 years with 23.6% and ages between 37 and 47 years, 17.9%. This is very good because people of the above age group are very active.

Respondents with the ages between 48 – 58 years and 59 years and above are 11.3% and 3.8% respectively. This result is also very good because people of these age groups are very reliable when it comes to brand loyalty.

4.3 Background factors: respondents' nationality and race

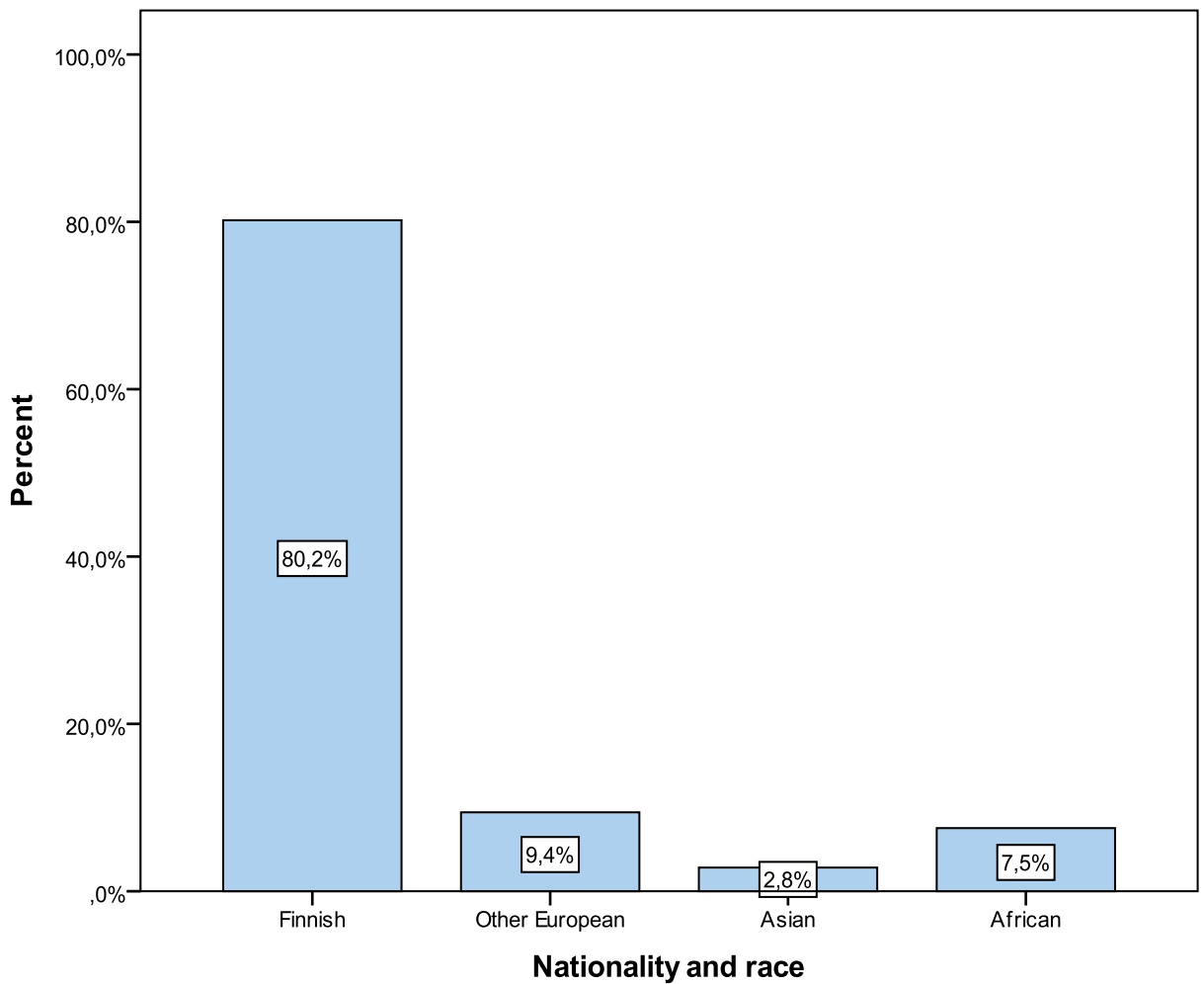


Figure 4.3: nationality and race

n=106

This result is very satisfactory to the respondent because the number of Finnish people who took the survey is more, in the chart above 80.2% of Finns took the survey. This is very good for this research because the Finns are the target group due to the fact that they are more in numbers.

Other responses in percentage show that; people from other parts of Europe: 9.4%, Asian: 2.8% and Africans: 7.5%.

Africans would rather go to have a new experience in other kind of restaurant rather than an African restaurant since they can make African food by themselves. However, they would sometimes go to African restaurant if the food is very good.

As shown in the chart below and in the questionnaire attached to this report, we can see that the only nationality is Finnish. Other respondents were referred to by their race: other European, Asian and African.

This was so because, since the research was conducted in Helsinki, the Finnish people are the most important group talking about prospective customers of the restaurant. They are more in numbers and are the most people to patronize the restaurant if the food and service is good. This also reveals that the target group is the Finnish people and the result of the entire survey expresses more of their views about African restaurant in Helsinki.

4.4 Behaviour - eating at restaurant

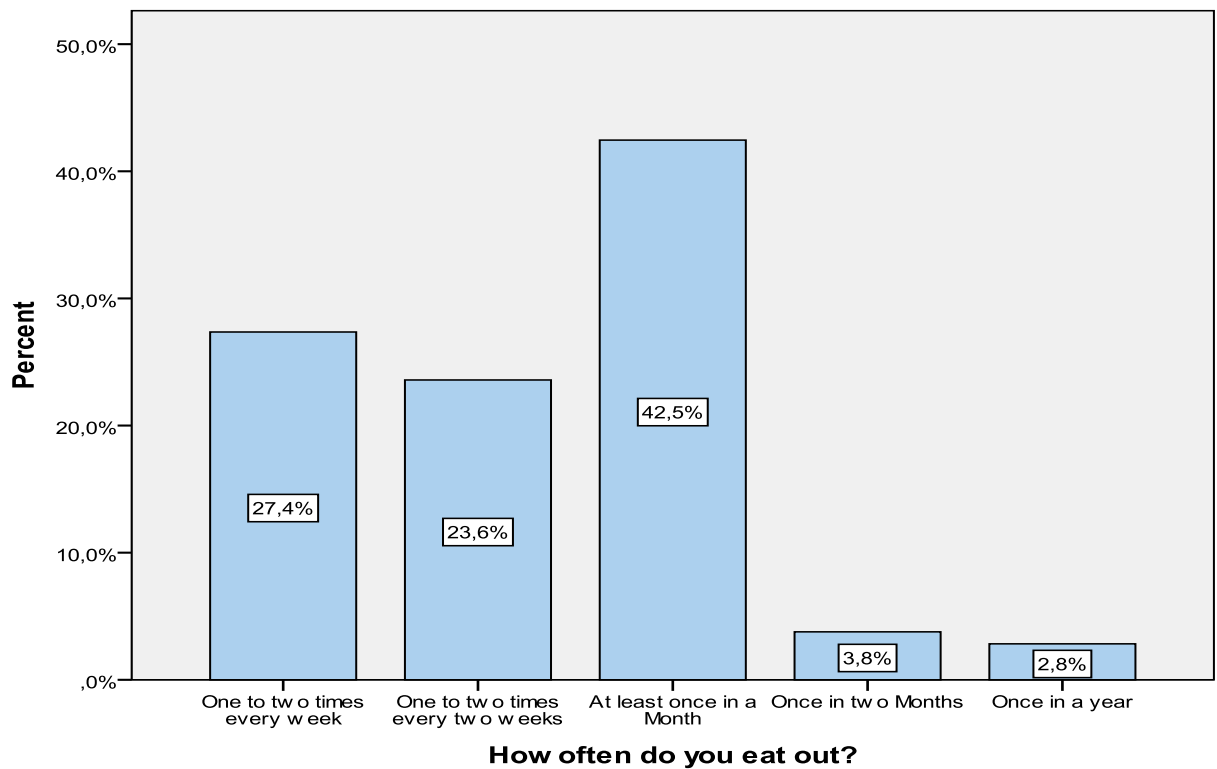


Figure 4.4: eating at restaurant

n=106

This result shows that most people go to eat in a restaurant at least once in a Month. So we can see that 42.5% eats out at least once in a Month, 27.4% one to two times every week, 23.6% one to two times every two weeks which is maybe practically every week, 3.8% once in two months and 2.8% eats out once in a year.

Positively, it shows that if the restaurant makes a good impression by making good food and giving good services, there will always be customers.

4.5 Behaviour: type of restaurant usually visited

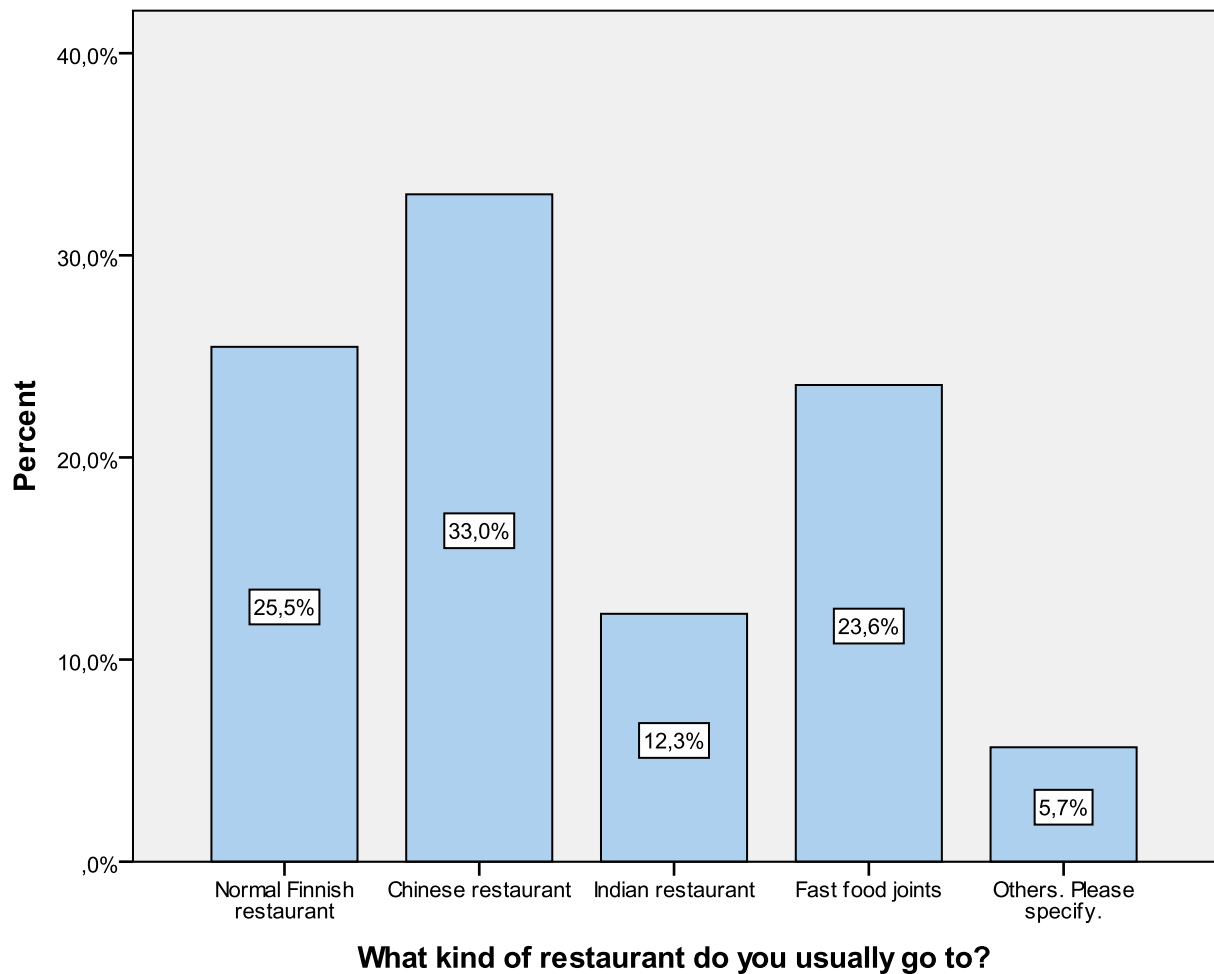


Figure 4.5: type of restaurant usually visited

n=106

The diagram above explains the respondents' usual restaurant. It shows that more people visit Chinese restaurant more than the other restaurants. First on the list of most visited restaurant is the Chinese restaurant with 33%, normal Finnish restaurant with 25.5%, fast food joints with 23.6%, Indian restaurant with 12.3% and others with 5.7%. Other restaurants which were specified in "others" will be presented and explained later on in this chapter, under open ended responses.

This result is very good because it reveals that people have good eating habit.

4.6 Satisfaction: spicy food

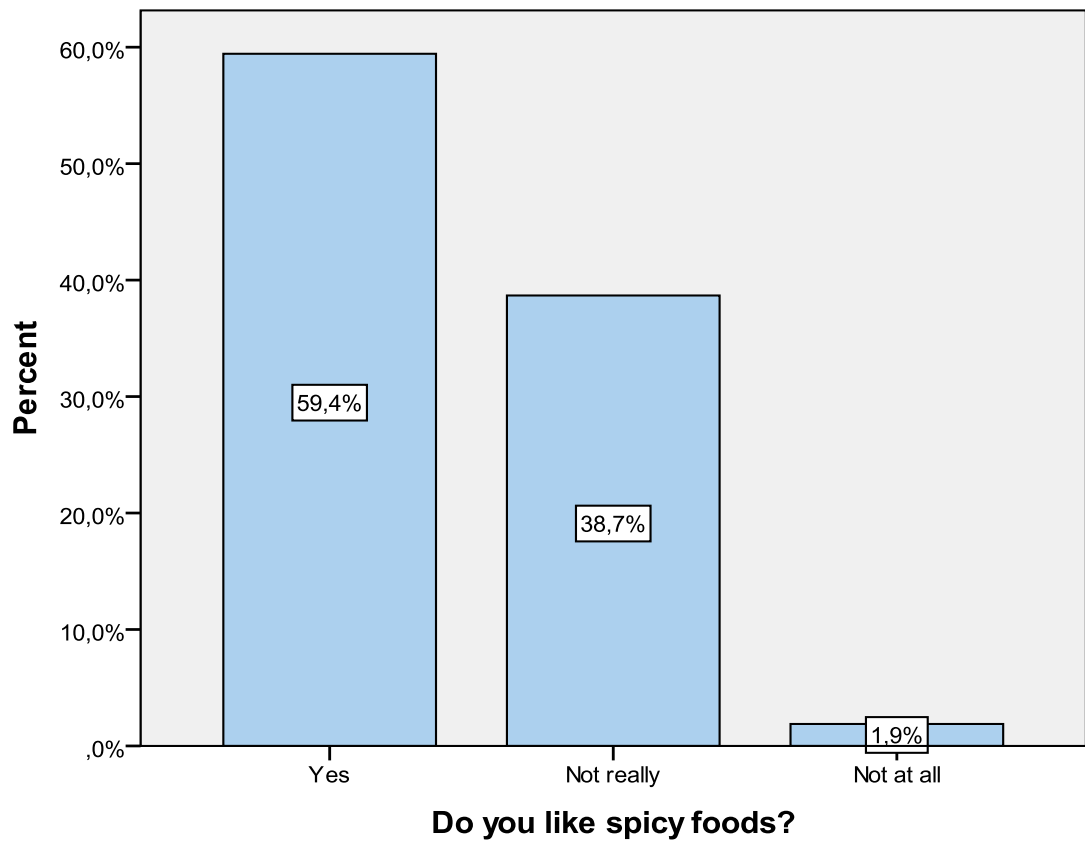


Figure 4.6: spicy food

n=106

This chart shows that many people likes spicy food. The result shows that 59.4% likes to have their food spicy, 38.7% do no really like spicy food but they can have it some-times and 1.9% does not like spicy food at all and would not like to have it at all.

4.7 Choice: spicy food

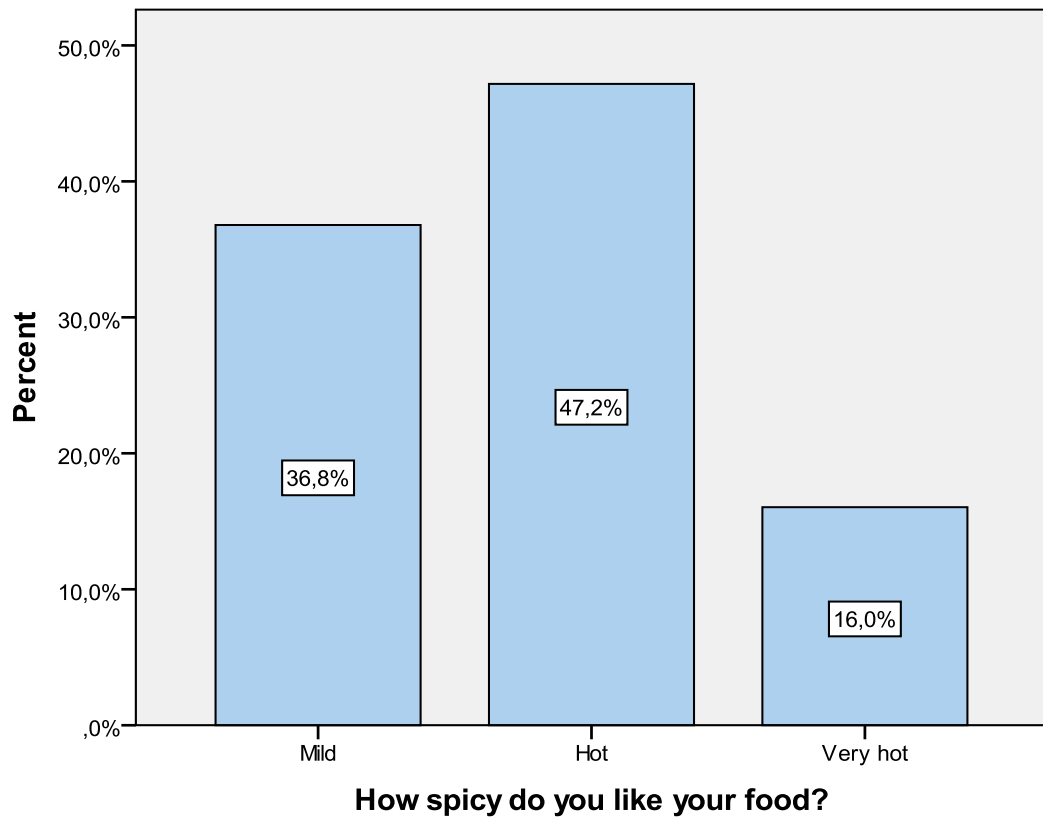


Figure 4.7: how spicy

n=106

The result shows that 47.2% like their food spicy hot, 36.8% like their food with mild spice and 16% like their food with very hot spice.

4.8 African food: attempt

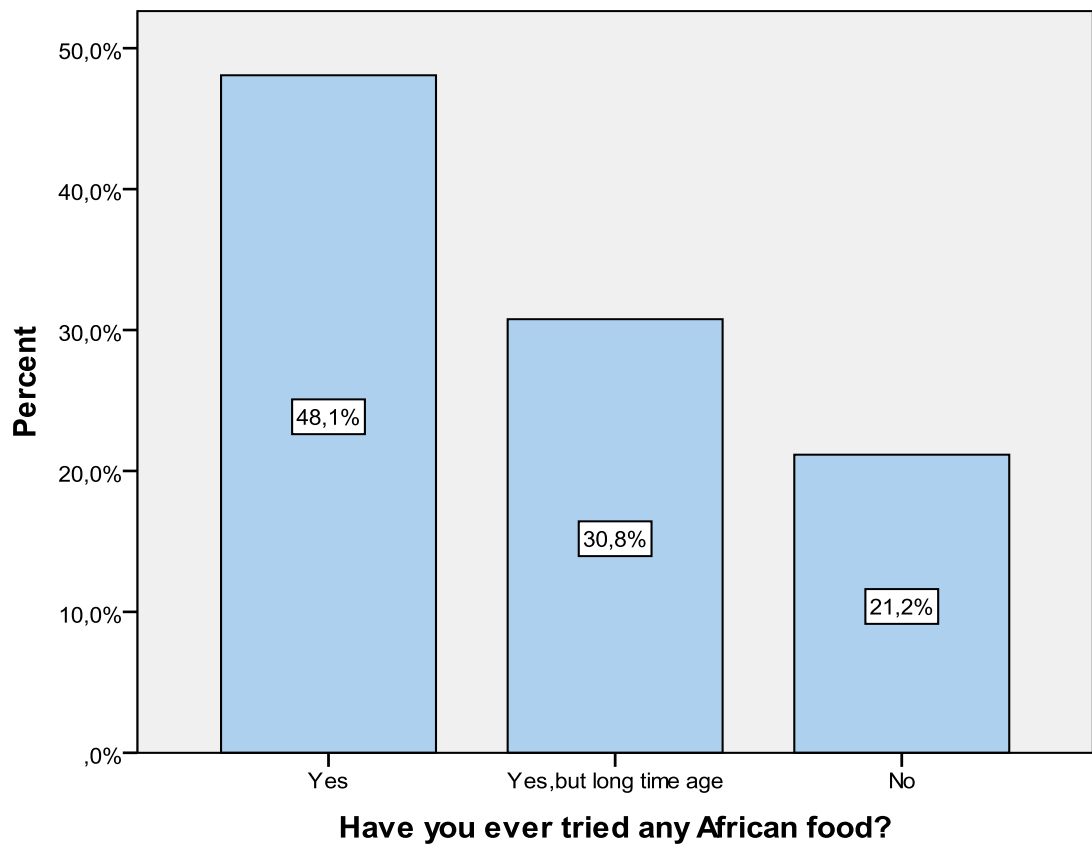


Figure 4.8: tried African food

n=106

This result shows that 48.1% have tried African food in the past, 30.8% have tried African food long time ago and 21.2% have not tried any African food before.

This result is quite good because 21.2 % of those who have not tried African food before are good number and there is therefore a high chance of them trying it in the future. The other people who have at least tried African food in the past will likely try again if they get good feedback of an African restaurant.

4.9 African food: feedback on taste

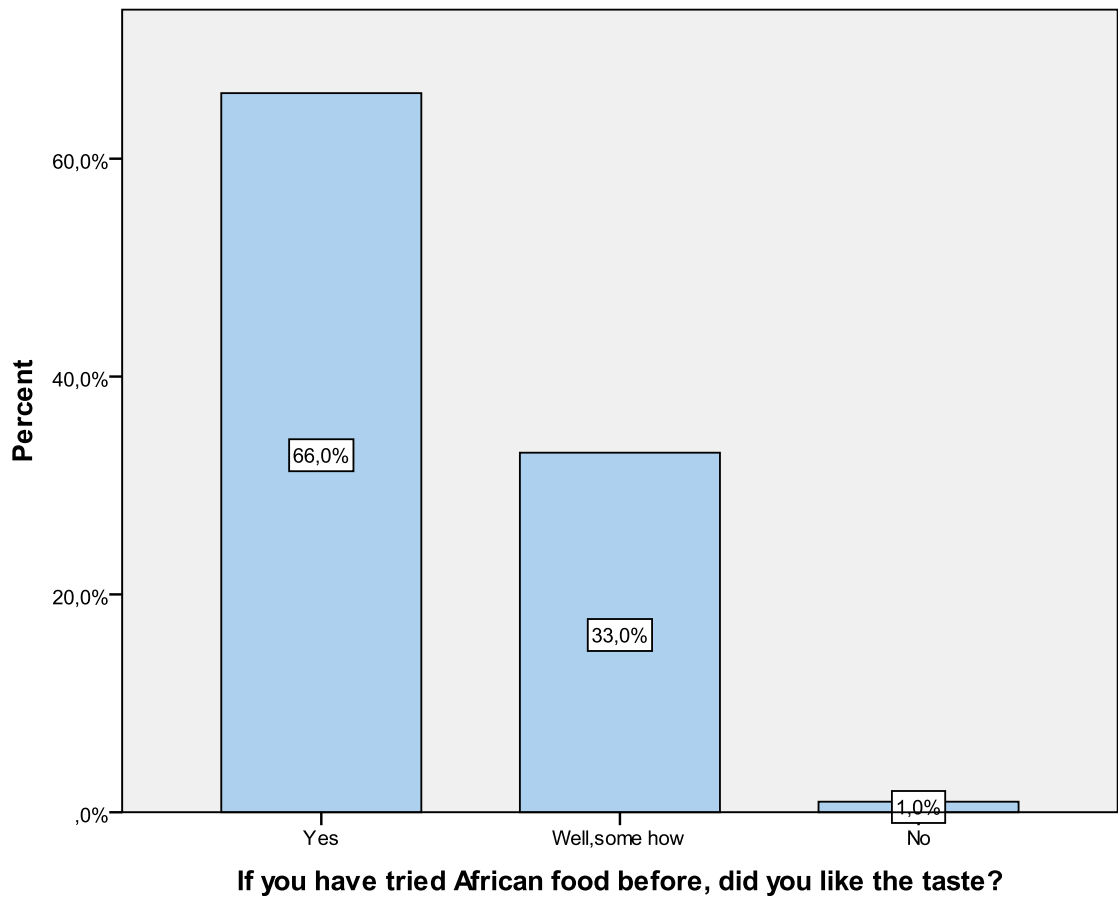


Figure 4.9: taste

n=106

This result shows that 66% of people who have tried African food before liked the taste, 33% somehow liked the taste but not as much and 1% did not like the taste at all.

This result is quite good because the percentage of the people that like the taste is very high, which means that they would likely try again because of the taste.

4.10 African food: feedback on food

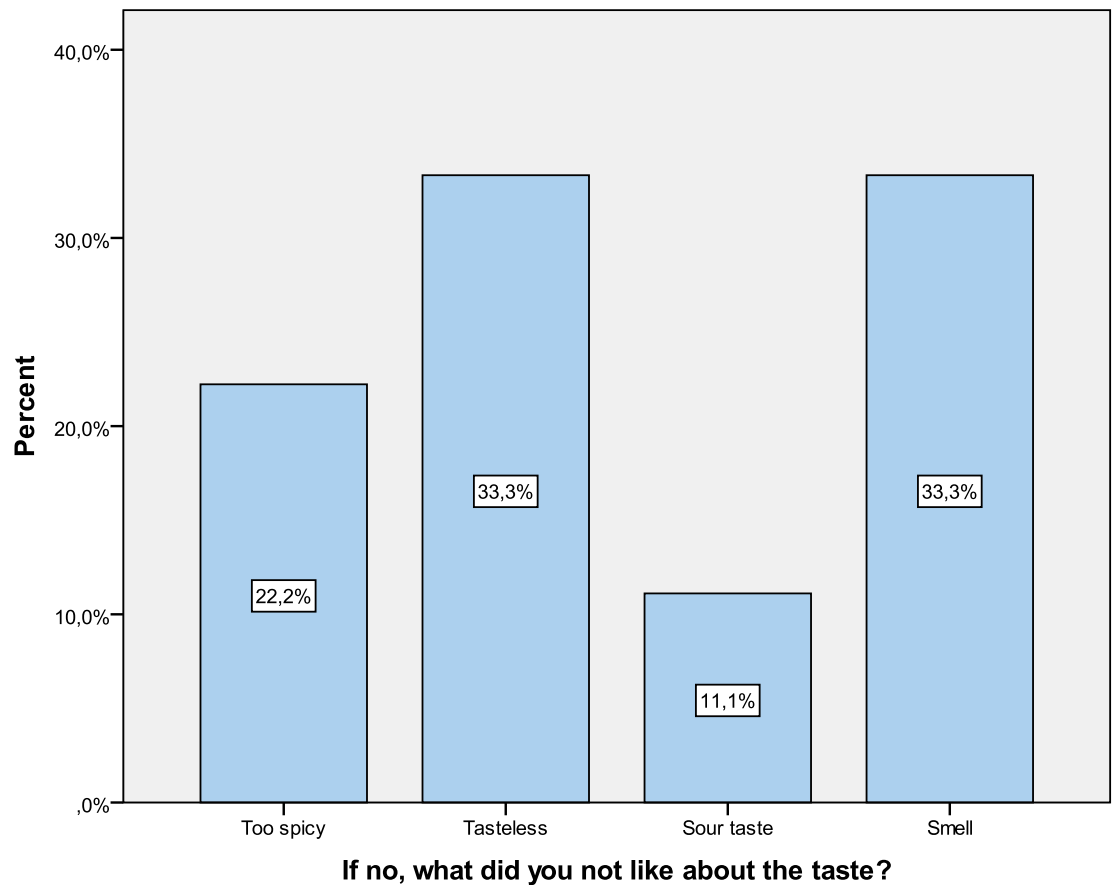


Figure 4.10: dislike about the food

n=106

For this result, even people who like the taste of the food also answered this question; that if they did not like the taste, what was that that they did not like about it. 33.3% said the African foods they have tried in the past did not have any taste, another 33.3% did not like the food because of the smell, 22.2% did not like the food because it was too spicy and 11.1% responded that the food had some sour taste which they did not like.

However, the researcher has observed that a mild spicy food for an African might be extremely hot for an average Finn. Therefore, requests about the spicy nature of the food must be taken with very serious interest in the proposed restaurant.

4.11 African restaurant: choice

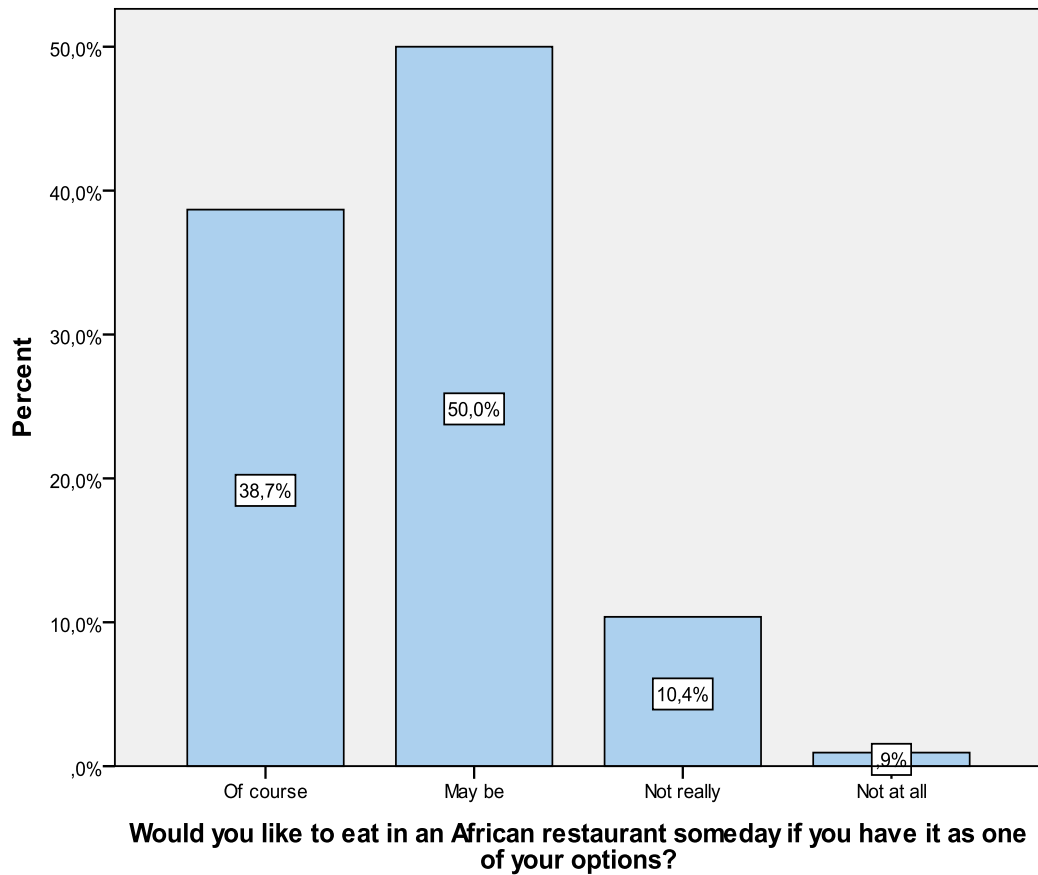


Figure 4.11: Eating in African restaurant

n=106

38.7% would of course like to go to eat in an African restaurant someday, 50% would maybe eat out in an African restaurant also. 10.4% would not like an African restaurant as an eating option and 9% would not go at all to eat in an African restaurant.

This is a very important result for this research, 38.7% being the percentage of the number of people who would of course go to eat in an African restaurant is a very good percentage. Also, there is a likelihood that the 50% who would maybe go to eat in African restaurant will eventually go to eat there, if they get a good feedback about the restaurant.

4.12 African restaurant: eating habit

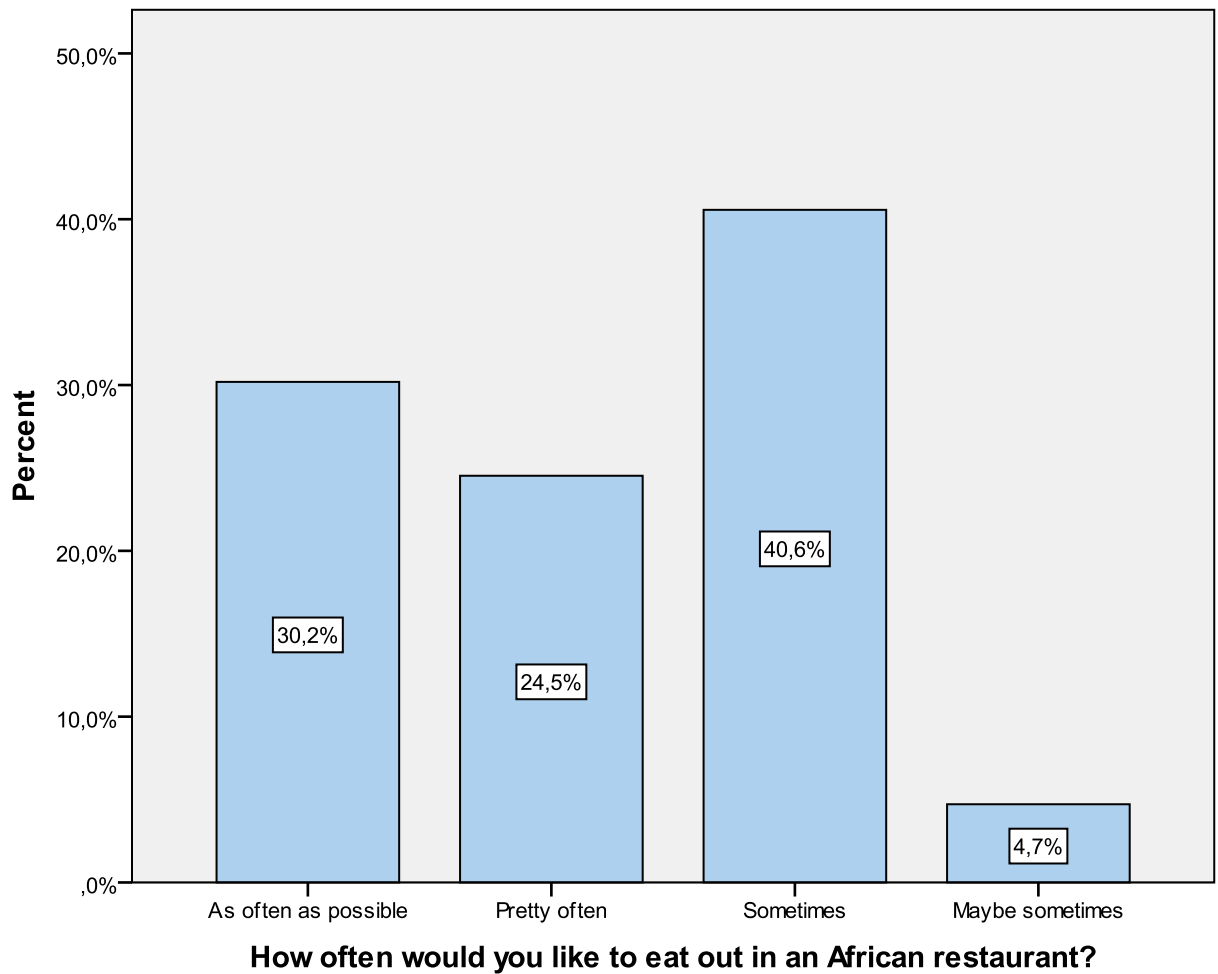


Figure 4.12: how often

n=106

In the result above, 30.2% would go to eat in an African restaurant as often as possible, 24.5% would go there pretty often, 40.6% would go only sometimes. 4.7% said that they would maybe sometimes go to eat in an African restaurant, this result cannot be relied on because of the word “maybe” which is most likely no.

This result is good because it shows that a good percentage of people would be ready to go to eat in an African restaurant pretty often and as often as possible.

4.13 African restaurant: company preference

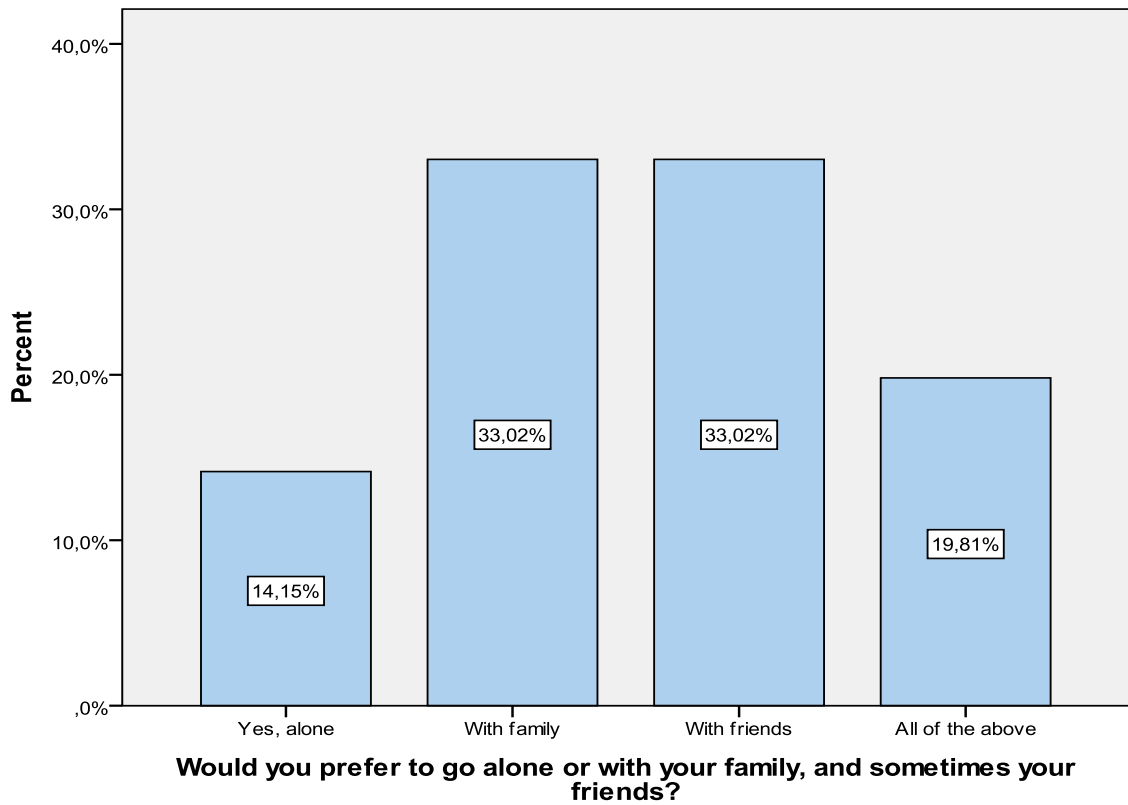


Figure 4.13: Preference to go alone or not

n=106

33.02 % would both prefer to go with family and with friends, 19.81% would like to go alone, sometimes with family and sometimes with friends.

This is good result because it shows that many people would go at different times and they are ready to go with other people.

4.14 African restaurant: amount

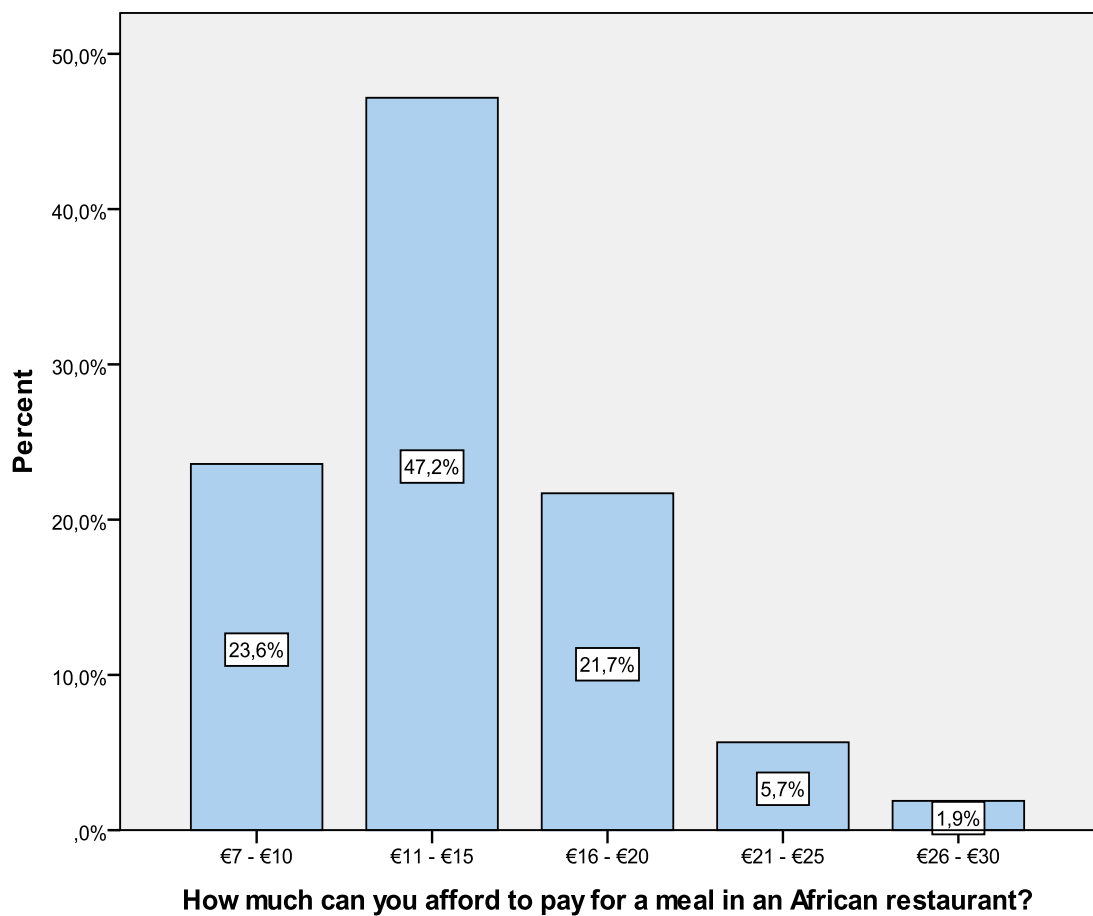


Figure 4.14: affordable price

n=106

This is a very important response to this whole research. We can see from the result that 47.2% prefer to pay between 11€-15€, 23.6% would afford to pay between 7€-10€, 21.7% would pay 16€-20€. 5.7% would pay 21€-25€ and 1.9% would pay 26€-30€.

This result reveals that more people would go to eat at the restaurant if the price is affordable. That is, if they can get a good meal for at most 15€ for a meal.

4.15 African restaurant: location

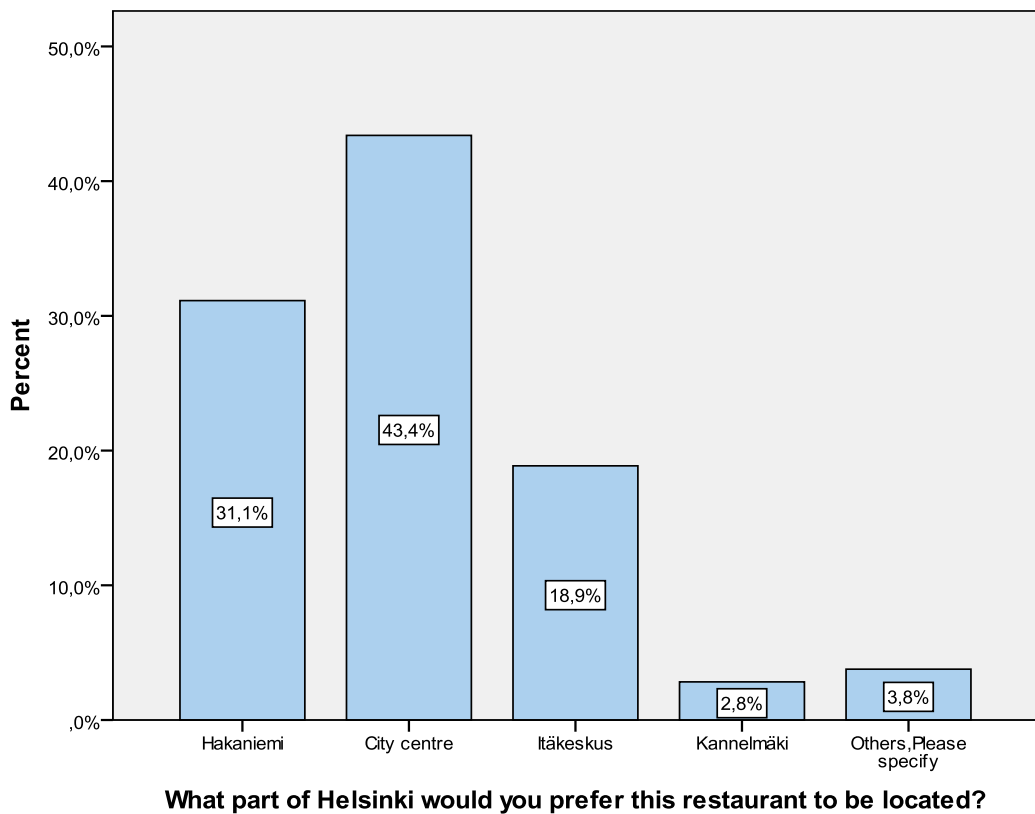


Figure 4.15: restaurant location

n=106

This result on the proposed location is very important because a good location is always very important for any business.

More people would prefer the restaurant to be located at the city centre for easy access from any part of Helsinki. 43.4% prefers the city centre as the location of the restaurant, 31.1% prefers the restaurant to be located at Hakaniemi, 18.9% prefers Itäkeskus and 2.8% prefers Kannelmäki. 3.8% prefers the restaurant located elsewhere other than the four locations asked.

The analysis of the open ended questions would be after this in order to be able to see other points of view.

4.16 Open ended presentation and analysis

The interpretations which follow below will be presented in tables.

Figure 4.1: what kind of restaurant do you usually go to? - question 5

Gender	Number of respondents	Age limit	Nationality/ Race	Answer
Female	1	37-47	Finnish	ethnic - spicy but not 'hot'
Male	1	37-47	African	Thailand restaurant, Italian restaurants
Male	1	37-47	African	kebab or pizza
Male	1	26-36	Other European	It really depends on the moment.
Female	1	15-25	Other European	Italian
Female	1	59-above	Finnish	Russian, Thai, Vegetarian, Nepalese, Lebanese
Female	1	26-36	Other European	Varies
Male	1	26-36	Asian	Thai
Male	1	26-36	Finnish	very open minded restaurant goer

n = 9

The table above presents the open text answers to question number 5 in the questionnaire. It shows that people have open minds in their choice of restaurant, depending on the moment as well as other factors which could be the kind of occasion or ceremony.

We can also see that, the age groups lie with the active age. The researcher thinks that a good African restaurant is likely to be in their list also.

Open ended presentation and analysis

Figure 4.2: What part of Helsinki would you prefer this restaurant to be located?

Gender	Number of respondents	Age limit	Nationality/ Race	Answer
Male	1	26-36	Finnish	Not in Helsinki, somewhere else in Finland please.
Female	1	37-47	Other	Itäkeskus or Hakaniemi sound good
Male	1	48-58	Finnish	Kallio

n = 3

This table above shows some peoples opinion about the location of the proposed restaurant. A respondent would prefer to have the restaurant somewhere else in Finland than in Helsinki. Other respondents would prefer the location to be Itäkeskus, Hakaniemi or Kallio.

This is good for this research because many people are interested in the proposed location by the researcher.

4.17 Open ended presentation and analysis

Figure 4.3: Do you have any further advice?

Gender	Number of respondents	Age limit	Nationality/ Race	Answer
Male	1	26-36	African	I will go to eat in African restaurant at least once in 2 months.
Female	1	48-58	Finnish	I think that it's a good idea to have an African restaurant in Helsinki.
Female	1	15-25	Finnish	The restaurant could be located anywhere near to the centre of Helsinki!
Male	1	26-36	African	Concerning the location issue, I think there should be feasibility studies carried out based on the viability of the location, how much is the concentration of foreigners, the size of people making use of that area and also accessibility of the location. The Finns too must be taken into consideration as they might be the biggest customers since they are the majority of the population.
				Take (name withheld) thoughts seriously! He's smart and internationally

				minded. Also keep me posted at (contact withheld) -- I want to hear more!
Male	1	37-47	African	Hakaniemi area is a bit saturated with ethnic shops if you have enough invested capital; I think city centre area will attract varieties of people from different countries.
Male	1	48-58	Finnish	To attract regular customers (and not just the filthy rich) try to keep prices at a suitable level. (there are more poor people than wealthy business men in Finland)
Male	1	26-36	Other European	Use proper and natural ingredients as much as possible.
Male	1	26-36	Finnish	It's good to have very mild spice in the food and the make provision for extra spice in case someone wants more spice in his/her food. Also, try to keep the price as affordable as possible and let the food be delicious.
Male	1	26-36	Asian	publicize in eat.fi, possibly Helsinki Times English

				newspaper, other local newspapers
Male	1	48-58	Finnish	Africa is a large continent with supposedly different heritages. Every plate I have had in Africa was in European type cooking.
Female	1	26-36	Finnish	Please ensure high quality of the food in order to keep your customers.

n=12

The above table explains the open text answers to question 16 in the questionnaire. The responses given here are indeed very helpful for this study. It is a good idea by some people to have African restaurant in Helsinki. Some people would prefer to have the restaurant at the city centre because they think that Hakaniemi is saturated with ethnic shops.

Some people want proper and natural ingredients to be used in the preparation of the food and it should be of high quality.

4.18 Open ended presentation and analysis (comments in Finnish)

Figure 4.4: Onko sinulla ehdotuksia / lisättävää?

Sukupuoli	Vastanneiden määrä	Ikä	Kansalaisuus	Vastaus
Mies	1	48-58	Finnish	Asiakkaat pitävät erityisesti buffesta!
Nainen	1	37-47	Finnish	Tämän kesän löytö oli Etiopialainen ruoka. Varsinkin hiukan tulinen to-

				maattikastike, kana ja riisi ovat suosikkejani esim Nigerianlaisittain laitettuna:)
Nainen	1	26-36	Finnish	Kiitos kyselystä. Tiedän, että Hakaniemi on juuri avattu uusi Afrikkalainen ravintola, jota olen menossa kokeilemaan. Tämän takia näkisin uuden ravintolan mieluiten pasilassa/länsi-pasilassa, töölössä tai keskustassa. Jos kyseessä on lounas on 7-8 euroa sopiva, illasaikaan ateriat voi olla hieman kalliimpi (kysymys 14)... Syön esim. Usein nepalilaisessa, koska ne ovat kohtuullisen edullisia ja annokset reilun kokoisia. buffevaihtoehtokin ovat mukavia.
Nainen	1	37-47	Finnish	lisukkeet pitäisi varmaan kylläkin olla 'suomalaisia', esim. riisi, maissipuuro (jos tyypillinen afrikkalainen lisuke) ei varmaankaan suomalaisen makuun
Nainen	1	26-36	Finnish	kerrankin ravintola, jossa 1 ruokajuoma (=limsa) kuuluisi ruokailun hintaan...? tai joku edullisehko juoma niin paljon kuin haluat -

				tarjous? olisi super ja kävisin paljon useammin k.o. ravintolassa...
Nainen	1	48-58	Finnish	Minua kiinnostaa sekä laadukas ravintola että edullinen ravintola.

n=6

The above table presents the open text answers in the Finnish copy of the questionnaire. A copy of this questionnaire is included in the attachment of this report; also, the open text answers in the above table and the corresponding English translation will also be found the attachment section of this report.

In this open test answers, some people want a buffet type of restaurant that would the price of drinks included in the food price. Some suggest the location to be in some parts of Helsinki like Pasila and Töölö, some would like the price to be between 7 and 8 Euros and others would like a good quality restaurant that is cheap and serves big portions of food.

5 Conclusion and recommendations

5.1 Summary

To conclude this study, the researcher is satisfied with the findings due to the fact that a lot of new things and productive information were gathered along the line. These are the kind of information that will very much be of advantage when trying to start own business in the future, and also for further studies.

This feasibility study has given an insight on why past African immigrant investors have failed in their venture into restaurant business.

The common reasons for failure include incompetence, lack of line experience, lack of managerial experience and, quite important, unbalanced experience. Kitchen experts with no flair for handling the public, beware!

Most experienced restaurant operators agree on the two most common reasons for failure;

Inadequate fund, some operators run out of money before the restaurant is able to attract enough customers to make profit.

Poor management, this is a catchall phrase, but should not be dismissed on those grounds.

(Egerton-Thomas 2006, 10).

Many past investors have failed because they of the above reasons. They just wanted to get into business because they wanted to improve their financial status, thereby only looking at what they stand to gain, completely without flair for the business. They also failed in carrying out a comprehensive feasibility study which usually helps in exposing all the facts around the possibility of investing on such business.

They also failed because they lacked professionalism in the business, poor customer service and lack of publicity. Many people were not even aware of their operations. In the researcher's opinion, wrong choice of target group must also have been a major factor which affected the longevity of their operations.

The findings from this survey is quite of an interesting nature, beyond the researchers prior to the survey point of view, the inhabitants of Helsinki are very open minded to the choice of their restaurant. A good, standard and well structured African restaurant will attract customers from many Finns as well as other nationalities living in Finland, not excluding Africans.

The researchers previous thought was that an African restaurant with the same structure and pricing as the traditional Finnish restaurant would be better, but the result of the survey revealed that most of the prospective customers are only willing to pay between 11€ and 15€ for a meal. Prospective customers want the restaurant to be of high quality and have cheap prices to be able to compete favourably with existing and future competitors.

5.2 Validity and reliability

Validity is the degree to which a test measures every aspect of the survey data of a research which it suggests to measure. For the result of a survey to be viable, accurately applied and interpreted, the test must be valid; the answers must be right and consistent.

Reliability on the other hand, is the extent to which a measurement procedure yields the same answer however and wherever it is carried out. (Kirk & Miller 1986, 19)

Due to the nature of this research, a quantitative survey was employed which there by led to obtaining a set of raw data. A powerful statistical tool; SPSS was used to carry out the data analysis leading the result of this survey. The researcher's observation is that entire process was well followed and the result is valid and reliable.

5.3 Recommendation

Following the results derived from this research, it has been observed that an African restaurant will work in Helsinki, if this research is carefully studied and adopted. If the mistakes made by previous investors that failed are carefully avoided, then the business will function well.

Also, in starting this type of business in Helsinki, the right experience, technical knowhow and relevant training should be considered. And from the researchers point of view, it is better to start the business small, the owner should be the one who has the required skills to effectively run the company and he should know something about being an entrepreneur.

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Attachments

Below is a copy of the questions which were administered in the questionnaire.

Appendix 1: Questionnaire in English

Feasibility study/African restaurant in Helsinki

This survey is strictly for academic purpose. All responses will be treated anonymously, as no name is required.

1. Sex

F = Female M= Male

F M

2. Age

15 - 25 26 - 36 37 - 47 48 - 58 59 - Above

3. Nationality and race

Finnish Other Asian African Others. Please
European specify.

4. How often do you eat out?

- One to two times every week
 One to two times every two weeks
 At least once in a Month
 Once in two Months
 Once in a year

5. What kind of restaurant do you usually go to?

You can choose more than one option

- Normal Finnish restaurant
 Chinese restaurant
 Indian restaurant
 Fast food joints
 Others. Please specify.

6. Do you like spicy foods?

- Yes
 Not really
 Not at all

7. How spicy do you like your food?

- Mild
 Hot
 Very hot

8. Have you ever tried any African food?

- Yes
 Yes, but long time ago
 No

9. If you have tried African food before, did you like the taste?

- Yes
 Well, somehow
 A little
 No

10. If no, what did you not like about the taste?

- Too spicy Tasteless Sour taste Smell

11. Would you like to eat in an African restaurant someday if you have it as one of your options?

- Of course yes Maybe Not really Not at all

12. How often would you like to eat out in an African restaurant?

- As often as possible Pretty often Sometimes Maybe sometimes

13. Would you prefer to go alone or with your family, and sometimes your friends?

- Yes, alone With family With friends All of the above

14. How much can you afford to pay for a meal in an African restaurant?

- €7 - €10 €11 - €15 €16 - €20 €21 - €25 €26 - €30

15. What part of Helsinki would you prefer this restaurant to be located?

- Hakanie mi City centre Itäkeskus Kannelmäki Others. Please specify

fy.

16. Do you have any further advice?

- Please write down your advice and suggestions below

Appendix 2: Questionnaire in Finnish

Ravintolan toteutettavuustutkimus

Tämä kysely on ainoastaan koulutukselliseen tarkoitukseen ja kaikki vastaukset kasitellään nimettömänä.

1. Sukupuoli

N = Nainen M = Mies

N M

2. Ikä

15 - 25 26 - 36 37 - 47 48 - 58 59 - Yli

3. Kansalaisuus

Suomalainen Euroopalainen Aasiainen Afrikkalainen Muu?

4. Kuinka usein käyt syömässä ulkona?

Kerran viikossa Kerran kaksiviikkona joko toinen viikko vähintään kerran kuussa Kerran joka toinen kuukausi Kerran vuodessa

5. Minkälaisissa ravintoloissa normaalisti käyt?

Voit valita useamman vaihtoehdon

- | | | | | |
|---------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|-----------------------------|
| <input type="checkbox"/> Tavallisissa | <input type="checkbox"/> Ki- | <input type="checkbox"/> Intialaisis- | <input type="checkbox"/> Pikaruoka- | <input type="checkbox"/> Mu |
| <input type="checkbox"/> Suoma- | <input type="checkbox"/> inalaisissa | <input type="checkbox"/> sa ravin- | <input type="checkbox"/> loissa | <input type="checkbox"/> u |
| <input type="checkbox"/> laisissa | <input type="checkbox"/> ravin- | <input type="checkbox"/> toloissa | | |
| <input type="checkbox"/> ravintolois- | <input type="checkbox"/> toloissa | | | |
| <input type="checkbox"/> sa | | | | |

6. Tykkäätkö tulisesta ruoasta?

- Kyllä En oikeastaan En ollenkaan

7. Kuinka tulisesta ruoasta tykkäät?

- Mieto Tulinen Todella tulinen

8. Oletko ikinä maistanut Afrikkalaista ruokaa?

- Kyllä, kauan sitten Kyllä En

9. Jos olet maistanut Afrikkalaista ruokaa, piditkö sen mausta?

- Kyllä Vähän Jotenkin En

10. Jos vastasit en, mistä et pitänyt maussa?

Happamuudesta Liian tulista Mautonta Tuoksusta

11. Haluaisitko käydä syömässä Afrikkalaisessa ravintolassa?

En oikeastaan Totta kai Ehkä En

12. Kuinka usein haluaisit käydä syömässä afrikkalaisessa ravintolassa?

Ehkä joskus Niin usein kun mahdollista Silloin tällöin Melko usein

13. Kävisitkö mieluiten yksin, perheen - vai ystävien kanssa?

Yksin Perheen kanssa Ystävien kanssa

14. Kuinka paljon olisit valmis maksamaan ruokailusta Afrikkalaisessa ravintolassa?

€7 - €10 €11 - €15 €16 - €20 €21 - €25 €26 - €30

15. Missä päin Helsinkiä toivoisit ravintolan sijaitsevan?

Hakaniemi Keskuksa Itäkeskus Kannelmäki Jokin muu?

16. Onko sinulla ehdotuksia / lisättävää?

○ Voit kirjoittaa vastauksesi vieressä olevaan laatikkoon.

Appendix 3: Open ended answers and translations

Open ended answers

1. Asiakkaat pitävät erityisesti buffesta!
2. Tämän kesän löytö oli etiopialainen ruoka. Varsinkin hiukan tulinen to-
maattikastike, kana ja riisi ovat suosikkejani esim Nigerianlaisittain laitettuna:)
3. Kiitos kyselystä. Tiedän, että hakaniemeen on juuri avattu uusi afrikkalai-
nen ravintola, jota olen menossa kokeilemaan. Tämän takia näkisin uuden ravinto-
lan mieluiten Pasilassa/Länsi-Pasilassa, Töölössä tai keskustassa. Jos kyseessä on
lounas on 7-8 euroa sopiva, illasaikaan ateria voi olla hieman kalliimpi (kysymys 14)
.. Syön esim. usein nepalilaisessa, koska ne ovat kohtuullisen edullisia ja annokset rei-
lun kokoisia. buffevaihtoehdotkin ovat mukavia.
4. lisukkeet pitäisi varmaan kylläkin olla 'suomalaisia', esim. riisi, maissipuuro
(jos tyypillinen afrikkalainen lisuke) ei varmaankaan suomalaiseen makuun
5. kerrankin ravintola, jossa 1 ruokajuoma (=limsa) kuuluisi ruokailun hin-
taan...? tai joku edullisehko juo niin paljon kuin haluat -tarjous? olisi super ja kävisin
paljon useammin k.o. ravintolassa...
6. Minua kiinnostaa sekä laadukas ravintola että edullinen ravintola.

Translations

1. Customers likes especially buffet.
2. This summer I found Ethiopian food. Especially little bite spicy tomato sauce, chicken and rice is my favorite. For example the way Nigerians makes that.
3. Thank you for this survey. I know a new African restaurant that they just opened at Hakaniemi. I am going to try it. Therefore, I would prefer the restaurant to be located in Pasila/ West Pasila, Töölö or City Centre. If it is lunch, 7-8€ is a good price, during the dinner time, it could be more expensive (question number 14). I often go to eat in Nepalese restaurant, because the price is quite cheap and the portions are big. Buffet is also nice.
4. Side dishes should probably be typical Finnish side dishes like rice. Mais-sipuuro (if it is a typical African side dish) is not probably a good idea for Finns.
5. Once that kind of restaurant that has drinks included whit the food for the same price. Or then have that kind of offer, where you can drink as much as you can. Would be super, and I would go often to that kind of restaurant.
6. I am interested in a good quality restaurant with a good price.