

# **Potentials in opening and evaluating an Asian food store for investment**

Jyväskylä, Finland

### Abstract

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<b>Potentials in opening and evaluating an Asian food store for investment in Jyväskylä, Finland</b>		
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Abstract		
<p>With the increasing work-based for immigrants in Finland, more and more foreigners and businesses are starting to operate in Finland. The flow of new working powers is located mainly in metropolitan areas, including the young city of Jyväskylä. The city is not only known for its business activeness and decent young inhabitation but also for its growth potential in the manufacturing industry &amp; services. As the authors had many chances to learn and approach these potentials, especially in Asian restaurant services, we decided to study this upswing trend of the city during the mid-end era of COVID-19. The opportunities and knowledge getting from this research widen a better view for entrepreneurs and business investors when considering opening an Asian retail foods store to supply for individuals and business customers. This research will highlight why Jyväskylä is the potential for this niche business trend through our primary data collected from customers' points of view, existing competitors, and wholesale suppliers. Apart from this market research, we will provide factors that investors need to understand and consider when operating the business idea. We believe our research will provide necessary information for business starters to develop and manage the business idea with more robust available data. The study solely serves educational purposes but not investing advice.</p>		
Keywords		
Market research, wholesale business, retail food store, food supply, logistics		

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### **Terminologies**

Pull system: a manufacturing or ordering process that will not produce or order goods/services unless there is an initial ordering availability.

Push system: a manufacturing or ordering process that forecast demands to produce/order goods/services beforehand and requires inventory stockpiling (pushing out).

Hybrid Push-pull system: the combination of two inventory systems, push and pull strategy.

Supply chain: supply chain includes the involvement of all stages directly and indirectly to satisfy customer requests. Not only are manufacturers and suppliers the key players in the supply chain system, but transporters, retailers, warehouse services, and customers join this key chain.

Supply chain management: “the coordination of production, inventory, location and transportation among the participants in the supply chain to achieve the best mix in responsiveness and efficiency for the market being served” (Hugos 2018)

B2B: Business-to-Business

B2C: Business-to-Customers

## 1 Introduction

The thesis covers the macro potentials and initial market research to help entrepreneurs succeed in running an Asian store in Jyväskylä, the central region of Finland. This framework will conceal components that support business owners and investors to have necessary data from end customers, partners, and competitors in the marketplace. Moreover, the authors concretize the business's short, and long-term obstacles when operating the business. When international foreigners coming to Finland keeps rising, the needs for global ingredients go an uptrend in specialty and diversity. As a result, there will be more room for wholesale/retail business in the grocery sector. The food supply industry has considerably reckless return on investment and traditionally fast cash flow. These elements become more appealing to investors, first to make money, and second to strengthen the immigration background in the operating country.

The thesis authors, after several times visiting Jyväskylä, found interest in conducting market research in the region about the business idea. We found that it would be easier to find Asian foods & imported ingredients, including spices & herbs, in Southern and Western Finland. For example, people will discover needed products in the Uusima region (Helsinki, Espoo, and Vantaa) and the Varsinais-Suomi or Länsi-Suomi region (Turku & Vaasa) much more accessibly fresher than other regions. The reason behind this is due to the convenient and active trading port locations. Meanwhile, the Central areas faced some obstacles when finding and buying these items, bringing scarcity in supply. This thesis will cover the necessary information that is generally in need about market research, supply and demand analysis, company operation, and sample case studies from critical data collected during our market research.

### 1.1 Research background

Research background is a relevant collected context or necessary studies that play vital roles in a research topic that thesis writers collect to support or refute in research (Enago Academy 2021). The main planet of this study is to learn about doing retail food business and factors that might result when operating with wholesale distributors in the market. Wholesale distributors are food system intermediaries (food industry) that collect many food products or services through arranged transportation lines. They subsequently distribute food products to their in-needs partners or individuals thanks to their higher capabilities and competitiveness in price. In short, wholesale distributors provide many products in their sectors within competitive (lower) price ranges to their buyers. (Roy, H. et al. 2019, 264.) The background of this study remains on a niche market of the food

industry for Asian people in Jyväskylä, Finland. In recent years, the extensive Asian restaurant networks in Jyväskylä have led to a higher demand for food items & ingredient resources on a corporate scale. Generally, it is not difficult to notice that many Chinese owners run the most recognized Asian restaurants, followed by Thai, Indian, Nepalese, and Vietnamese counterparts.

Generally, in the mainstream Finnish market, Kesko Group's (known as K-Market chains) report shows that more than 50% of Finnish customers love eating in restaurants during regular workdays, spicing up the magnitude of filling up food variety in Finland. 31% of the research respondents felt bored when they could not find any attractive restaurants nearby. This trend widens the opportunity for local restaurants that serve cultured recipes from their countries. (Kesko 2019.) Restaurants or chains of restaurants are crucial for Finnish customers to fill up practical demands and satisfy eat-out habits. To function well within the industry, restaurant operators need stable supplies before serving customers, making food suppliers in this sector potential for the wholesale trade.

Jyväskylä is considered a young and dynamic city, with an age group between 20 and 25 years, accounting for more than 12% of the total city's population (Lumo Living 2021). Many universities have a considerable number of people from foreign backgrounds people<sup>1</sup>. However, the search for Asian shops is not diverse enough when only about three stores are operating within the area. The above factors brought potential to open an Asian store on a large scale, supplying local businesses and retail customers. Two international students from Vietnam realized the idea when they noticed that the current companies are not handling enough Asian food products in the Central region.

## 1.2 Objectives, research questions, and limitations

### 1.2.1 Objectives

The research objectives are the results that researchers want to find out or expect to achieve after conducting a research topic (SOAS University of London 2021). This research aims to provide the necessary information and bearing-in-mind factors needed when opening an Asian groceries store in the central region of Finland, precisely in the city of Jyväskylä. Investors, especially in the case of business starters, need to have substantial time to do market research and consider different factors to open a business. This data source will provide an overall view of a business owner's role in making the

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<sup>1</sup> As of 2019, there were 4,109 foreigners in Jyväskylä, accounted for around 3% of total of 143,400 people in the city (Jyväskylä Statistics 2020)

market research process. They can evaluate what should be on the table lists to prepare plus assess factors and conditions on entering the niche market for foods & supply stores for Asian people. On the other hand, business investors could possess better and more crucial data for decision-making. It also guides readers through the various stages of forming and growing an Asian store in Jyväskylä for starting and operating purposes.

### 1.2.2 Research questions

Research questions indicate targets and primary problems that research conductors need to brainstorm and answer after the research has been finalized and requirements have been served (SOAS University of London 2021). Based on the initial purpose of the study, the main research question we would like to find out is to find the answer for:

*“What factors do potential entrepreneurs need to consider when opening an Asian food store in Jyväskylä, Finland?”*

This primary research question also leads to two sub-questions:

*“What makes Jyväskylä a potential city for this business?”*

and

*“What information possible investors are looking forward to evaluating an Asian food store business potential?”*

### 1.2.3 Limitations

The geographical location of the study is in Central Finland, which may differ itself when applying the thesis's outcomes to other regions or continents due to the dissimilarity of customers' behaviors. Although the researchers conducted this research during the mid-end of the Covid-19 period<sup>2</sup>, the research scope & validity remain most precisely within the research period and the event. As a result, the business idea & data would not be applicable for business operation, for example, in the next ten years after the conduction time. The research did not approach potential customers who live within the suburb of Jyväskylä as well as among cities nearby. The number of candidates during retail customer research remains unsolid and mainly focused on a certain age group. Our B2B interviewing process is principally tackled through direct interviews with store representatives, which contains primary opinions and highly covers objectivity. Finally, as

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<sup>2</sup> The thesis was conducted in the year of 2021, when safety measurement had been taken place, and restriction in restaurant sector was gradually removed.



a disclaimer, the study is not investment advice as the original purpose is for information reference and educational purposes only. We strongly recommend business owners and investors use the data provided from this study as reference sources but not wholly dependent on only our information to operate the business idea. Should business investors want to develop the concept, seek fully licensed professionals for investment advice.

### 1.3 Theoretical framework

A theoretical framework reflects relevant concepts, definitions, or existing theories applicable to research as a source of scholarly literature reference (University of Southern California 2021). The leading approach that the authors applied to answer the first part of the sub-research question relies on the macro analysis of Jyväskylä city. We will understand why investors should choose Jyväskylä to operate the business idea from the big picture.

In the next part of the thesis, we will analyze customer demand in the food & beverage industry from different audiences: customers, competitors, and suppliers. This theory-based study helps us identify customer needs that form into problematic issues. The other theoretical framework depends mostly on Finnish corporate policies and cost-to-account in the Finnish market. They provide the business owner(s) and investors with what they should prepare and get into when doing food supply business in Finland for B2B & B2C customers. At the same time, this analysis answers the second sub-question on evaluating the potential venture. Through this two-section framework, we believe the charter would consolidate our research from outside to internal approaches, providing a big picture of the business indication before going to more profound & more complex corporate matters.

### 1.4 Research Methodology & Data

#### 1.4.1 Research Methodology

In a research paper, the researchers need to provide specific techniques & procedures to classify, select, develop, and analyze the research topic. This methodology section provides a better view of the chosen approach writers want to deliver to audiences to bring better validity and readability to the research context. (University of the Witwatersrand 2021.) In a study, researchers can use different methods to interpret their data: Qualitative method, Quantitative method, and Mix-method methodology (a combination of both Qualitative & Quantitative approaches). In a more straightforward

understanding, a qualitative approach is a systematic tactic that gathers word data (spoken & written) and analyzes the textual data to find research outcomes.

Meanwhile, the quantitative approach mainly uses numerical data retrieved from data points to confirm hypotheses. The mix-method methodology integrates both directions to create a rich picture from both textual & numerical perspectives. (Jansen & Warren 2020.)

Due to the nature of the research, we need to assemble both methodologies in our context to serve better, more trustworthy, and more detailed information. The outcomes from both methods could practically apply to real businesses, with real partners & actual money-making processes.

#### 1.4.2 Data

We choose to process our data into two sections that fit in primary and secondary data methodologies. Primary data is directly collected through verbal interactions, experiments, surveys, etc., serving specific study purposes (Institute for Work & Health Toronto 2021). Secondary data is data that researchers can retrieve through third-party informative sources, such as administrative data, usually from trustable sources such as government consensus, specialized organizations, or agencies. The authors can interpret the data directly from end customers, business partners & owners in local areas. Therefore, we will apply this data source in our qualitative research as primary data through interviews, partner/competitor contacts & media retrieves, and direct observations. At the same time, we will also collect numerical data achieved during our discussions and proceed with available data in our quantitative methodology related to location monitoring, logistics, behavior inspection, and auditing.

The market research also requires external economic situations recalled by local & national administrative; however, they remained our secondary data sources to analyze internal corporate operations & guidelines. The secondary data relies on government updates, industry, trade association insights, market reports by trustworthy units, and official websites. In Figure 1, we summarized our data sources & usage interpretation during our mixed-method research methodology journey, using qualitative and quantitative methods.

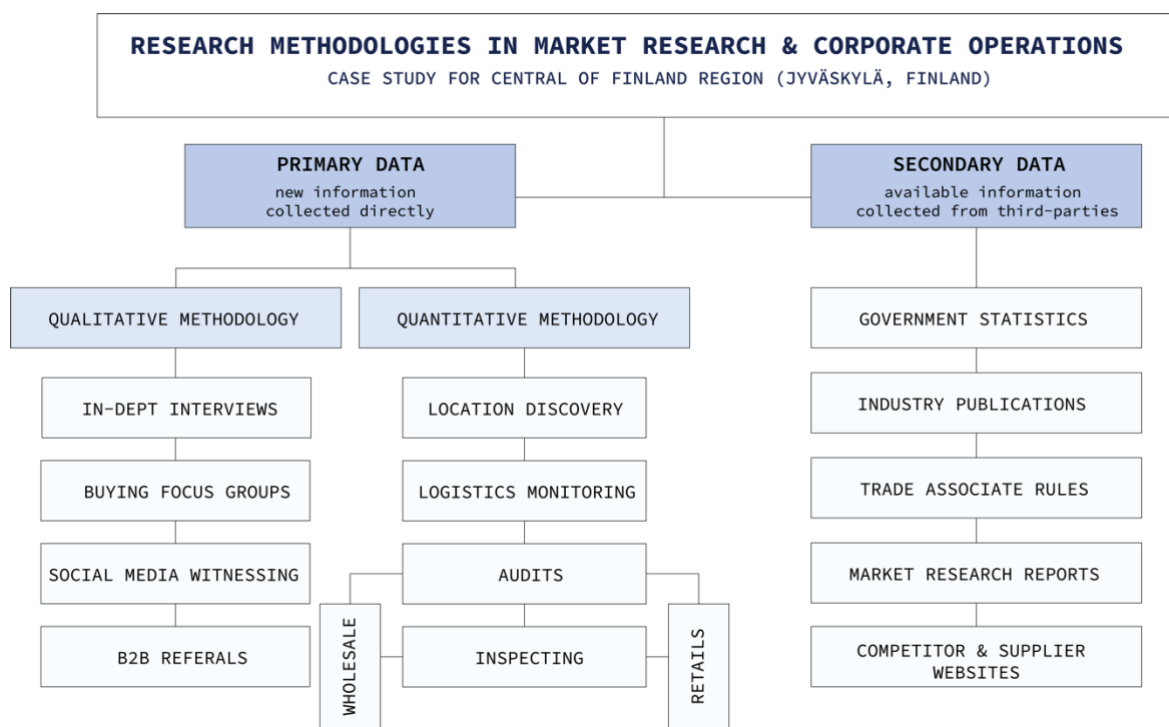


Figure 1 Research methodologies in market research & internal corporate operations and data usage

## 1.5 Thesis Structure

The thesis structure or dissertation structure is the logical arrangement of thesis content from start to end with numerous parts. With logical structures, the authors can help readers understand the flow of research among planned alignments while helping writers answer their research question(s) (The Australian National University 2021). To support our arguments, we decided to provide our thesis's audiences with background approaches before going into details. In the first chapter, the researchers give the readers general ideas & purposes of the research with a summary of background data. At the same time, research goals, data collection methods, and theoretical frameworks will be presented. The second chapter delivers literature reviews on wholesale and retail business principles, market research for the business area, and corporate operations principles. This chapter will help readers understand the essential notion of the research topic and what needs to be done to answer the research questions.

In the third and fourth chapters, the authors proceed with primary and secondary data on the marketplace to understand market research concepts and answer the first sub-question in the secondary market research. This chapter includes an analysis on a national scale & regional scale that affect the studied market in a direct & indirect way. We will dedicate our empirical research to using mainly secondary data for this chapter and

then primary data for the fourth one. In the meantime, we provide qualitative outcomes and analysis using an in-depth interviewing scheme in focus-group & references from partner and competitor businesses, including logistics providers.

The fifth chapter details factor that the investors need to consider when operating this business model at the boundary of the corporate level. The chapter also suggests informative elements to the second sub-questions answer.

The sixth chapter holds the conclusion, answering the research questions, summarising the research outcomes, and the researcher's comments & suggestions for further research before finalizing it.

## 2 FINNISH WHOLESALE & RETAIL FOODS BUSINESS

The Finnish grocery trade is, similar to other Nordic countries, “characterized by the formation of chains and the centralization of procurement and logistics”. The foods business plays a vital role in the Finnish economy, where the grocery retail market share value was over 20.231 billion EUR. The largest store chains in Finland are S-Group, Kesko Group, and German-own corporation – Lidl, which accounted for 46%, 35,9%, and 9,5%, respectively. (Päivittäistavara-ry 2021.) However, it is noticeable that the grocery providers below are not wholesale businesses but trade groups due to their functions. In short, the trade groups import products from manufacturers to resell to customers both on B2B and B2C scales.

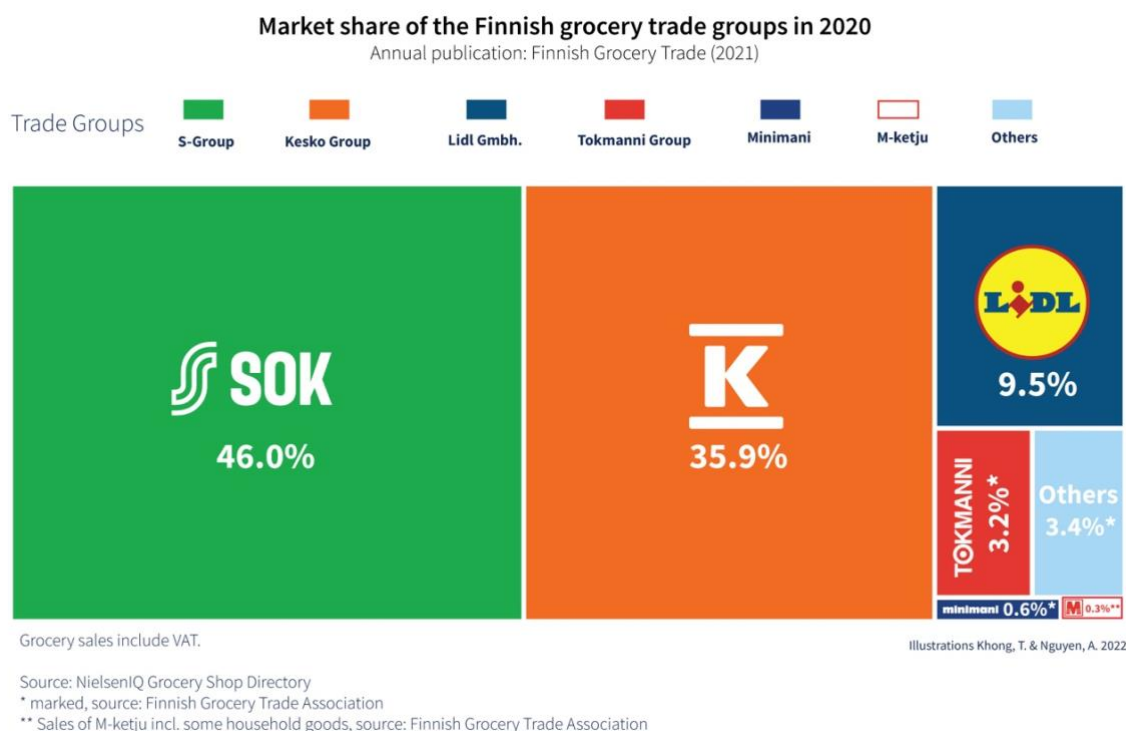


Figure 2 Market share of the Finnish grocery trade groups in 2020 (Vuosisijulkaisu: Päivittäistavara-ry (2020) 2021, 9).

The grocery business in Finland has long relied on large grocery chains; however, smaller stores have been improving their standards and providing closer variations that customers need to strengthen their role in the local market. In the next step, we will learn more about the basic concepts of the two supply chain methods: wholesale and retail. We will also dig deeper into the importance of retail business in the niche sector for Asian food consumption in Finland.

## 2.1 Wholesale concept & Operating perspectives

The wholesale business played a prominent and essential perspective in the Finnish grocery market as it provided price competition for agricultural products for domestic consumption and trade exports. However, due to the research scope, we will only focus on the wholesale business for already made products & raw materials for Asian food supply in the niche market of this ethnic group in Jyväskylä.

### 2.1.1 Concept

A wholesaler is a company (limited<sup>3</sup> or associated<sup>4</sup>) or a private person<sup>5</sup> that distributes many products with different product ranges to buyers with pricing competitiveness achieved from manufacturers, farmers, other producers, and vendors (Market Business News 2021). When working together with the above suppliers, wholesalers can render their products or services that serve specific needs to their customers and business customers in a favourable time under retail demands (Bottani et al. 2018, 698). The key takeaway is that wholesalers never or rarely sell their high-volume products for end customers but rather for their business-to-business partners. Meanwhile, retailers are intermediates, importing products from wholesalers and distributing them to end-users. However, a wholesaler can act as a retailer if they import products/services from even a more giant distributor and sell to their business partners or end-users.

In this case study, even though the Asian store functions as a wholesale business, we would instead call it a retail store due to a lower pre-purchase inventory scale. A distributor, the so-called “our supplier”, usually has a substantial pricing bargain and contractual conditions, enabling it to attract other businesses in the wholesale industry (Bottani et al. 2018, 699). We are looking at the food industry here, in the geographically Asian segment of Finland.

### 2.1.2 Operation

In a wholesale system, our suppliers or wholesalers import products from manufacturers, local or foreign farmers, and other producers that redesign or remake foods into additional forms with competitive prices, Farm Gate Values, or farmgate prices. As traders, they sometimes purchase cost-competitive or scarce products from other more prominent

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<sup>3</sup> A form of company understanding as Limited Liability Company (Osakeyhtiö, or Oy in Finnish market)

<sup>4</sup> Another form of company in Finland as a Registered Association (Rekisteröity yhdistys)

<sup>5</sup> Individuals working as an entrepreneur (Toiminimi)

wholesalers to build up inventory and availability for retailers. Wholesalers distribute their products on a business-to-business scale with corporately negotiated prices according to retailers' demand. In this event, Asian Food wholesalers will distribute products to Asian food stores with smaller capacities and far from outsourcing points. These wholesalers can earn more than 6% of the profit margin thanks to bargaining powers and attractive contractual conditions (Bottani et al. 2018, 699).

Under particular needs, they could approach niche markets by selling to end customers, such as restaurants and other businesses, for employee food supply purposes. As market observers, we noticed some wholesalers, for example, Ab GoldenCrop Oy, compete with retailers in their e-commerce platform, selling products to even individuals (Ab Golden Crop Oy 2021). However, this approach in a niche market will sometimes bring disparity to the conditions applied for retail vendors as above. Therefore, it reduces customers' attractiveness to the price that these local retailers provide. In most cases, wholesalers won't compete in the B2C market, except price shapes have been modified accordingly under the retail market's price ( $\geq$  retail price). Consequently, wholesalers need to balance between original suppliers and retailers:

a) *Purchasing issuance & inventory management for products from suppliers.*

b) *Outsourcing & shaping price lists for retailers.* (Bottani et al. 2018, 699.)

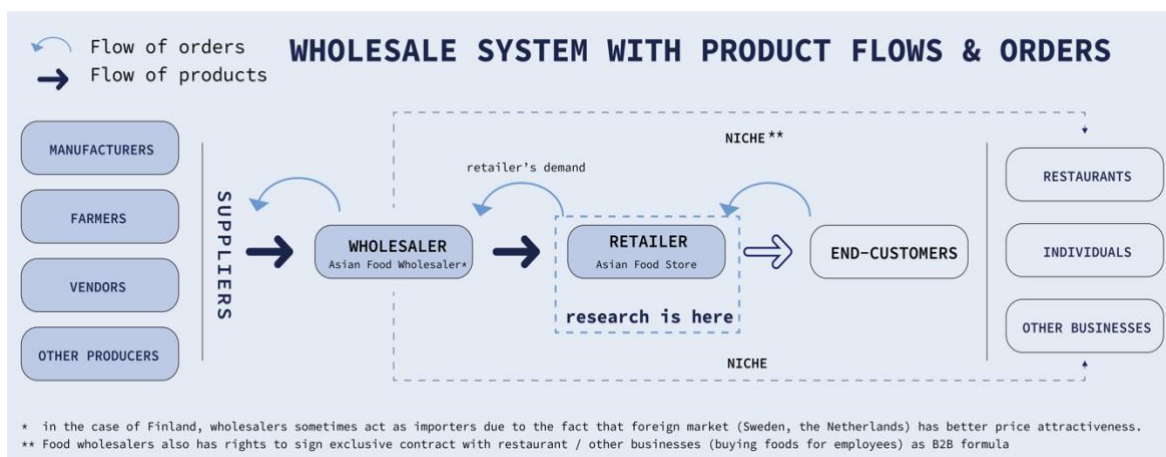


Figure 3 Wholesale system with product flows & orders, specified for the Finnish wholesale food industry (Bottani et al. 2018)

Businesses involved in a niche market in e-commerce and individual businesses will need to apply selling points under conditions from contracts with their partner retailers. Due to the function of food wholesalers correlated to retailers on the B2B scale from the demand

& supply view<sup>6</sup>, analyzing the wholesale system can also relate to operating retail businesses in this industry.

## 2.2 Retail concept & general operation

The scope of this market research is powerfully relevant to retail businesses that trade from wholesale supplies to end-users. This section will discuss the basic concept of this business selling form and how the operation should be processed.

### 2.2.1 Concept

Generally, retail stores import goods from wholesalers and trade these products to end customers. However, a retail food business has functional & operating concepts similar to wholesalers, with lower volume and higher price but less risk than their suppliers. To perform a retail foods store, owners need to conduct market research according to their regional operation and perform demand & supply activities similar to wholesale businesses:

- a) Purchasing issuance & inventory management for products from wholesalers.*
- b) Outsourcing & shaping price lists for end users.*

### 2.2.2 Operation

Retail grocery stores use market research to order products according to demand analysis. After getting generated from existing (historic) & forecasted data, demand records will help decision-makers increase the quality of sales & reduce costs (Fernie et al. 2010, 894-895). Perfection in purchasing issuance helps utilize potentials and prevent an out-of-stock situation, which causes as much as 47% damage to local retail stores (Bottani et al. 2018, 699). After receiving products with preferred transporting methods from wholesalers, grocery businesses store items in their warehouse with different keeping ways before listing them on shelves. Food grocery companies use both systems' push, pull, or hybrid combined with outsourcing their products. The availability of product categories sometimes affects price listing strategy under scarcity conditions. However, it remains neutral under normal macroeconomic conditions. Shaping price lists for customers, regardless of business customers or individuals, requires consideration of different factors and, in reverse, affects the products' demands. Lower or higher price tags

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<sup>6</sup> Asian food retailers also need to cover two activities (a) & (b), with slightly different volume and price ranges



are contributed by available inventory, purchasing price, and product turnover rate. After filling all needs, product yields will start their life circles again, leaving historic data for subsequent purchase issuances.

### 3 SECONDARY MARKET RESEARCH

Secondary data will help us identify the surface problems & potentials for growing opportunities in a bigger view. In market research, information needs to be tackled by exploratory analysis before going to more profound and specific primary research.

#### 3.1 Market demography

Demography study refers to human statistics in numerous human population structures according to size and density, distribution, and vital statistics. (International Union for the Scientific Study of Population 2022). Meanwhile, Emily Grundy stated that “demography is concerned with the people's numbering and understanding population dynamics”. (McDonald, P. & Grundy, E. & Vallin, J. 2022). In a market study, especially in research for market penetration, a good market demographic study can help conductors better understand the social-economic characteristics of the market population to identify what products should be on preference lists and predict customers' purchasing behaviors. (Corporate Finance Institute 2022). To obtain this information, conductors need to access both secondary market research and primary one through Government statistics and Industrial publications, then later through market surveys and media contacts (calls, emails, online meetings, etc.).

#### FOREIGN DEGREE STUDENTS IN HIGHER EDUCATION INSTITUTIONS

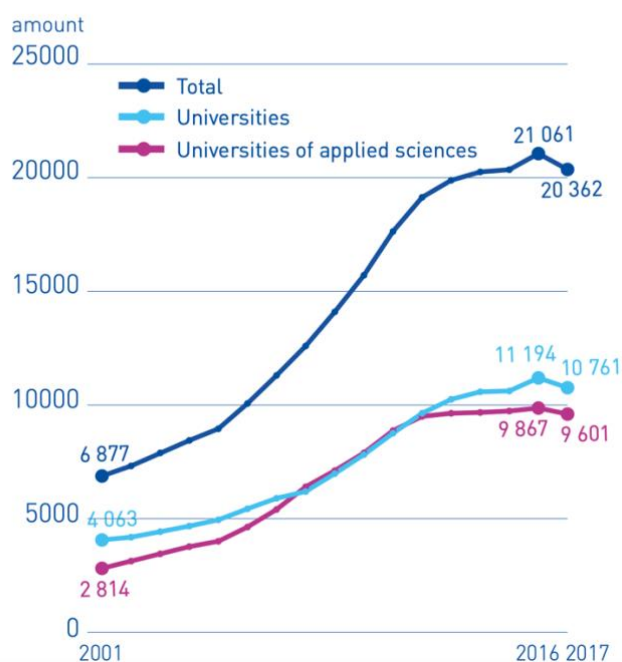


Figure 4 Foreign degree students in higher education institutions from 2001 to 2017 (Finnish National Agency for Education 2018)

The market study of this business idea is located in the city of Jyväskylä, Finland. Regarding the town's market population, Jyväskylä's population is continuously growing due to both natural population growth and total net migration. Jyväskylä as a whole is a migration-winning municipality. (Jyväskylän talousarvio 2019, 5.) According to the city of Jyväskylä's council, more than 4100 foreign nationals are moving to this young city in 2019, accounting for over 3% of the district's total population. Despite a pretty low customer profile that matches the business idea, 3-per cent of foreign retail customers still sufficiently support the business idea. Together with native consumers, these international customers provide a healthy environment for the business idea to grow thanks to low competition (See Chapter 5). Jyväskylä's population density (119.72 inhabitants per square kilometer in 2019) was the fourth-smallest among the top ten cities with the least crowded population, behind Kuopio, Oulu, and Pori (Jyväskylän Talousarvio 2019, 6).

People live in Jyväskylä sparsely, helping to distribute spending better in different regions and reduce competition for business operations. The city is well-known for its young population and cultural activities, especially on local university campuses. Students, especially international students coming to Finland and completing degrees, continued to grow sharp till 2017 at the peak of 21,061 students in the same year. The Finnish National Agency for Education commented that the most significant number of students came from Russia, Vietnam, China, and Nepal, of which Asians account for more than 45% of the demography. With many incoming students growing every year, the city of Jyväskylä is among the towns that get the most advantages in terms of student customers. With rising talents available thanks to student abundance, it promises a better workforce through employment. Employment costs play a vital and decisive role in keeping the business roll when starting a business. International students help such business ideas with more robust understandings of their cultures and reduce employment costs compared to the local workforce. Growing an Asian food store business brings promises when Asian-originated students gradually start coming to Finland, particularly in Jyväskylä.

The restrictions from the Covid-19 situation hampered the growth of newcomers to Finland from 2019 to 2020. However, over 8000 and 9600 students were respectively admitted to Finnish academic units despite border restrictions during the period. The positive effects of international students brought more potential to local businesses like Asian grocery stores that both bring nostalgic feelings & practical demand on foods for these future customers.

### 3.2 Asian business concentration

Jyväskylä is one of the fastest-growing cities across Finland and the third most popular option for residents to live in between other cities. The city of more than 140 000 people is also amongst the top five cities with the best image in Finland. Till 2021, there are about 60,000 jobs and around 7 900 companies in Jyväskylä. (Jyväskylä kaupunki 2021.) After over one year of limitations, social distancing, travel restrictions, and stay-at-home orders, the food industry has been facing considerable difficulty in stock replenishing and demand shortage. The damages expectedly cost over 140 million euros to compensate for the negative impacts on the Finnish restaurant industry alone. (Lappi 2021).

Despite the vast disruption in demand, the restaurant sector's small and medium businesses have found a way to cope with the situation by providing takeaway orders and applying technology to their very traditional companies<sup>7</sup>. The measurements have helped those restaurants survive during the intense period and opened a way out for their wholesale suppliers.

The market uptick gradually with loosen restrictions, and civilians are more confident to dine out again after months of eating homecooked foods and boring online ordering. It signaled an auspicious food supply sector, especially for local grocery businesses, as now, restaurants gradually join again, buying foods for business expansion. The food supply business did not die during the pandemic, conversely getting improved thanks to it, in a strange way. "Grocery trade volumes have increased steeply, with the growing consumer demand reflected in increased online food orders during the pandemic," S-Group said in Board Report 2020 (SOK Corporation's Financial Statements 2020). Specifically, chains of retail stores such as S-Markets, Prisma, and Sale strengthened by 7,7%, 8,8%, and 8,8% compared to last year's revenue before tax. (See Appendix 1.)

Meanwhile, Kesko Group provided guidance and positive net sales in retail groceries at +3,6%, comparable to 2019, at more than 47,3 mil in trade (See Appendix 2). The figures from two big market players in Finland stimulate growing potential in the food supply sectors. Even though the big picture of the grocery supply business provides an encouraging result, indicating positive growth during pandemics and uncertain times, decision-makers in niche Asian store businesses still need to process carefully and detailly data from their local market.

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<sup>7</sup> Several restaurants in Finland accept online food ordering and outsource the rest of the work for technology companies like Wolt, or Foodora (two biggest brands) in Finland in online food delivery industry

According to Jyväskylä Sydämessä (2021), there are more than 69 restaurants in Jyväskylä, of which 14 restaurants serve Asian-cultured foods, accounting for 20,3% of regional dine-in spots.

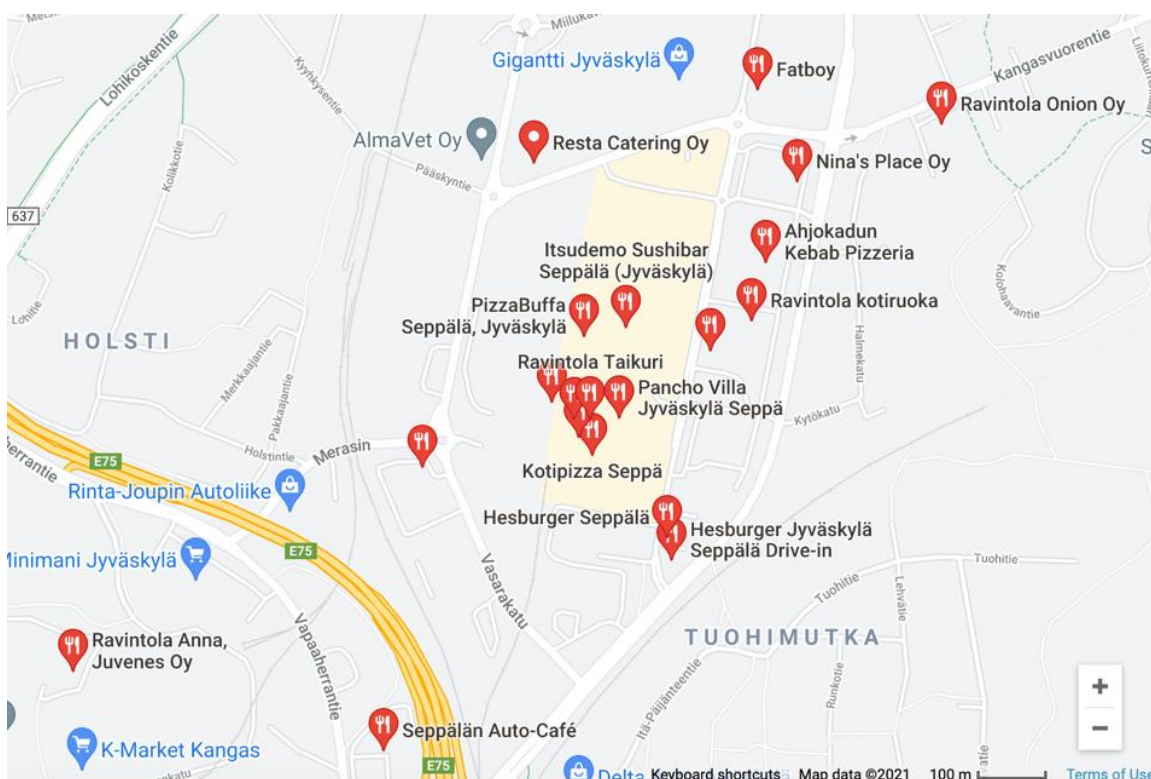


Figure 5 Restaurant competition in Seppälä, Jyväskylä (Google Map 2021).

Naturally, these restaurants locate crowdedly in the center area and Seppälä, where Jyväskylä civilians stay in high density. At the same time, those restaurant owners take advantage of convenient local transportation. With over one-fifth of total restaurants from Asian countries, the number of ingredients and foods purchased for inventory will stay at a decent rate within food circulation.

In general, 75% of imported agri-products in Finland came from other EU states, where the most traded countries are the Netherlands, Germany, Sweden, and Norway. When a better and more convenient supplier is entering the market, with competition in price & time reduction, these corporate customers will find it more attractive to buy from the local business.

*“In Jyväskylä, even the Asian product is a bit more expensive, but people still consider not to spend the traveling fees and traveling time.” Siam Tori’s store manager added why she wanted to open another subsidiary in Jyväskylä (Helsingius, P. 2022)*

### 3.3 Fewer Competitors

Earlier this year, the collapse of 17-year-old Asian Food Jyväskylä in Seppälä due to tax matter, which caused 76,000 EUR damage in tax contribution (Keski-suomalainen 2021), triggered a big supply cut to the region. Seppälä area is now left with Siam Tori (branch unit from Lahti) and Antalya and Silk Markt (Silkkitie Erikoiselintarvikekauppa) in the center area. The ethnic Thai-owned business has been a famous and trustable business for more than 15 years in the market. The bankruptcy of one in four leading players in Jyväskylä has opened better market share for existing competitors and potential new business.

Penprabha Helsingius confided on why she wanted to open the branch shop in Jyväskylä in 2020 (earlier one year) during the pandemic situation:

*“The Thai shop in Jyväskylä closed, means if you want to be the first to open a store while people still thinking or start to think about open the store or they are considering if it already has a store or not. This means the faster you have, the better you get” – Helsingius 2022.*

The three competitors have excellent profits in the current market in more detail. According to Kauppalehti, Järvi-Suomen Elintarvike Oy (Y-tunnus 2440651-5) or Antalya Market generated more than 5,7 mils last year even during the virus breakout, posting an 8.86% increase in gross revenue. The company's profits after all deductions were 408,000 EUR in cash. (See Appendix 3.)

Meanwhile, a younger competitor from Lahti / Singhapan Oy (Y-tunnus 2740609-4) joined the market after the described bankruptcy in the Seppälä area. The business has shown a significant growing signal after two years of loss in the Lahti market in 2016 and 2017. Even though we cannot access the financial year 2020 from the business, statistics from 2020 showed that the company had earned more than 357,000 EUR gross revenue with after-tax profits of 13,6% (See Appendix 4). Singhapan or Siam Tori is still a tiny player compared to Antalya in scale; however, access better space in the Seppälä area than the rest two businesses.

*“Actually, in Jyväskylä, there is no other Asian store, just about they have oriental stores like Arabic stores and sell Thai products. But because I know more about Asia, that's why I have more advantages. And another thing is they used to sell Asian products so expensive. Still, now when I have a store in Jyväskylä, they decreased the price to compete with our store,” – Penprabha Helsingius (Manager/Founder of Singhapan Oy) commented.*

The business has positive subsidiary's combined financial results in Jyväskylä as of their financial deadline in 2020 at 32,000 EUR in net income (Finder Singhapan Oy 2022).

Persian Food S&I (Y-tunnus 2485554-8), known as Silk Markt in the center of Jyväskylä, however, does not provide its financial results in public but remained struggled during the Covid-19 situation, according to people who are familiar with the matter.

### 3.4 Location & Logistics

Jyväskylä belongs to the central of Finland with a conveniently central and connected to many different cities. The city is also the largest and fastest-growing city within the area and on the Finnish Lakeland.

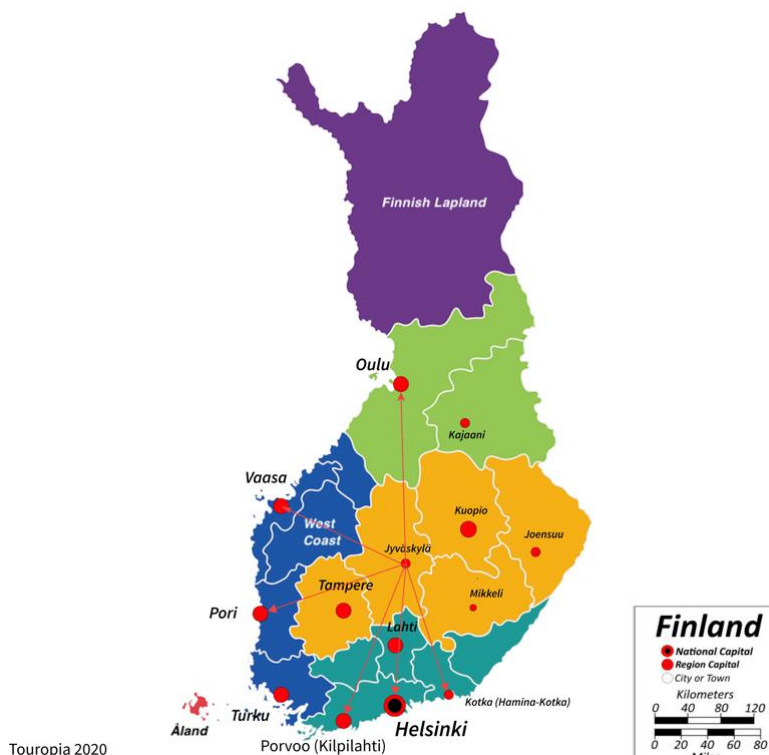
However, the public routes and public transportation hamper the city from fast

travel & distance difficulty. Calculated by roadway, Jyväskylä is far from seaports<sup>8</sup>, except conveniently closed to some big central cities like Lahti, Tampere, Kuopio, and Mikkeli are the East Coast. Due to this

problem, even though Jyväskylä has connected

highways across its lane, goods transport faces high costs when imported from seaports.

Moreover, Jyväskylä civilians do not have more connected railway to big cities than other regions due to lake systems. In the below illustration from VR<sup>9</sup>, Jyväskylä is not significantly related to other regions when it has only three main routes connected between Pieksämäki, Seinäjoki, and Tampere. Due to this problem, food and services in



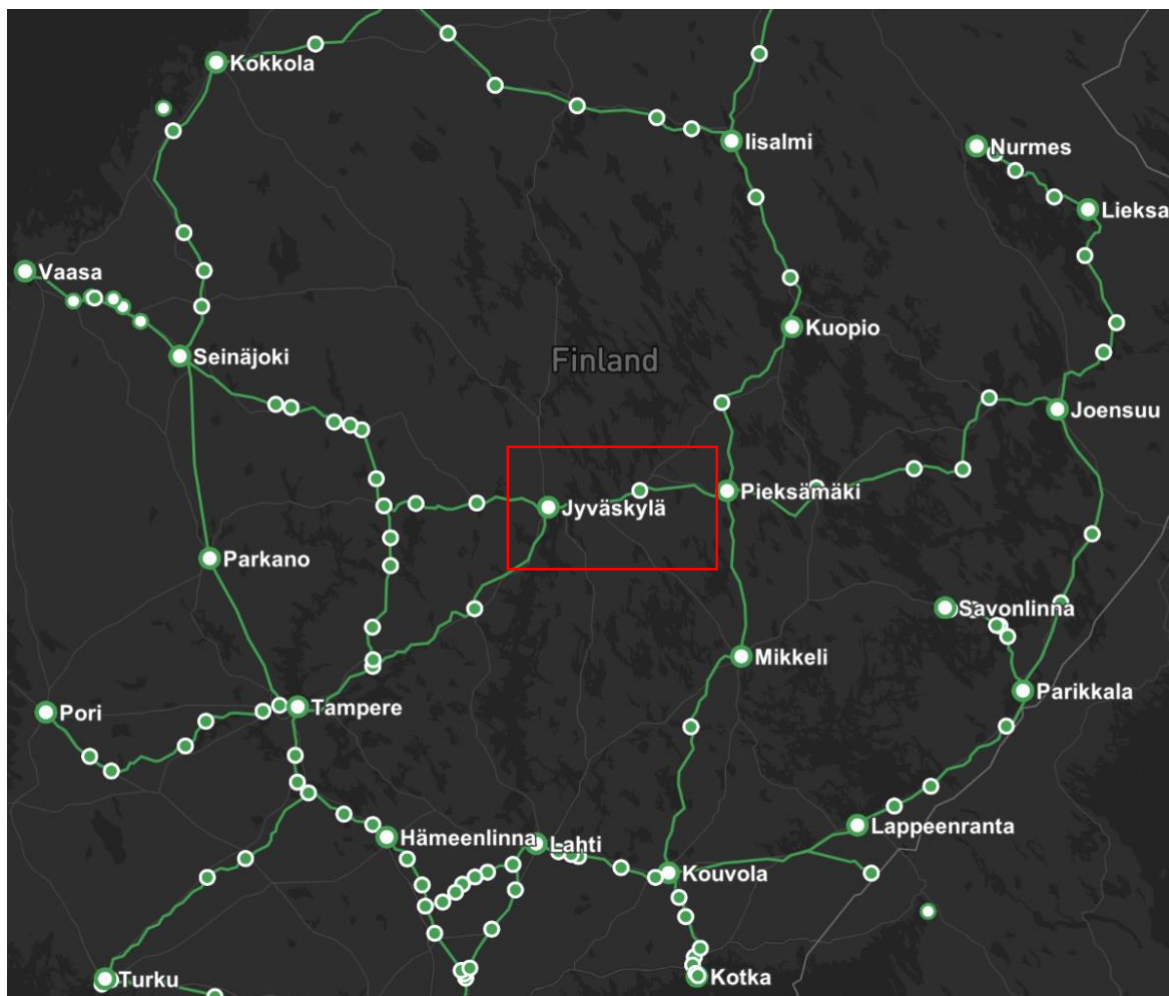
Touropia 2020

Figure 6 Map of logistics geography from Jyväskylä to port cities of Finland (remake) (Touropia 2020)

<sup>8</sup> According to live data from Google Maps, distance from Jyväskylä to big seaports are: Oulu (338km), Vaasa (268km), Pori (286km), Turku (310km)

<sup>9</sup> VR Group, or VR-Yhtymä Oy, the Finnish National Railway company that operate railway services in Finland

the area could not compete with other operators near ports and bigger cities such as Vaasa, Turku, and Helsinki. Customers, especially Asian customers who want to find authentic foods, usually struggle with route traveling and made-up costs occur during travels. Thanks to these disadvantages, if a business can utilize its operation to find a good source of products at a competitive price, it could serve customers better in this region.



Jyväskylä has shown its potential for business owners to start a small business in the niche grocery trade in the regions. Those signs are the region's excellent demographic for potential customers, Asian concentration in restaurant premises, less competition, and encouragement for local shopping. Moreover, due to the longer time & higher price to access other providers, Jyväskylä proved to be one of the most suitable cities to open Asian ethnic food shops. In terms of demands, it dominates other close-to-capital areas, for example, Päijät-Häme or Varsinais Suomi. The above reasons also answered the first sub-research question on why Jyväskylä is ideal for a business owner to open an Asian grocery store.



In the next chapter, we will have deeper information from internal sources from our primary research on end-users, restaurant businesses, competitors, and suppliers in the reasons. Their answers and survey results confirm the validity of the information provided from different perspectives: from users, opponents, and the manufacturers themselves.

## 4 PRIMARY MARKET RESEARCH

When measuring potential problems to solve, the first step involves open-ended interviews to understand customers' trends and get to know about the background problems & existing competition. In specific research, the researcher will dive into focus-group based on their demographic segments & functions, analysis of their behaviors & qualitative data. Specifically, the focused group is divided into three categories: Suppliers, Competitors, and Customers s. Information acquired by these focus groups will identify prerequisite data on market research for store owners before launching a grocery retail company. The primary & secondary data also help entrepreneurs better understand what needs to be prepared and problems from suppliers and competitors in the regional market when considering opening their store in the center of Finland.

By knowing the quantities of products needed to be kept in stock, store owners can define purchasing decisions and manage their inventory effectively to prevent consequences resulting from a non-responsive supply chain (Bottani et al. 2018, 699). To achieve this information, store owners need to do market research on the initial scale before opening their first premises. In market research, specifically in Jyväskylä, we will identify the following information in the study to understand better this marketplace:

- Current trends & growing opportunities
- Identifying customer segmentation & their behaviors
- Competitive analysis (other vendors)
- Suppliers research
- Distribution methods analysis
- Demand for potential new products & services, experience

### 4.1 Customer research

Customer research is a part of market research to learn and allocate customer segmentation, including customer behaviors and needs (Interaction Design Foundation 2022). Good market research on customers requires researchers to understand and identify customers' needs, leading to fulfillment in the buying process (Salinto 2016, 22). Knowing what customers need and satisfying them with their current demand allows store owners to have a higher chance of surviving and producing sales for the business.

#### 4.1.1 A Change in Purchasing Behaviors

As the Covid-19 situation worsened in Finland in early 2022 due to Omicron variants, the need for specialized inpatient healthcare has grown considerably (Terveyden ja Hyvinvoinnin Laitos (THL) 2022). This fear has pushed more people in using non-contacting services such as no-cash exchange (known as contactless payments), using third-party services for groceries shopping, and working semi-shift (half online, half offline). The trend will be around for a few months or even until the end of the year. It remains unpredictable, as Dr. Fauci (Chief Medical Advisor to the President of the United States) stated when asked if the Omicron variant can help end the pandemic due to its tremendous spread rate (The New York Times 2022).

More and more food service companies in Finland is joining the race of online shopping and concierge shopping service, including big retail enterprises such as SOK, K-Group, Lidl, and two new food delivery companies, Foodora & Wolt (acquired by DoorDash in November 2021). The grocery businesses have opened more opportunities for Finnish consumers to book online in advance what they want and pick up later at pre-located pickup points (Noutopiste). For deliveries, companies like Foodora & Wolt have launched Foodora Market & Wolt Market services, allowing consumers to purchase food in their warehouses across Finland and pay for shipping costs, even without stepping out of their houses. These growing opportunities enable small businesses to better care for consumers, especially those focused customers. Of course, Foodora & Wolt or other big companies haven't entered niche markets like the Asian food industry, widening the opportunities for these stores to apply new trends in online shopping during the pandemic situation.

To maximize the potential income getting through opening the business, Asian groceries stores need to start defying who they would collaborate with and sell to, in this case: Business customers and Retail buyers.

#### 4.1.2 Business customers

Business customers, or industrial customers, acquire products or services, or both products and services from their providers, to use in the production of other products (Britannica 2022). In the Asian food store business ecosystem, business customers buy products from grocery providers to produce value from the purchased materials. Before locating what business customers an Asian grocery market would likely sell for, the first and pre-determinate step is to know the strengths and weaknesses of a retail store.

The main strength of a retail store selling Asian foods is, at first, its convenience. Restaurants and companies would likely purchase more products from nearby stores than from stores in different locations, even though the price could be lower if they can buy straight from manufacturers or bigger suppliers. This convenience in time and efforts create a solid and dominant Asian store that stays within a good location, where pre-selected partners live or work. An Asian food store would be potential for investors and business owners if it maintains location accessibility and purchasing convenience.

According to our interviewee, Vy Nykänen, food supply stores near her local Vietnamese restaurant (Vietnamilainen Ravintola Fit) have allowed her to buy instant and at-lower-quantity foods during peak season hours and out-of-stock situations.

*“Sometimes, when we surprisingly need extra materials and food supply, such as paper rice for our spring rolls, we usually need to react fast by sending our quotes to nearby Asian grocery stores and buying from them. In that case, we don’t have to order many products within a short decision period. We could get instant materials to serve our Finnish customers, even though the price is higher than wholesalers”.*  
(Nykänen, V. Interview 2022.)

One invisible quality of local retail stores is that corporate customers can always compare pricing, food quality, and varieties eye to eye before making a purchase. It is more practical when they do not have to blindly wait for a long time when ordering from more extensive wholesalers or manufacturers with only certain kinds of foods.

According to Antalya Market’s representative, local restaurants are amongst the cash cow corporate customers buying from their ethnic foods store. A response from Siam Tori’s manager also reflects the same idea as she added, “sometimes they have lack of noodles they will come to buy a big box.” Moreover, Siamtori listed a few restaurants that already have made purchases from the Thai premises, known as Prarichat – Saarijärvi; Tamarin – Seppälä shopping center; Joko Thai – City center; Krua Siam. All listed business names are Thai restaurants and familiar Thai franchised restaurants in Finland.

More interestingly, a response from the Silk Market manager surprised us as many restaurants even have monthly contracts to restock and import certain products like rice and meat from the reseller. The respondent from the Arabic market also mentioned a few key customers from them, known as PizzeriaBest (near Kokkola in Jyväskylä); Sirius Pizzaria (in Keltinmäki near Jyväskylä); Grilli Ilmarisenkatu. In this case, possible segmentation for corporate customers would be restaurants, including dine-in and takeaway restaurants like pizza stores. We haven’t found any objective evidence for

potential corporate customers buying foods for employees. Therefore this factor remains a question mark.

According to our oral surveys of different managers of these stores, rice, meat, and ethnic spices rank among the best-selling foods stocks. When opening an Asian food store, possible investors can approach the listed business customers or seek new potentials within the market area. They have better insights into what restaurant customers usually purchase from the current suggestions.

### 4.1.3 Retail customers

Unlike business customers, retail customers are individual customers purchasing products and services through intermediary businesses outside of their trade, business, or profession, and usually in lower quantities (Financial Conduct Authority 2002). We decided to tackle small customer-centric online and offline platforms between potential Asian-original customers and local Finnish customers in Jyväskylä. More than two-thirds of our surveyors are between 18-and 30 years, typically remaining normal due to the younger biography of the city. The rest of our customers are people aged between 31 to 50 years. Due to the limited language communication & Covid-19 situation hampering the process, we still haven't approached older consumers in this focused group.

In a recent survey, we found out that customers prefer to buy groceries in the Asian market in-store rather than other methods, including online orders & telephone calls. This specific evidence requires business owners to put more effort into indoor construction, interior aesthetics, and location investments to allow potential customers to visit their stores than online facilities or telephoning processes.

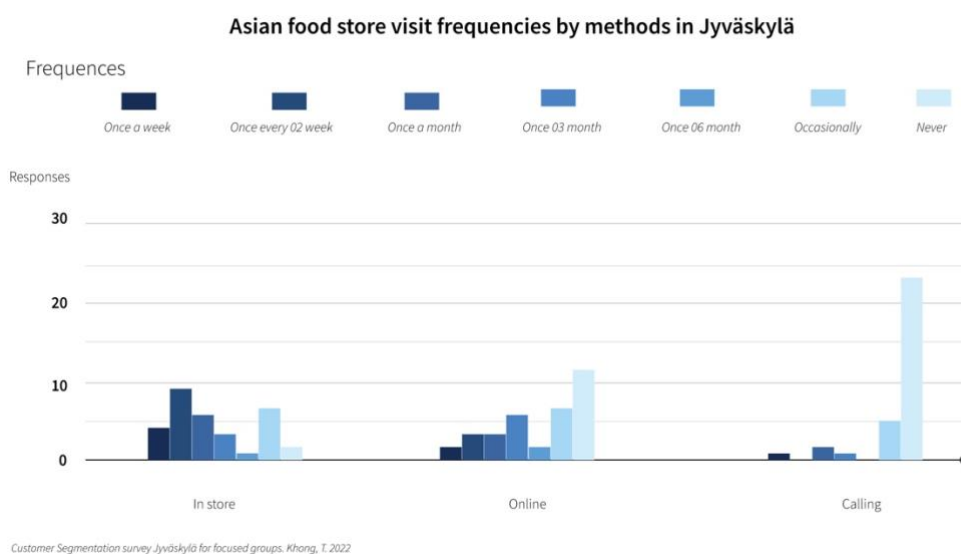
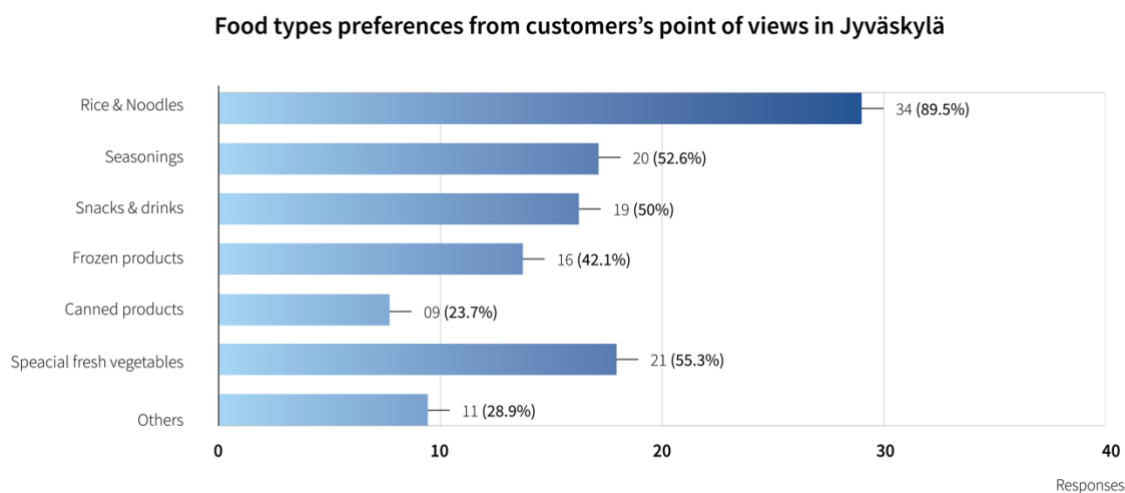


Figure 7 Asian Food store visit frequencies by methods in Jyväskylä (Khong, T. & Nguyen, A. 2022)

However, it is a good reminder that online solutions are now taking place in every corner of the world, not just in Nordic countries, leaving on the table the importance of online ordering in this business model.

Moving towards food stocks, we found out that Asian rice and noodles ranked at the top of the wishing list as they accounted for 89.5% of the necessity of Asian buyers in

Jyväskylä. Moreover, seasonings, snacks & drinks, and particular fresh vegetables attracted over half of the responses. The main reason lies in its specialty, as these Asian-originated products are rarely found in mainstream supermarkets or grocery stores. From the customer perspective, business owners could evaluate foods their stores should focus on, choosing the most in-demand products and brands within the preferences below.



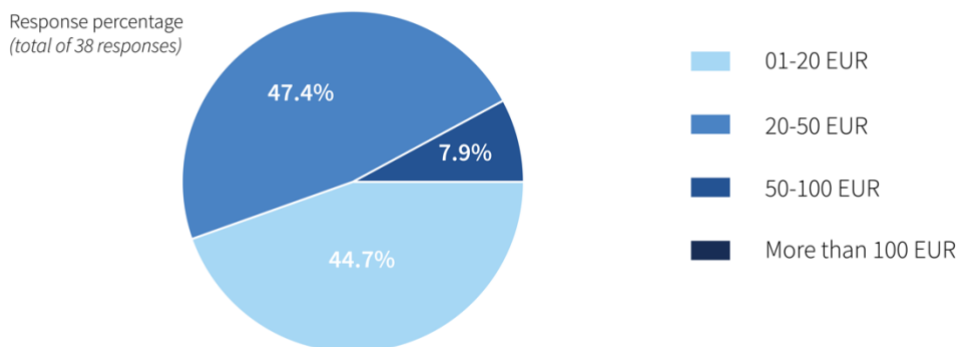
*Customer Segmentation survey Jyväskylä for focused groups. Khong, T. & Nguyen, A. 2022*

**Figure 8 Food types - preferences from customers' point of view in Jyväskylä (Khong, T. & Nguyen, A. 2022)**

In the following competitor research, we will compare these results from other points of view from competitors – existing Asian foods stores in Jyväskylä to confirm whether it is true that customers usually focus on these products to buy.

Regarding buying power, more than 90% of customers in the focused group are willing to spend their purchase under 50 EUR per visit, on average. Meanwhile, only 7.9% of customers would devote their grasp from 50 EUR to 100 EUR for each time they do groceries. According to the grocery trend among Asians, this result is understandable, where people shop just a little at a time but tend to restock their food storage frequently. The increasing demands for the behaviors require store operation managers to adapt their operations accordingly. to fulfill customers' needs and regularly maintain their supply chain network. (Enterprise Innovation 2018, 1.) In the Supply research part, we will dig deeper into how to support this storage network with significant variations in stock and restore resource fulfillment frequently to avoid the out-of-stock situation.

### Customer spending, in average, when shopping in Asian foods store in Jyväskylä



*Customer Segmentation survey Jyväskylä for focused groups. Khong, T. & Nguyen, A. 2022*

Figure 9 Customer spending, on average, when shopping in Asian foods stores in Jyväskylä (Khong, T., Nguyen, Anh. 2022)

Based on customer visit frequencies as in Figure 6, a quick calculation in abstractive customer spending could be: for 100 customers that are the business's target customers, around 20% of them will regularly visit weekly and spend from 01 EUR - 50 EUR for their purchases. The expected gross income from these regular customers per week could rank from 250 EUR - to 1,000 EUR, on average. When business owners invest in approaching more customers through marketing processes & methods to attract more customers, they can increase the percentage of target customers and their spending, leading to a higher revenue stream for the business operation.

Knowing what consumers purchase and how they pay allowed the retailer to tailor items to local preferences and personalize offerings at the individual level across a range of store types, from hypermarkets to neighborhood stores (Davenport, T., DalleMule, L., and Lucker, J. 2011). We have already investigated what customers would prefer to buy and how much they would love to spend on average. The next step is to learn how they would love to pay and use our service; in this case, we will look at the preference between indoor and online shopping and other methods such as telephoning sales.

In our customer survey about the necessity of online and in-store premises for Asian foods shopping, up to 57,89% of respondents have "Neutrally Agreed" the existence of both Online & Offline grocery shopping in Asian stores. Meanwhile, respondents stayed skeptical about the online shopping method where 63.1% and 68,4% did not support the idea of pickup points and online shopping, respectively. Even though the market is moving towards online and non-contact purchases in the general grocery industry, this is a



reminder for Asian shop managers to consider making more investments online or offline store premises.



Figure 10 In-store and online shopping preference in general stores and markets in Jyväskylä (Khong, T. & Nguyen, A. 2022)

Customers are expected to approach their products anywhere and anytime with their buying methods. The business manager can come customers to provide their service through social media platforms such as Facebook, Instagram, or the new trend – Tik Tok. Social media channels offer opportunities for business owners; so-called “admins” control their images online and “reach out and communicate” to understand more about customers’ perspectives and respond immediately to customers’ demands. (Peeroo et al. 2017, 12-45.) However, store owners should be more cautious about using these methods as groceries products are still very limited in this approach. Moreover, the inappropriate tactic may cause harmful effects if products do not meet local standard requirements due to extreme marketing contexts in these online channels.

## 4.2 Competitor research

Identifying competitor strengths and understanding the fundamental management of your business's rival competitors provide various approaches for operators to learn from and adjust current corporate situations to avoid unnecessary failure that might occur along the way. There are four perspectives that business owners can use to identify their opponent based on different approaches: industry-oriented, strategic groups-oriented, manager-oriented, and customer-oriented. Due to the research scope, we will discuss mainly strategic groups-oriented competitor research, which means we will provide information on business strengths that our competitors in Jyväskylä are currently holding in their

hands. According to the Journal of Management, they are vital essential resources, capabilities, size, and competing strategies. (Gur et al. 2019, 2073-2082.)

**Competitor analysis of Asian groceries stores in Jyväskylä by their key resources, capabilities, size, competitive strategies till end of 2021**

	KEY RESOURCES					SIZE	CUSTOMER APPROACHES
	Physical	Intellectual	Human	Financial	Digital***		
Järvi-Suomen Elintarvike Oy (Antalya Market)	Present Premise in Jyväskylä (>400m <sup>2</sup> ) Office in Helsinki, Jyväskylä	Connection to vegetable supplies in Sweden, and Amsterdam, Holland, meat connection from Qibbla Halal, Thai products from Madam Hong	20-49 people (end of 2021)	Turnover 2-10M EUR*	Facebook (3,317 follows) as of 02.2022 Instagram & Tiktok Website: No	Small enterprise	<ul style="list-style-type: none"> <li>• Direct &amp; in-direct approach (in-store guide/ Facebook, Instagram, Tiktok)</li> <li>• Core values (food updates, fresh food available, large food variables)</li> <li>• Location advantages</li> </ul>
Singhapan Oy (Siam Tori)	Present premises in Lahti, Jyväskylä (>100m <sup>2</sup> )	Connection to vegetable supplies in Sweden, and, Holland, Asiaexpress, Heuschen & Schrouff	01-04 people (end of 2021)	Turnover 0,4–1M EUR*	Facebook (1,420 follows) as of 02.2022 Website: No	Micro enterprise	<ul style="list-style-type: none"> <li>• Direct &amp; in-direct approach (in-store guide/ Facebook)</li> <li>• Customer group specialization (Asian / Thai community)</li> <li>• Knowledge advantages, product diversity</li> </ul>
Persian Food S&I (Silk Markt)	Present premise in Jyväskylä (<100m <sup>2</sup> )	Monthly contract with local pizza companies: PizzeriaBest, Grilli Ilmarisenkatu, Sirius Pizzeria Qibbla Halal (Sweden)	01-04 people (end of 2021)	Turnover \$164,000**	Facebook (139 follows) as of 02.2022 Website: No	Micro enterprise	<ul style="list-style-type: none"> <li>• Direct &amp; in-direct approach (in-store guide/ Facebook)</li> <li>• Customer centric proposition (demand, value, satisfaction, retention, buying behaviors)</li> </ul>

\* Fonecta. 2022. Finder Business Directory - Singhapan Oy / Järvi-Suomen Elintarvike Oy. [ Accessed on 02.02.2022 ]. Available at: <https://www.finder.fi/Valintamymälät+yli+100+alle+400+m2/Singhapan+Oy/Lahti/yhteystiedot/3113254>  
<https://www.finder.fi/Elintarviketuokku/Jarvi-Suomen+Elintarvike+Oy/Jyväskylä/yhteystiedot/2629451>

\*\*Dun & Bradstreet. 2022. D&B Business Directory - Persian Food S & I. [ Accessed on 02.02.2022 ]. Available at: [https://www.dnb.com/business-directory/company-profiles.persian\\_food\\_s\\_i\\_589d7e05e45cf59a921b369890ad167f.html](https://www.dnb.com/business-directory/company-profiles.persian_food_s_i_589d7e05e45cf59a921b369890ad167f.html)

\*\*\* Social Media Witnessing. Sources: Silkkitie Erikoiselintarvikekauppa; Siamtori Lahti/Jyväskylä; Antalya Market. [ Accessed on 02.02.2022 ]

Illustrations Khong, T. & Nguyen, A. 2022

**Figure 11 Competitor analysis of Asian groceries stores in Jyväskylä by their key resources, capabilities, size, and competitive strategies till the end of 2021**

#### 4.2.1 Case Antalya Market

Based on our In-depth interviews, B2B referrals, and social media witnessing, we have concluded the primary key resources from the three competitors in Jyväskylä. In the Jyväskylä center area and Seppälä, Antalya Market stands out from the crowd with the largest premises, and the most competitive business in the food resell industry. The ethnic foods shop has been growing considerably from more than 100-meter squares to under 400-meter squares in just a few years, with more than ten aisles divided into different food sections. Food variety in this Turkish-owned grocery shop is now the strongest in the region, with many customer choices and fresh food supply every Wednesday and Friday, mainly from Sweden and Amsterdam. With a strong intellectual connection with meat

provider – Qibbla Halal, Antalya Market has a stall for fresh Halal meat to provide many Middle East customers. Last year, the company made more than 5,712 million EUR in turnover, with operating profits of 6,9%, which is considerably strong in this regional market<sup>10</sup>. The company currently has around 30 personnel working under the Small Enterprise scheme. The company's approach toward customers is online and offline services, including in-door support/ consultations and product updates on social media channels for new product arrivals and discounts. Located in Keskustie 24, Jyväskylä (Center Road), the location dominance has given the Turkish ethnic grocery store advantages in its convenience and customer concentration, leading to higher buying volume.

#### 4.2.2 Case Siam Tori Jyväskylä

Meanwhile, a small Asian grocery store – Siam Tori- decided to open its second premise in Jyväskylä last year after the collapse of the other Thai supply store mentioned in Chapter 3. This good point of replacement for the existing market position allowed Siam Tori to approach Thai and Asian customers from the far East in Jyväskylä. The store owner mentioned that a local person had managed this subsidiary in Jyväskylä to come, customers, better experiences in their purchasing behaviors and assist customers with their local knowledge. Instead of focusing on multiple varieties like Antalya Market, Siam Tori focused on target customer groups based on buying habits and the push system.

*“I buy one big box; I cannot import more until I sell all, or it will be expired. So, if I have more places or more stores, I can sell that product in all the stores” – Helsingius, P. simply explained her push system strategies when opening her second store in Jyväskylä.*

As the whole Siam Tori team are initially from far East Asia (Thailand), the approach strategy for customers is much easier due to the crowded Thai community in the area and demand for understanding. According to live statistics from Google, there are, till February 2022, 11 Thai restaurants in Jyväskylä, of which 09 restaurants provide Thai-originated catering. The business-to-business demand followed by authentic ingredients brings a more substantial income source from large or monthly orders. Siam Tori has remained to be microenterprise due to its human resources (01- 04 employees only) and turnover (from 01 to 04 million EUR annually) (See Figure 10).

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<sup>10</sup> Average Margin by Sector (US) as of December 2020 is 3.01%, in average, for Retail (Food & Grocery) sector. (CSI Market 2022)

Currently, Siam Tori is using the only Facebook platform to advertise their products and offer new updates to its customers. All food shops in Jyväskylä do not have their website or fundamental data published online for people to choose from. It is understandable from our survey with the focused group; we have already witnessed the reaction from customers on their preferred purchasing behaviors: offline / on-premises purchases. (See Figure 09). However, this news led new business owners to stand out from competitors when they could apply clearer and better online information through standard forms (website, email marketing, etc.) in the new digital transformation era. Clearer information and trustworthy website-based will allow business owners to approach more customers that are not yet involved in the business and gain purchasing confidence to customers (Frik, A. & Mittone, L. 2019). Last but not least, Siam Tori attracted more than 700 followers on its subsidiary page in Jyväskylä (Siam Tori Jyväskylä) on Facebook, with trust gained by its main page in Lahti city at 1420 followers as of February 2022.

Helsingius claimed that the pandemic surprisingly brought her positive effects rather than negative ones. The owner of two little Thai - Asian grocery stores explained that customer habits had changed as people tend to cook more at home due to public contactless issues, increasing spending on raw materials instead.

*“I think COVID-19 did not affect me, but if it is positively affected me. Because in the Covid-19 time, many restaurants had to close, and people have to cook by themselves, which means they need more ingredients, so that is why I can sell ingredients better”. (Helsingius 2021.)*

Even though financial results from Siam Tori or Singhapan Oy have not yet been updated due to unmet deadline, these results can be reflected by the two most common supermarket chains in Finland: Kesko Group & SOK. In addition to 2020 results, Kesko Group reported a record sale of its history with 775,5 million EUR in grocery sales in 2021. The results showed a healthy growth of 8,2% in net sales margins compared to last year (Kesko Financial Report 2022).

#### 4.2.3 Case Silk Market

Above all, Silk Market (Silk Markt) is considered a minor competitor in the Jyväskylä region due to its capabilities and scales. The store is small and has fewer variables than the other two stores, however, providing more decisive customer purchase assistance and customer-centric propositions. According to Google reviews, as of February 2022, the store is considered the most friendly and supportive to customers, with 39 total reviews at

4.3 stars. Meanwhile, Antalya earned 4.0 (165 reviews), and Siam Tori Jyväskylä ranked at 4.8 stars with 22 reviews.

For small business owners, directly and indirectly, customer-oriented marketing plays an essential part in the business operation of a store's reputation. The supportive attitudes and helpful staff create strong buying power, which helps customers solve their problems and creates a good image for the store itself. Our recommendation for small business starters is to focus on customer service to increase customer loyalty and help them repurchase and increase their spending budgets.

During the Covid-19 situation, Silk Market faced different difficulties in Customs declaration (Tulli) due to longer processing time, leading to product shortage and restock issues.

*"I lost a lot of clients because every time clients come to the shop, and they need that product, but we had not got it yet because that stuff still under review in the customs, they want to check the health of the products, some of them are foods, so it's necessary to check carefully when they are from other countries, for example, China or high risks countries". (Silk Market 2021.)*

The recommendation drawn from Silk Market's case is to find a trustable source of products regarding trading issues, especially foods imported to Finland. Choosing a suitable and well-known source from trading professionals can reduce risks of delay during the logistics process for declaration in Customs and minimize degradation costs naturally from foods.

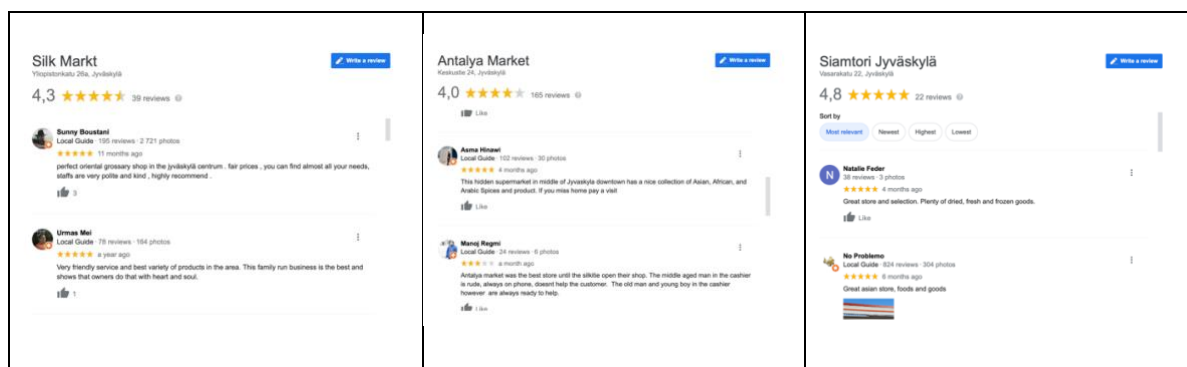


Figure 12 Store reviews on Silk Market Jyväskylä ethnic foods store (Google Review 2022)

### 4.3 Supplier research

In Chapter 2 and Chapter 3, we have gone through customer data preference and how our future competitors are operating in the current market in Jyväskylä. In this section, we

will learn more about Supplier research and how to maintain the primary function of the supply system to keep the business running while stock controls at decent levels. At first, when preparing to open a local business, business owners, in this case, Asian grocery store owners, would need to access their product choices. We have contacted several wholesalers and overseas suppliers within logistic-focused countries regarding their product catalogs, importing methods, and costs.

#### 4.3.1 Heuschen & Schroff

Heuschen and Schroff is a famous Holland wholesaler in Europe with more than 60 years of experience in importing and exporting ethnic foods. The company provides its business customers with large oriental foods from more than 67 A-classed brands within Asia, Arab, Africa, & Caribbean regions. (Heuschen & Schrouff Oriental Foods Trading B.V. 2022.) The Holland suppliers tailored their business customers in a total of 04 sectors, including Ethnic shops & supermarkets; Retail; Foodservice; and Industry customers accordingly. A business owner must choose “Ethnic shop & supermarket” as a contact form to become business customers in Heuschen & Schroff.

Depending on the oriented foods that business customers want to proceed with, the supplier would modify their products according to customers’ needs. Usually, the selections vary from instant noodles, rice products, sauces, herbs & spices, snacks, canned foods, and fresh products. Business owners can also choose to proceed with frozen products, which require storing conditions and fridges. The supplier also provides their business customers with extra shelf displays in large import quantities. The authors recommend partnering with Heuschen & Schroff for small-scale businesses as the company focuses mainly on finished and processed products.

#### 4.3.2 Madam Hong

Madam Hong Import Export Ab is a trading supplier in Sweden, located in Helsingborg, South West of Sweden. The company has Restaurant and Supermarket departments suitable for business owners to import food products. Madam Hong focuses more on frozen seafood products and fresh vegetables. We recommend business owners import the product types for their stocks and warehouse in this case. To start ordering food products from Madam Hong, business owners must notify the Ilppa system (See 5.5) to announce the operation of selling meat and freeze products.

Madam Hong closely works with their transportation company to deliver products to their customers; therefore, business owners must follow their transport scheme. The maximum

utilization of transport costs is around 2,500EUR, and the minimum of transport inquiry is one (01) pallet under the EU's standard. Madam Hong provides 20 days of credit for receiving ordered products, which requires business operators to make prepayments beforehand. (Pham 2022.) Madam Hong's product lists are usually updated on their Facebook official site due to website maintenance. This product update is one of the disadvantages of Madam Hong for customers outside of Sweden.

#### 4.3.3 Golden Crop

Oy Golden Crop Ab is a fast-developing company with solid Asian food import and supply chain expertise. Products from Golden Crop are more varied and focused mainly on the restaurant sector and snack digests. All products can be found easily from the company's official websites; therefore, the costs of products are usually higher compared to the other suppliers/manufacturers. The company dominates other suppliers/manufacturers in operation with a more apparent importing system, procedures, and product listing. Business owners need to provide the company's legal identity to form a business account to become Golden Crop's customer. The best suit when collaborating with Golden Crop is that business owners already have contracts to import specific products in their stocks, especially for restaurants in local Jyväskylä like Silk Market and Antalya Market.

For business owners, who want to build a web-based platform at the same time as Jyväskylä Asian food shop, we do recommend seeking product image usage at the same time when importing products from Golden Crop. Thanks to this, business owners can reduce sufficient time and effort for a better website or pages. Golden Crop uses perpetual stock management, which means products in the company are processed automatically under an electronic system using a POS machine and barcode system.

For controlling stock products, we recommend business owners dig deeper into the stock management method, referred to Golden Crop scheme. In contrast, if the business is not having enough financial instruments to afford the expensive method, it can exploit a more traditional way, known as periodic stock management. The periodic method reduces satisfactory cash investment at the beginning within minimal stock counts. (SumUp Payments Limited 2022.) It is worth noticing that if the business is new and small and cannot directly compete in price with existing opponents, business owners should always invest in the customer's experience and service efficiency.

## 5 CORPORATE OPERATION

To support business owners in opening an Asian food store in Jyväskylä, the authors have concluded the following information from YTJ (The Finnish Information System) and other primary Finnish authority references.

### 5.1 Business plan setup

In the first stage, a business owner needs to go through a considerate Business plan. Crucial things that need to tackle include:

- Inventory management (including Service & main selling products)
- Storing equipment
- Aisle & sizes for selling purposes
- Office & trade insurance (YEL)
- Waste treatment service
- Local brand awareness

Usually, when partnering with suppliers, ethnic grocery shops need to use a push system to serve their customers, which means store owners need to buy products/services first and try to sell them to customers. In the case of a business that has an official website, the administrator of the company can at the same time use push and pull system to sell to customers. Page manager(s) can list products & services on websites provided by suppliers<sup>11</sup> with modified SKUs – product identifying codes. Once products are detailed, business owners can anticipate the buying power of potential effects through click rate data to serve stock management and choose the right products to import from suppliers.

For storing purposes, store managers have two options: buy or lend, and buy cooling equipment, fridges, and storing machines. For non-current fixed products with more than 03 years of lifetime, we recommend lending these properties at the beginning or getting them as promotions from food brands. At the beginning of the business operation process, lending non-current fixed assets reduce huge risks from buying the products if the situation goes downwards. Meanwhile, purchasing the properties when the store's

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<sup>11</sup> Suppliers usually have available stock images or videos for commercial use from their manufacturers and bigger wholesalers. Before listing on e-commerce site, a granted permission for use should be achieved in written notes or contract of media usage rights.



situation improves helps store owners reduce tax through degradation, which will be discussed later in Tax matters.

During business planning, store owners need to go through their business scale to decide what products they will sell and import from manufacturers by the type of foods and a store location they want to set up. The aisle division plays a vital role in the business as it helps to keep customers seeing the total products or products that owners wish them to see. A highly disorienting route can indirectly force customers to go to the ending aisles, providing buying impulse as the way IKEA does. (Lubin 2014.)

YEL insurance, or a self-employed person's pension insurance, is insurance for entrepreneurs responsible for covering their pension and protection from social security. YEL insurance is mandatory when the store meets certain conditions, especially with trailing income generated by sales activities from the store. Store owners need to mind the Self-employed Persons' Pensions Act (YEL) requirements from Finland once the conditions are met. Also, in the case of hiring new employees, business starters need to mind TyEL or statutory employment pension insurance for employees.

During the planning process, store owners should contact a waste treatment provider from the local area to solve waste management to reduce the risks of out-of-date products and business waste from the operation. Finally, even though the company has not been founded, store owners still can bring brand awareness by pre-marketing activities while waiting for the legal entity process.

## 5.2 Forming a Legal Entity

There are a total of 08 company types (Finnish Patent And Registration Office – PRH, 2022), including two forms of companies that business owners can usually start with: working as a private trader or self-employed person (Toiminimi) or working as a limited liability company (Osakeyhtiö). Based on the needs of the business, a business owner can choose an entity that is suitable for them to manage. However, if owners are non-EU citizens, the application for limited liability is more complicated. Therefore, we do recommend professional consultations with legally acknowledged personnel.

Corporate form	Indication
Private trader	Indication not mandatory. Tmi or Toiminimi are often used in practice.
Limited company	Osakeyhtiö or oy.
Public limited company	Julkinen osakeyhtiö or oyj
Real estate corporation or mutual real estate corporation	Osakeyhtiö or oy, because this is a limited company. The words real estate or mutual real estate need not be included, even though this is often done in practice.
Limited partnership	Kommandiittiyhtiö or ky. The name shall not include the name of a silent partner.
General partnership	Avoin yhtiö (NB. the abbreviation ay must not be used). Family names of the partners, for example Virtanen & Sjölund are accepted as indications of a partnership; hence avoin yhtiö need not be included in the name.
Cooperative	Osuuskunta, Osuus- or the abbreviation osk. Person names must not be included.
Branch of a foreign trader	The name of a branch shall include the company name of the foreign trader in its registered form with an addition that indicates that it is a branch. The addition can be for example sivuliike Suomessa (branch in Finland), filial i Finland (in Swedish) or filial.

Figure 13 Indications of the corporate form (Finnish Patent And Registration Office – PRH, 2022)

Also, we recommend that business owners find their company as a limited liability company from YTJ. The advantage of this entity is that it reduces the risks and makes it easier to collaborate with other suppliers due to more significant responsibilities. There are a few basic steps to forming a limited liability company, according to PRH:

1. Draw up a memorandum and articles of association
2. Select board members
3. As of July 1st, 2019, there is no minimum share capital requirement for limited liability companies. If there is share capital, open a company bank account and pay the shares to the account
4. Use the same forms for the Trade- and Tax registers
5. Send in the forms, documents, and receipt of the handling fee

As a business starter, Asian grocery shop owners can apply for a startup grant (starttiraha) from the Ministry of Employment and the Economy (TE-Office) under certain circumstances to support the livelihood of business owners (TE-Palvelut 2022)

### 5.3 Register for Taxes, Business Bank accounts & Credit Card

The registration of the company entity will be automatically moved to The Tax Office of Finland (Vero). Since then, the Asian food store will have its identifying number known as Y-tunnus (Trade ID number) and Tax number with the same ID and starting with FI<sup>12</sup>. Once taxing is done, officials will send a confirmation with official letters to notify registration.

Finnish bank branches usually require a strong business plan and a meeting to discuss bank account usage. It is also noticeable that, according to people familiar with the matter, in a newly formed company and with foreign background founder(s) (if yes), the process takes up to three months. Once a business bank account and a credit/debit card are granted, the company can use them to register online authentication to provide an online legal and functional website with other payment solutions. Moreover, a business with legal banking can write for a POS payment solution to support customer payments and integrate stock management. A business bank account is essential for the operation and payment setup both offline and online.

### 5.4 Accounting for your Asian Grocery Store

A firm can hire an accountant from the market through a registered specialized service company. Banks also offer accounting activities for business starters, charging a percentage fee plus tax based on gross income generated. Companies can reference a few accounting services: OP Kevytyrittäjä, Free.fi, Accountor+ online. The accounting service will record your transaction from expenditures and income generated from sales and other services. Thanks to bookkeeping works, a business owner can declare deductions through properties that generate revenue, reducing tax back legally, according to the Finnish Tax office (Vero).

### 5.5 Necessary Licenses

Before publishing the Asian food stores, local food control authority notification needs to be approved. Once the submission is registered, the health inspector will inspect the store premises and make the final decision. According to Ruokavirasto – The Finnish Food Authority, “Food establishments must be approved by the competent control of operations

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<sup>12</sup> VAT number usually start with FI after Y-tunnus / company number. For example, Y-tunnus is 3456XXX-X, Tax number is FI3456XXXX-X

or any substantial change in operations. Starting the operation of new food premises, a significant change in operations, the interruption or termination of operations, or a change of operator all require submitting a notification. Make the notification primarily using a webform at <https://ilppa.fi/alkusivu>." (Kapanen, M. 2022). In the case of serving alcoholic drinks, business owners need to contact Valvira (The National Supervisory Authority for Welfare and Health) to get supervision for storing and selling Asian drinking beverages with alcohol.

## 5.6 Branding and Website

Once offline premises is running, business owners should consider online presence to build the store brands and authenticity. Like other significant competitors, business owners can show their food store online, run campaigns, and update food lists every day to attract customers and make necessary inquiries.

## 5.7 Set up business telephoning system

We recommend that business owners use business phone numbers rather than private phone numbers for contacting issues. A business phone number helps create a strong image of public authenticity, a direct line to the business itself, and increase business expenses on legal deductions.

## 6 CONCLUSION

### 6.1 Summary

The primary purpose of the research is to provide necessary information for business owners who want to open an Asian store in Jyväskylä, Finland. The research includes five Chapters, providing from start to end the study's primary purpose, how the analysis should be carried on, and the research results.

In the first Chapter – The introduction part, we have established the research background to provide a baseline why this research is necessary for business starters and to solve practical problems for those interested in the field. We have set our objectives, research questions, and limitations for the research. Our first objective is to deliver market research results for business owners to consider the potential of opening an Asian grocery shop in Jyväskylä through primary and secondary data. Meanwhile, the second objective is to guide business owners through trusted data from various administrative units in Finland. The objectives match our research questions:

*“What different factors do potential entrepreneurs need to consider when opening an Asian food store in Jyväskylä, Finland?”*

To address the primary research question more accessible, we have divided the question into two sub-questions based on our objectives and data conducted:

*“What makes Jyväskylä a potential city for this business?”*

and

*“What information possible investors are looking forward to evaluating an Asian food store business potential?”*

In the Research Methodology and Data, we use qualitative and quantitative methods to address our survey and collect data from secondary and primary sources to analyze them properly. Due to the lack of numerical data from our prior research, especially from Food Suppliers, we address more qualitative results than the quantitative ones in our primary preliminary research. We also predetermined possible limitations from our research scope and addressed these later in our Conclusion and suggestions.

In Chapter 02, we have provided basic theoretical concepts of wholesale and retail businesses and their difference in operation. During the chapter, audiences will understand that the operation of an Asian grocery shop is a retail operation. However, the

store acts as a reseller, working closely with wholesale suppliers to provide retail customers and potential business customers with products and services they want.

In Chapter 03, we started to go through our first sub-research question using secondary data to research the potential of Jyväskylä as a city to operate the business idea.

In Chapter 04, also known as the primary part of the research, we conducted surveys and face-to-face interviews as our primary data source. We have addressed three aspects of Chapter 04, including research on Customers, Competitors, and Suppliers. In Customer research, we have divided the part into two sections: Retail customers & Business customers. Within our survey, we learn more about retail customers' reactions and buying behaviors regarding the use of Asian food ingredients and their frequencies of products and service usage. The data linked to Competitor's research confirmed the response and behaviors from retail customers' data. The confirmations make sure the survey results remain non-subjective.

In the business customers section, we have interviewed and used published data from government statistics to confirm the data collected through our store owners' interviews. Then we suggested what needs to be improved from the "existing players" in the market to recommend business owners either avoid or improve when starting the business. During Competitor research, we provided three case studies from three firms currently operating in Jyväskylä.

The competitor research consists of comparative analysis to give a more precise picture of the existing players in the market. Finally, we moved to supplier research to bring necessary information on importing methods & policies of some suppliers introduced by data collected from competitor research. It is also noticeable that this third part confirmed potential food types and inventory management tips from customer research and competitor research.

In Chapter 05, the authors offered a guild view on the business operational scale to help business owners set up the business and be aware of necessary steps.

## 6.2 Answers to the research question(s)

The main research question of the thesis research is

*"What different factors do potential entrepreneurs need to consider when opening an Asian food store in Jyväskylä, Finland?"*

When starting a business in general, business investors or business owners will need to address whether the products are suitable for customers in the located market or not. Secondly, they need to know if the company can sell within the market with existing customers, competition from opponents, and the advantage of product sources from suppliers. Finally, when it comes to opening a new business, investors should also be aware of the setup process to comply with local authorities to make the most out of the company's legal requirements.

The authors have divided the main research question into two parts, also known as two sub-research questions, to address this research question adequately. The research has provided secondary and primary data information when starting an Asian retail foods store in Jyväskylä. The secondary data, which answers the first sub-research question, brought a closer view of the potential of choosing Jyväskylä as the city to execute the business idea.

The first sub-question is:

*“What makes Jyväskylä a potential city for this business?”, tackling the market research in Jyväskylä”.*

Jyväskylä has ideal market demography for opening an Asian food store due to its young and active population. The city has a strong movement of Asian-backgrounded immigrants and reliable human resources from universities and academic units.

Secondly, the city has many restaurants serving Asian foods within the center and Seppälä areas. The high concentration of Asian businesses in Jyväskylä opens more opportunities for local Asian food supplies with ready and convenient ingredients, especially when the Finnish gradually opens again for dining out and hospitality services.

Thirdly, there was a shortage of Asian food supplies when a famous Thai grocery market collapsed due to tax matters. The elimination of existing competitors unlocks more opportunities for new businesses in the sector.

Finally, the nature of location and logistics of Jyväskylä brought difficulties for retail customers to travel to larger harbors and commercial cities. Moreover, the distance of supply chains and higher travel-related costs hampers Asian food-related businesses to order from other regions. The existence of an Asian grocery shop within the area with convenience in travel time and competitive pricing will increase demand for both retail and business customers.

The second sub-research question is:

*“What information possible investors are looking forward to evaluating an Asian food store business potential?”*

This sub-research question answers, in general, 70% of the leading research question. Our data from Primary market research and corporate operation provided answers to this inquiry. Our preliminary Primary market research found that Finnish customers are now shifting their purchasing behaviors formed during the pandemic. More digital customers are ordering online their food supplies from third-party delivery partners.

For business consumers, we found out that the niche market for Asian grocery business is beneficial for restaurants that require instant and convenient food supplies during peak hours and at lower volumes. Business owners could maintain business relations with their B2B customers (restaurants) by making monthly contracts to supply regular food sources. Rice, meat, and ethnic spices rank amongst the best-selling foods. Also, from our findings, the potential of companies providing food supplies for employees is unforeseen and remains an untapped possibility.

Apart from business customer research, we conducted a retail customer survey in a targeted group of Asian consumers aged from 18 to 50 years. This mainly Asian age group in Jyväskylä has a high frequency of shopping in-store while occasionally calling or booking food online for pickup and deliveries. This factor requires business owners to make more investments through indoor constructions, design, and convenience during their business plan to make the most of the preferred shopping method.

We found out that retail customers love to buy rice & noodles, special fresh vegies, seasonings, snacks & beverages from Asian stores. These unique and authentic original food types are the key to making the ethnic shop stand out and satisfy retail customers. Retail customers usually spend under 50 EUR per visit; however, devote to pay more up to 100 EUR per visit. The spending estimates provided the potential for purchasing powers of targeted customers. Store owners should be more cautious regarding the behaviors of the examined group to choose products that are not exaggerated expensive over the limit.

In the later part of the Supplies research, we mentioned pre-order options for products that are not on the list and expensive ones to reduce unnecessary risks for the small business. People have strong support for indoor shopping. However, they update store information, stock conditions, and discounts online. Business owners can provide these services online, especially on social media channels.



Moving to Competitor research, we have identified the strengths and crucial information about existing businesses based on their critical resources, capabilities, sizes, and competing strategies. Based on the analysis, the standard system of the three enterprises: Antalya Market, Silk Market, and Siam Tori Jyväskylä, are pretty similar. The three-business focus on developing products as core services and advertising them through social media channels but not from official media. This reduction of marketing scale in websites or phone applications results from small scale & unnecessary spending. The findings support the idea of indoor premise investments, however, leaving a competing approach for new business owners to dig gradually into online channels thanks to the current non-contact delivery trend and online ordering methods.

The Covid-19 situation affects most businesses within the sector; however, according to our findings based on primary data, Asian food supply stores exceptionally developed during the period. It is essential for business owners to prepare the necessary equipment and comply with safety measures during uncertain times when operating the business. Last but not least, as for recommendation from Silk Market, business owners need to mind finding reliable products supplies and avoid making imports in high time to reduce risks of products degradation costs & complicated declarations of third countries.

Most business owners can take contacts to trustable suppliers within Europe through their contact forms, emails, or websites. Heuschen & Schroff provides suitable products for Asian stores which needs convenience and do not involve frozen & fresh products. The company is ideal in its focus on finished and processed products.

Keys' takeaway from Madam Hong is that the company is suitable for business owners to achieve fresh and frozen products from various selections. The company has specific requirements for importing process with the trailing amount of each order and minimum pallets provided by section 4.3.2.

Moving on to the Golden Crop Ab case, business owners can consider using the business scheme that the supplier is now applying as an online platform for product selling. The company provided a healthy and clear interface, giving customers a wide selection of each and individual product. The approach referred from Golden Crop about the online platform could be used as a competitive component against existing competitors in Jyväskylä due to a shift in purchasing behaviors shaped by Covid-19. The company is suitable for B2B products, especially for restaurants. Being a vendor for Golden Crop, business owners can exploit the competitiveness of the online platform and serve better local restaurants.

Apart from primary aspects, our research provided corporate operation steps that address the opening and operation of ethnic Asian foods stores based on The Finnish Information System and references from official Finnish authorities. The information from this part is considered essential data for business owners who first opened their business in Finland and working in the grocery industry.

Firstly, business owners need to ensure a business plan to proceed with chosen products, storing, partnering and authorizing the business within the public area and the local authority. We also guided business owners to select insurance for the food business sector, waste treatment plans, and brand awareness pre-marketing.

Secondly, business owners need to consider the potential of choosing a legal entity for their shop by registering a preferable company form. Limited liability is a more advantageous company entity than private trader out of the two business forms. A business must register for tax number and trade ID to function and get payment solutions provided by Finnish banks.

Thirdly, an Asian store will also need an accounting service for bookkeeping and record purposes related to Tax matters. A business must have an accounting service conveniently provided by different banks to declare deductions from purchases that support the company's operations.

Moreover, an Asian food store business operates food for humans, and it is a must for any business owner to seek licenses and authorization from the Finnish Food Authority. Last but not least, new business owners for an Asian grocery shop in Jyväskylä can approach new and potential customers within the area through online and pre-marketing campaigns. Online and telephoning solutions help business owners foresee new approaches and connect to more unknown customers in local potential.

### 6.3 Ethics, Reliability & Validity

Ethics in research required a substantial compromise from start to end of the research subject. Good and ethical research obey strong responsibilities for its usefulness application, especially from applied science perspectives, followed by honesty report data and interpretation. The research data required the permission of commissioners and surveyors who are responsible for their answers and responses. (City University of Hong Kong 2022). In the research work, we have followed a detailed guide for conducting research under the supervision between researchers and education officers. The study provided facts and data from responsibly relevant personals for trustable and divergent opinions. We also protect confidential information and business secrets required by

interviewees to protect the credits and economic effects for the businesses and the personnel themselves.

Readability is the measurement of difficulty and academic levels of research to transform the ideas and results of research conductor(s) towards readers. (Sam M.S. 2022). We tried to minimize the usage of academic vocabularies and explain different business technical terms within our study and the terminologies part at the beginning of the study.

The validity of research reflects how accurately a method or data was measured under different mathematical calculations & other quantitative techniques. (Middleton, F. 2019) The researchers used both quantitative and qualitative methodologies to conduct their research within the center of Jyväskylä based on surveys and direct interviews. We followed our survey process strictly by choosing targeted customers within the research scope, but not general audiences. This selection improves our data validity regarding the niche market within the area and serves more insight data for readers.

Moreover, in the competitor research part, we conducted face-to-face interviews with different store managers & representatives as actual and existing samples that helped improve the validity of the research. During later investigation, we have provided data brought by suppliers and authorities with support from actual private personnel representing us to pick up vital data from providers with an actual legal identity. It is worth noticing that students who do not have access or legal identity cannot get information, especially from suppliers, for their quotations and importing procedures.

#### 6.4 Conclusion

In conclusion, opening an Asian foods store in Jyväskylä is potential, especially within the center or Seppala areas. Opening a business related to foods requires enough time and effort to learn the market and seek competitive methods with existing opponents and the company's strengths.

Throughout our two subjective components of the research: Secondary market research and Primary market research, we found that Jyväskylä is suitable for business owners to start settling the business idea. The area has firm market demography with young-aged density and active movements from foreigners. Moreover, Jyväskylä is suitable for business owners in the working business-to-business scheme where Asian-originated businesses stay focused within the two main areas. The city recently lost one of the businesses due to an unfortunate tax matter, leaving out competitive space for existing businesses in the sector and newcomers. The city terrain is deep in the continent, far from the water ports causing location and logistics difficulties for retail customers. On the other

hand, the difficulties make local customers shop more in local businesses with time and effort advantages.

In Primary research, we help readers understand the different approaches of the business scale towards retail customers and business customers. Digging deeper into retail customers' behaviors, we found out that the target audiences love to do their groceries in the traditionally contacting method. Customers want to see their products before buying, even though they can faster access them through online and telephone manners. However, a small portion of customers want to shop online, using contactless ways strengthened under the Covid-19 situation.

Business customers tend to buy local Asian products in terms of fast demand and risk reduction due to a shorter time frame compared to larger suppliers within other regions. Business owners can seek long-term collaboration through a supply contract with local restaurants for better cash flow operation and product outsourcing.

Our survey about Retail customers taught that customers focus on buying authentic foods like rice & noodles, fresh veggies, and spices the most. Customers are willing to spend for each purchase below 50 EUR. However, a small portion of customers can spend up to 100 EUR for their visits. The potential from this spending behavior makes the business profitable to retail customers and business customers through contract works and large-quantity orders.

We did competitor research within the existing businesses in Jyväskylä and found that the businesses faced significant difficulties during the lockdown. However, they remained strong in sales and adaptation to government policies. The Asian foods stores in Jyväskylä are small microenterprises focusing on direct selling methods in-store and updating products, usually on social media channels. Customer's behaviors on shopping methods match with how these businesses are operating and approaching. However, there is an untapped market for business operators in terms of online ordering customers that future businesses should exploit within the near future.

Also, in Primary research, we have conducted different real-time requests towards suppliers across Finland and Europe to provide better supply solutions for business owners. A few candidates we suggest business owners collaborate with according to their strengths are Madam Hong (fresh, frozen, and packaged products), Heuschen & Schruff (ready-made products, snacks, and canned products), and Golden Crop (general). We found Golden Crop's business scheme suitable for business owners to develop their online solutions (if able to) through their stock management method.

Finally, we provided business owners with key steps to open legal identity for the business itself and notable points in operating the company on a corporate scale.

## 6.5 Suggestions

For the business idea itself, we suggest business owners seek professionals specializing in retail business operation to open the Asian groceries store located in the research area. Due to the limitation during the social distancing process, we did not have more extensive data conducted for the target customers of the business idea. Therefore, we strongly recommend business owners conduct or ask for professional agents to conduct careful and larger business research for higher certainty and amendment.

For future research, we suggest a stronger numerical analysis on the retail customer scale that covers more significant numbers of audiences and audiences within other regions of Jyväskylä applied for the business idea. New research within other cities that are still hiding their potential for operating the business is recommended. During the research journey, we mentioned business owners' approach to online services for Asian groceries trading; research on its potential would allow better opportunities to maximize possible earnings. To support a better operation process of the niche market, a more profound study on Asian foods supply chains within Nordic and Europe would suggest a better idea for importing and exporting Asian products and product control management in post-logistics. During the Corporate operation part, the steps to be taken are following the procedural guidance of the competent authority. However, it is necessary to have specific instructions from the relevant parties, especially the bank and the knowledgeable management departments for detailed implementation.

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## APPENDICES

Appendix 01. Revenue (before tax) generated from different retail grocery chains in Finland (SOK 2021)

<b>S Group's retail sales excluding taxes by business area</b>	<b>EUR million</b>	<b>+/- % previous year</b>
Prisma*	3,877	+8.8
S-market	3,784	+7.7
Sale	749	+8.8
Alepa	411	+4.4
Herkku	71	-16.0
Other supermarket trade	5	-23.6
<b>Supermarket trade total*</b>	<b>8,898</b>	<b>+7.8</b>
Hardware trade	126	-6.8
Service station store and fuel sales	1,470	-14.4
Department stores and specialised trade	236	-18.8
Travel industry and hospitality business*	439	-47.8
Automotive trade and accessories	423	-3.2
Others:	33	-17.2
<b>S Group total*</b>	<b>11,625</b>	<b>-0.7</b>

\*Including retail sales in neighbouring areas (Estonia and St Petersburg)

## Appendix 02. Financial results on Profit/Loss in retail sales, specifically on Grocery trade in 2020 (Kesko Group March 2021)

### Net sales and profit for 2020

1-12/2020	Net sales, € million	Change %	Change, comparable, %	Operating profit, comparable, € million	Change, € million	Change, illustrative comparison figures, € million*
Grocery trade	5,732.0	+3.6	+3.6	375.2	+47.3	+47.3
Building and technical trade excl. speciality goods trade	3,424.3	+9.5	+6.5	169.4	+70.8	+70.8
Speciality goods trade	215.2	-37.9	-5.5	7.4	-2.1	-2.1
Kesko Senukai	427.3	-50.3	-	25.1	-9.6	+3.2
Building and technical trade total	4,066.2	-6.1	+5.7	201.9	+59.1	+71.9
Car trade	892.6	+3.3	-3.3	23.4	-3.3	-3.3
Common functions and eliminations	-21.4	(..)	(..)	-32.7	+3.2	+3.2
<b>Total</b>	<b>10,669.2</b>	<b>-0.5</b>	<b>+3.6</b>	<b>567.8</b>	<b>+106.2</b>	<b>+118.9</b>

(..) change over 100%

\* Kesko Senukai treated as a joint venture in the illustrative comparison figures

### Grocery trade

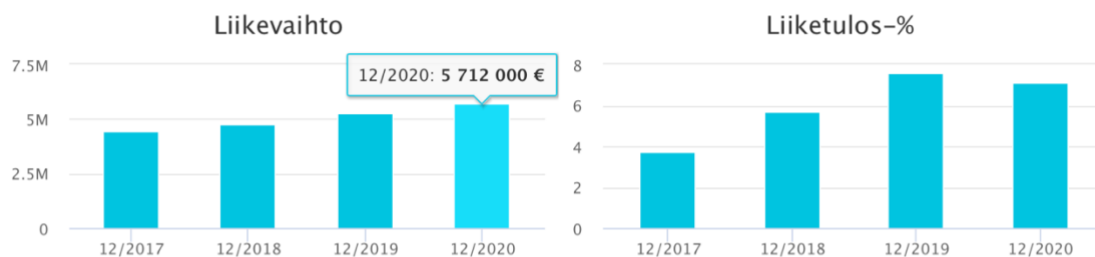
	1-12/2020	1-12/2019
Net sales, € million	5,732.0	5,531.2
Operating profit, comparable, € million	375.2	327.9
Operating margin, comparable, %	6.5	5.9
Return on capital employed, comparable, %	16.9	14.5
Capital expenditure, € million	125.4	180.8
Personnel, average	6,197	6,063

Net sales, € million	1-12/2020	1-12/2019	Change, %	Change, %, comparable
Sales to K-food stores				
K-Citymarket, food	1,291.7	1,150.4	+12.3	+12.3
K-Supermarket	1,549.6	1,417.0	+9.4	+9.4
K-Market	1,434.9	1,336.3	+7.4	+7.4
K-Citymarket, non-food	585.5	584.6	+0.2	+0.2
Kespro	777.9	935.5	-16.8	-16.8
Others and eliminations	92.4	107.4	-14.0	-14.0
<b>Total</b>	<b>5,732.0</b>	<b>5,531.2</b>	<b>+3.6</b>	<b>+3.6</b>

## Appendix 03. Antalya's (Järvi-Suomen Elintarvike Oy) financial summary from 2017 to 2020 (Kauppalehti 2021)

### Taloustiedot

Järvi-Suomen Elintarvike Oy



	12/2017	12/2018	12/2019	12/2020	
<b>Liikevaihto (€):</b>	4 453 000	4 788 000	5 247 000	5 712 000	(ATT)
<b>Liiketulos (€):</b>	164 000	273 000	401 000	408 000	(ATT)
<b>Tilikauden pituus</b>	12 kk	12 kk	12 kk	12 kk	(ATT)
<b>Henkilöstömäärä (henkilöä)*:</b>	-	-	-	-	

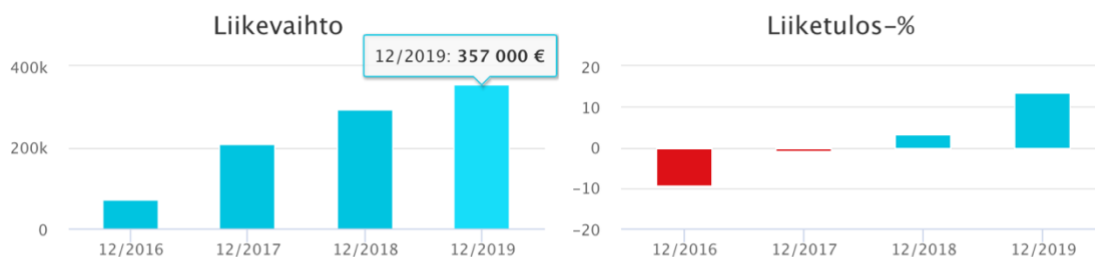
Taloudelliset tiedot perustuvat yrityksen emoyhtiön tietoihin.

\* Henkilöstömäärä perustuu yhtiön tilinpäätöstietoihin. Ajantasaisen tiedon puuttuessa voi henkilöstömäärä perustua aiempiin tilinpäätöstietoihin sekä Alma Talent Tietopalveluiden arvioon.

## Appendix 04. Financial summary of Siam Tori store from 2016 to 2019 (Kauppalehti 2021)

## Financial information

Singhapan Oy



	12 / 2016	12 / 2017 the	12 / the 2018	12 / 2019	
<b>Turnover (€):</b>	73,000	210,000	294 000	357 000	(ATT)
<b>Operating profit (€):</b>	-7,000	-2,000	9,000	49,000	(ATT)
<b>Length of the financial year</b>	12 months	12 months	12 months	12 months	(ATT)
<b>Number of employees (persons) *:</b>	-	-	3	2	

The financial information is based on the information of the company 's parent company .

\* The number of employees is based on the company's financial statements. In the absence of up-to-date information, the number of employees may be based on previous financial statements and the estimate of Alma Talent Information Services.

Appendix 05. Interview questions plan for business owners in different ethnic groceries stores in Jyväskylä (Khong, T. & Nguyen, A. 2021)

A wide range of questions is conducted for face-to-face interviews with 03 business owners of Siam Tori Jyväskylä, Antalya Market, and Silk Market in the city of Jyväskylä. The information can confirm the validity of customer survey results in Appendix 05 from different perspectives.

Question 01. What kind of product are the customers buying most? What type of products that customer usually buys?

Sub-Question 01. How about the rice? Do Asian people prefer rice more than other things?

Question 02. Besides selling for the retail customer, do you have any wholesale customers?

Sub-Question 02. Who are they?

Question 03. How can you make your store stand out from other stores?

Sub-Question 03. What makes you different from other stores?

Question 04. About the unique products, do you usually import the products from other trading companies or directly from farmers and factories?

Sub-question 04. Can you name some of your suppliers?

Question 05. During the Covid-19 period, do you change your business model to survive?

Question 06. Why did you choose Jyväskylä to set up your oriented grocery store?

Appendix 06. Siam Tori Jyväskylä transcript of the interview (Khong, T. & Nguyen, A. December 2021)

**Interviewer:** *What kind of product are the customers buying most? Type of products that customers usually buy?*

**Interviewee:** *In Jyväskylä at this moment is the Thai products. Almost is the sauce, because of the price, I keep the price the same in Lahti, in other stores are more expensive. And noodles, but for the noodle, it is not because of the price, I think customers buy more noodles in our store is because in our shop we have more choices for them, many brands.*

**Interviewer:** *How about the rice? Do Asian people prefer rice more than other things?*

**Interviewee:** *Rice is typical because rice you can buy everywhere; for example, in the S-market, Cambodian rice is the yellow bag, which is very cheap. But now I can sell the rice better because I think they are now having the problem with the quality, many customers said to me that now that kind of rice in S-market has a different smell, bad smell, old rice or something like that.*

**Interviewer:** *Besides selling for the retail customer, do you have any wholesale customers? (Restaurants or smaller stores) Who are they? (Vietnamese, Thais, Chinese, Nepalese, Indian, etc.)*

**Interviewee:** *Yes, of course, in Jyväskylä, we have much more than our store in Lahti. Because Jyväskylä has more Thai restaurants than in Lahti, about 3-4 in, and also there are about 2-3 restaurants in the city nearby – in Äänekoski.*

*Names are: Prarichat – Saarijärvi (city nearby); Tamarin – Seppälä shopping center ; Joko Thai – city center; Krua Siam – Jyväskylä*

*Sometimes, the Thai Street Food come to buy in our store, about 1-2 times, rarely. They believe their food ingredients are from Helsinki because their main restaurant is Espoo or somewhere in the Uusimaa. Then they have their contacts to buy those stuff, but sometimes they lack noodles they will come to buy a big box.*

**Interviewer:** *How can you make your store stand out from other stores? What makes you different from other stores?*

**Interviewee:** *Actually, in Jyväskylä, there is no other Asian store, just about they have oriental stores like Arabic stores and sell Thai products. But because I know more about Asia, that's why I have more advantages. And another thing is they used to sell Asian*

products so expensive, but now when I have a store in Jyväskylä, they decreased the price to compete with our store. They came to our store to check the price, and when they came back they down the price about 1 or 2 cents for competition. But I will not do the same; I have my standard, I calculated already!

**Interviewer:** About the unique products, do you usually import the products from other trading companies or directly from farmers and factories? Can you name some of your suppliers?

**Interviewee:** No, I don't import from the farmer. I always buy from the wholesale in Europe because here in Finland, it is not easy to import directly, especially for the back part. Then it is better if it is inside the EU and you can import, which means you don't have too much responsibility. And it is much cheaper than if you import into Finland directly by yourself, and many things, also because of the customs process.

I almost import from Holland, like Asiaexpress and Heuschen & Schroff. Sometimes in Sweden, but most in Holland because I can have a better price in Holland. Because I know some products in Sweden, they also import from Holland and sell back. But sometimes the store in Sweden imports by themselves and has a lower price, so I will buy that kind of product because I know which is better and cheaper.

**Interviewer:** During the Covid-19 period, do you have any change in your business model to survive?

**Interviewee:** I think for me in Finland is NO, because in COVID-19 did not affect me, but if it is positively affected me, because in the Covid-19 time, many restaurants had to close, and people had to cook by themselves, and it means they need more ingredients, so that why I can sell components better. And I just need to provide more hand disinfection for the customers when they buy in our store.

**Interviewer:** Why did you choose Jyväskylä?

**Interviewee:** It is a long story, the store in Jyväskylä own by my friend. Because I want to expand and I can make more choices. In business, when I buy one big box, I cannot import more until I sell all, or it will expire. So, if I have more places or more stores, it means I can sell that product in all the stores, that is one reason. And another reason is that I also do our business through Facebook. I have many customers from Facebook from Jyväskylä, in the past, Jyväskylä used to have a Thai shop in Seppälä, but their products are not diverse. Still, I have more choices so that the customers in Jyväskylä order from me and pay for the posting fee or bus for the transportation. But I decided to open it this year because I think I can do it. I will open it next year, but the Thai shop in



*Jyväskylä closed, which means if you be the first to open a store while people are still thinking or start to think about opening the store, they will consider if it already has a store or not. It means the faster you have, the better you get. And it should be a local person to open because I don't know the habit of people there. And the last, here in Lahti, if you want to catch up with the Asian people is more difficult, the business will be dropped, especially in the Summer because Lahti and Helsinki are near when it is just 50 minutes to travel. Asian people can easily buy the Asian stuffs in Vantaa or Helsinki at a cheaper price. But in Jyväskylä, even the Asian product is a bit more expensive, but people still consider spending the traveling fees and travel time.*

Appendix 07. Antalya Market transcript of the interview (Khong, T. & Nguyen, A. December 2021)

**Interviewer:** *What kind of product are the customers buying most? Type of products that customers usually buy?*

**Interviewee:** *We have different customers from Turkey and Thailand and everywhere in our market. Most of the products sell to the customer are Thailand products and Iranian.*

*Our customers like the mochi, chips, and noodles, sunflower seeds almost. And also rice, Afghanistan people, Indian people, Thai people, Chinese people all come to buy rice from us.*

**Interviewer:** *Besides selling for the retail customer, do you have any wholesale customers? (Restaurant, smaller stores) Who are they? (Vietnamese, Thais, Chinese, Nepalese, Indian, etc. )*

**Interviewee:** *yes, some Thai restaurants, Vietnamese restaurants, some pizzeria(s), but I don't remember well. But I know that we have many customers are restaurants.*

**Interviewer:** *How can you make your store stand out from other stores? What makes you different from other stores?*

**Interviewee:** *We try to sell what our customers like the most when customers want to buy something, we will try to bring for them if the customer can show us the pictures of that product, or what kind of Korean products, Asian products they want we will try to bring for the customer.*

**Interviewer:** *About the unique products, do you usually import the products from other trading companies or directly from farmers and factories? Can you name some of your suppliers?*

**Interviewee:** *Well, in a week, we have two days: Wednesday and Friday. We have some vegetables and some things from Sweden on Wednesday. And our vegetables are from Amsterdam to Sweden, and from Sweden to here in Finland. And our meat is from Qibbla Halal, and some of Thailand's products we import from Madam Hong,*

**Interviewer:** *During the Covid-19 period, do you have any change in your business model to survive?*

**Interviewee:** *Sure, the cashier was changed when we put the glass shield, always take good care of hygiene for our products and put the hand sanitizer.*

*And customers buy the products by calling phone more than before, they can call our store, and we will deliver for customers.'*

Appendix 08. Silk Market transcript of the interview (Khong, T. & Nguyen, A. December 2021)

**Interviewer:** *What kinds of products are your customers buying most? Type of products that customers usually buy?*

**Interviewee:** *The products our customers buy the most in our store are rice and meat because Asian food is based mainly on rice and meat. So usually, the customer buys too much rice, fresh things, and meats.*

**Interviewer:** *Besides selling for the retail customer, do you have any wholesale customers? (Restaurant, smaller stores) Who are they? (Vietnamese, Thais, Chinese, Nepalese, Indian, etc. )*

**Interviewee:** *Yes, we have some contracts with some restaurants to buy most of their rice and meat from us. They are not too many, but we have agreements with them.*

*Name: PizzeriaBest (near kokkola in Jyväskylä)*

*Sirius Pizzaria (in Keltinmäki near Jyväskylä)*

*Grilli Ilmarisenkatu*

**Interviewer:** *How can you make your store stand out from other stores? What makes you different from other stores?*

**Interviewee:** *There are too many stores here, but the one thing that is the most important for us is the customer service. Because the customers want the best customer service from the owner and the people who work here, I try to good behavior with the customer and bring new things from Sweden.*

**Interviewer:** *About the special products you have, do you usually import the products from other trading companies, or directly from farmers and factories? Can you name some of your suppliers?*

**Interviewee:** *We don't bring our products direct from the farmers or factories because it is very difficult. I usually buy from Sweden, some places in Stockholm, where they import products themselves, and most of the shops in Finland buy stuff from Stockholm. I don't know if anybody can enter or bring it directly from the farmer.*

Name: Qibbla Halal (Sweden)

**Interviewer:** *During the Covid-19 period, do you have any change in your business model to survive?*

**Interviewee:** *When the COVID-19 came, a lot of problems went for the person who has the business in Finland or even in other countries. Because most of the time, the checking process increases, and it takes longer. For example, some stuff I bought from other countries. So, I lost a lot of clients, because every time the client comes to the shop and they need that product. However, we had not got it because that stuff is still in the customs under review, they want to check the health of the products, some of them are foods, so it's necessary to check carefully when they are from other countries, for example, China or high risks countries.*

## Appendix 09. Grocery stores industry profitability ratios in 2020 (CSI Market 2021)

Grocery Stores Industry Profitability Ratios		4 Q 2020	3 Q 2020	2 Q 2020	1 Q 2020
	2020	2020	2020	2020	2020
Gross Margin	-	21.5 %	62.38 %	20.63 %	
Gross Margin Annual (TTM)	33.65 %	59.3 %	67.64 %	19.7 %	
<b>Gross Margin Ranking</b>	<b># 106</b>	<b># 96</b>	<b># 28</b>	<b># 99</b>	
EBITDA Margin	4.27 %	6.69 %	6.73 %	4.54 %	
EBITDA Margin Annual (TTM)	4.48 %	5.41 %	4.65 %	4.85 %	
<b>EBITDA Margin Ranking</b>	<b># 87</b>	<b># 88</b>	<b># 67</b>	<b># 70</b>	
Operating Margin	3.32 %	3.34 %	3.63 %	3.84 %	
Operating Margin Annual (TTM)	2.75 %	3.28 %	2.81 %	3.23 %	
<b>Operating Margin Ranking</b>	<b># 85</b>	<b># 92</b>	<b># 69</b>	<b># 64</b>	
Pre-Tax Margin	2.85 %	3.56 %	4.56 %	2.57 %	
Pre-Tax Margin Annual (TTM)	2.43 %	3.4 %	2.76 %	2.87 %	
<b>Pre-Tax Margin Ranking</b>	<b># 77</b>	<b># 80</b>	# 52	# 58	
Net Margin	3.05 %	2.8 %	2.51 %	2.31 %	
Net Margin Annual (TTM)	1.96 %	2.39 %	2.17 %	2.87 %	
<b>Net Margin Ranking</b>	<b># 74</b>	<b># 78</b>	# 50	# 56	