

Optimizing the procurement process in Finasian Kauppa Oy

Hien Pham

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<p>Author Hien Pham</p>	<p>Group or year of entry GLOBBA11</p>
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<p>Supervisors Soile Kallinen, Jutta Heikkilä</p>	
<p>This study is based on an agreement with Finasian Kauppa Oy, a start-up company which sells and distributes Asian food to retail customers all over Finland. The purpose of the study is two-fold: 1) to investigate the right product ranges for Vietnamese customers and 2) to identify the most suitable transportation provider in order to enhance the current procurement process.</p> <p>The thesis consists of theoretical and empirical sections. The theoretical section covers the underlying concepts that support a better understanding of the findings. The empirical part applies both quantitative and qualitative methods. In order to identify the needs of Vietnamese customers, a survey was conducted with 116 Vietnamese respondents living in Finland including students, employed people and unemployed people. In addition, four interviews with Finasian and three transportation providers were conducted to select the best partner who would satisfy all the company's requirements.</p> <p>Based on the findings, the study proposes a list of most preferred products for Vietnamese consumers. It also recommends DB Schenker Logistics Netherlands as the most effective transportation provider for the company to cooperate in the future.</p>	
<p>Keywords: Supply chain management, inbound logistics, transportation management, transportation provider selection, logistics outsourcing.</p>	

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1 Introduction

In this chapter, background information relevant to the thesis and the case company is discussed. Other information in regard to the research aim and research questions, the demarcation and the benefits of the thesis to the case company is also covered.

1.1 Thesis background

Nowadays, the global business environment is becoming more competitive than ever. Customer expectations and increasing demand for higher quality, faster delivery, and better customer service at lower total cost have put pressure on organizations to improve their internal processes. It also has driven organizations to put their emphasis on purchasing and supply chain management if they wish to stay in the competition. (Handfield, Monczka, Giunipero & Patterson 2009, 5-6.)

In supply chain management, purchasing has received much attention and has been considered an essential function for every organization since it is an essential link between organizations in the supply chain (Waters 2003, 228) and is responsible for a large portion in expenditures (approximately 50% for costs of goods sold) (Van Weele 2010, 12). Therefore, the performance of procurement function has a major impact on the whole company's profitability, customer value and competitive advantage.

Aware of the importance of purchasing, Finasian Kauppa Oy has tried to leverage their purchasing process to improve their business performance. However, they are facing two challenges in improving their purchasing process. Firstly, to expand their business, Finasian Kauppa Oy wants to attract more Vietnamese customers through providing a variety of favourite products. They want to know what are Asian products should be purchased to attract and better serve their potential customers (namely Vietnamese customers). Secondly, the shipment costs offered by current third party logistics provider they are using is rather high and not stable. Therefore, they want to find another transportation provider who can provide a better offer and better service. To help the company to overcome the challenges, the research has been made.

1.2 Case company introduction

Finasian Kauppa Oy is a start-up company in the retail industry. Finasian Kauppa Oy was founded in 2012 by two co-founders, one is Chinese and one is Finnish. The company specializes in distributing Asian products (mainly foods) to customers living in Finland. Their target customers are not only Asian-born people such as Thai, Chinese, Vietnamese or Indians who now live in Finland, but Finnish people as well.

Finasian Kauppa Oy is also known under their brand "711 Kioski" which means they are willing to serve their customers seven days a week and 11 hours a day. The mission-statement of the company is "Customer first, Service supreme". That is also their vision: creating exceptional and delightful experiences for customers when they purchase food in the shop.

The company's sales come from two channels including a physical shop and an online shop. From 2012 to July 2013, their shop was located in Toinen Linja 1, very close to Liha Kauppa, S-market and other Asian shops. According to Alvis- the owner of the company, the shop was too small at that time. They could not arrange many products in the shop at the same time. It was difficult for customers to walk in and see their products. They decided to move to a new place which is close to the old location Neljäs Linja 14 B (see the figure 1). In this bigger shop, they have more space to present a more varied product selection. The new location is very accessibility for customers to visit, since it is located near the main street where trams and buses pass through. They also can keep their existing frequent customers because the new location is also close to the old one and therefore customers can easily find. The company has provided additional convenience for its customers through the online shop. On the online shop, customers can visit, browse and purchase products directly from the Internet. Customers, especially from outside Helsinki, also can make purchasing orders from their website, and then the products are delivered to the customers' home. The company's delivery service creates their own competitive advantage to compete with other Asian shops located around Hakaniemi area in which the two biggest Asian shops are Viivoan (<http://www.viivoan.fi/>) and Aseanic Trading Oy (<http://whm15.louhi.net/aseanic/>). These companies provide a variety of Asian products and have been operating for over 20 years. Their brand names are very familiar to Asian and Finnish people in Finland (see the figure 1)

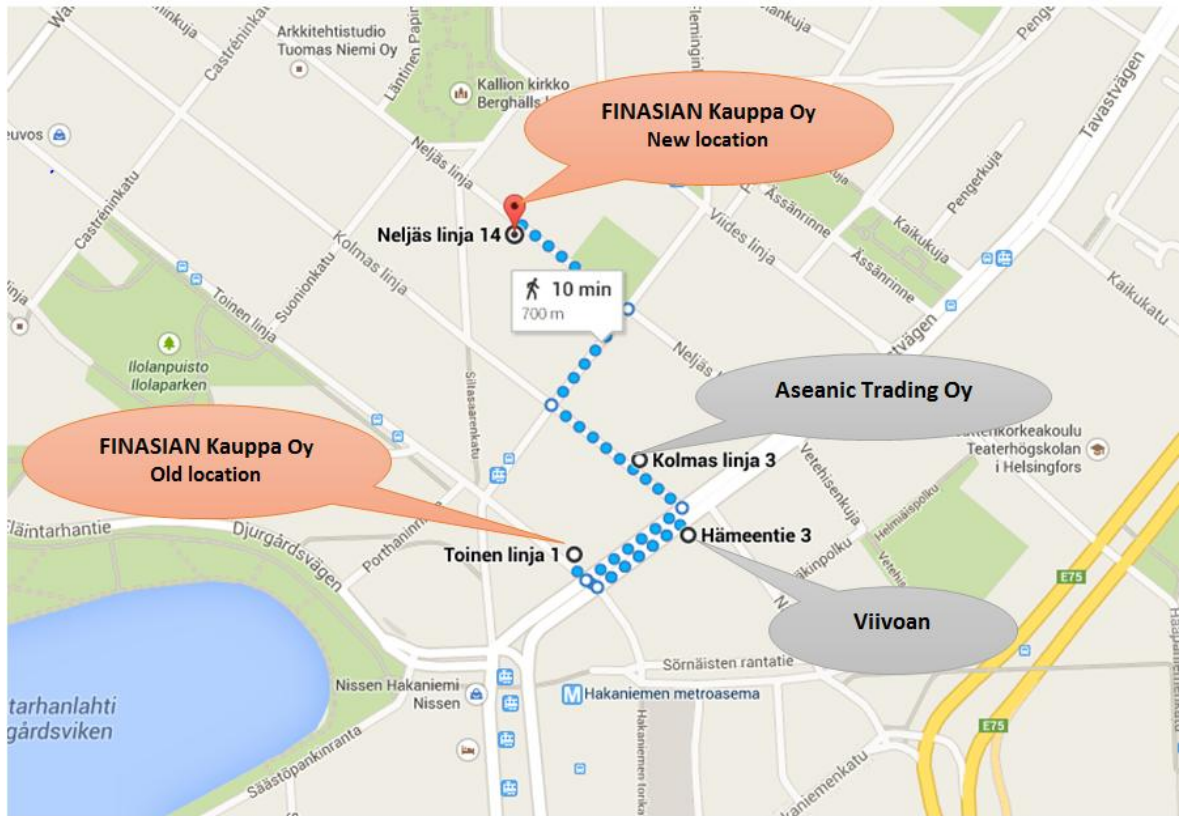


Figure 1. The locations of Finasian Kauppa Oy and its main competitors

1.3 Research topic

Finasian Kauppa Oy is a rather new company. Its main goal at the moment is growth. Since a start-up company, Finasian Kauppa Oy, is facing many challenges to stay and grow in a competitive market where there already are many competitors, namely two big companies Viivoan and Aseanic Trading Oy.

Like other smaller enterprises, Finasian Kauppa Oy is restricted in its capacity, managerial knowledge and capital resources to search for and secure overseas suppliers. As the owner of the company stated in personal interviews, currently Finasian Kauppa Oy outsources transportation activities to a third party logistics provider in order to deliver goods from the Netherlands to its warehouse in Vantaa. However, their third party logistics provider is a small company and therefore, the costs for shipment are not stable. He recognizes that the performance of the third party logistics service provider may influence the effectiveness of the entire logistics function of the company. This is the reason finding an effective transportation provider in Netherlands is one of his concerns at the moment.

In addition, Finasian Kauppa Oy has limited types of products, mainly Chinese products that are imported from China and the Netherlands. It causes limited number of customers visiting the shop. Most customers are Chinese and there are a few Finnish, Thais or Vietnamese customers. Finasian Kauppa Oy wants to attract more customers, especially Vietnamese customers. As a Chinese person, the founder does not know what kind of products that Vietnamese mostly consume. Determining new product selection is another issue he wants to put the emphasis on in order to have a better purchasing plan for the company's procurement process.

1.4 Research aim and research questions

The purpose of the research is to improve the current product ranges and selecting an effective third party logistics provider in order to help the company enhance their purchasing performance .

The main research question, designed together with Finasian Kauppa Oy is "How can the company's procurement process be improved through determining appropriate products and an efficient transportation provider".

The research question is divided into four investigative questions (IQ) as follows:

IQ1: What are the specific business goals of the company and how well does the integrated logistics process support the company in achieving their business goals?

IQ3: What are the possible Asian products for the company to purchase?

IQ2: How can an effective and efficient transportation provider be selected?

IQ4: What recommendations can be provided to the case company?

1.5 Demarcation

Although the objective of the study is to enhance the purchasing process of Finasian Kauppa Oy but the study mainly focuses on two steps in procurement: investigating the needs and choosing a transportation provider as the owner of the company suggested.

Investigating the needs of Asian customers (including Thais, Korean, Finnish customers) is also another target of the company in the future. Because of limited knowledge about

culture and habit in using food of other Asian countries, in this thesis, the author only focused on analyzing of current usages, the needs and wants of the Vietnamese community living in Finland for Vietnamese products in order to help the company attract more Vietnamese customers. Suggestions on Vietnamese products also are provided with some products such as rice, frozen products, noodles... in general. No name brands or pricing are suggested.

Selecting an effective logistics provider to deliver goods from Netherlands, namely from Rotterdam, Benthuisen and Kampen to Helsinki is focused. The best logistics providers will be chosen from alternative options on Netherlands market. The decision for choosing logistics providers is mainly based on the offered price, handling lost and damage and other factors such as accessibility, reliability and delivery time.

1.6 International aspect

The case company - Finasian Kauppa Oy is a company working in international business. They have a contract with suppliers and a transportation provider located in Netherlands.

The thesis was researched and written by a student of international business program who aim to help the case company improve their purchasing performance. Through conducting the thesis, the author also expects to gain deeper knowledge and experience concerning how organizations operate in an international business environment, how they develop and deploy strategies, managerial methods, and other organizational issues relating to cross-border activities. Those are necessary for success of my career in international business environment.

1.7 Key concept terminology

The thesis consists of some specific terms, which are explained below to facilitate the better understanding of the study.

Integrated supply chain: a process, which includes coordinated activities to support the movement from the raw material to the final customers effectively and efficiently (Bloomberg, Lemay & Hanna 2002, 46-47).

Outsourcing: means the transfer of non-core activities of a company to the external parties (Van Weele 2010, 162).

Inbound logistics: is one part of the primary processes of supply chain management, regarding purchasing and movement of materials, parts, or finished goods from suppliers to assigned place of a buyer such as manufacturing or assembly plants, warehouses, or retail stores through distribution channels. In other words, inbound logistics deals with the relationship between a firm and their suppliers and consists of activities such as purchasing and the movement of goods or raw materials from suppliers to the buyer (Bloomberg et al. 2002, 48-49).

Purchasing: as a function of integrated logistics. It involves activities to obtain materials from an organization to another to carry out operations or to manufacture products (Lysons & Gillingham 2003, 7).

Third party logistics: an external company that offer logistics activities including inbound and outbound transportation, other logistics and warehousing services within the firm (Bloomberg et al. 2002, 112). Some common types of third party logistics are freight forwarders, international freight forwarders, property brokers, nonvessel operating common carriers, shipper's associations and shipping agents (Bloomberg et al. 2002, 113).

Transportation: helps the movement of goods or service from one location to another in effective manner throughout the supply chain (Bloomberg et al. 2002, 94).

2 Literature review

This chapter discusses the main problems set for this research –some issues relating to supply chain management, purchasing, transportation management and third party logistics selection. Overview of these concepts will help to understand better the purpose of the research and to form the base for the interpretation of the research results.

2.1 Supply Chain Management and Logistics

Supply chain management and Logistics are not new concepts. The term of supply chain is often confused with the term “logistics” and they are sometimes used interchangeably. In fact, supply chain management is a wider concept than logistics. In the definition of Supply chain management developed by UK Institute of Logistics and Transport, supply chain management was stated as “the coordination of material, information and financial flows between and among all the participating enterprises” (Lyson & Gillingham 2003, 71). Supply chain management flows can be divided into three flows: product flows, information flows and financial flows. Product flows refers to the movement of goods from both directions: a supplier to a customers or customer returns. Information flows involves forecasting demand, transmitting order and updating the status of delivery. Financial flows include credit card information, credit terms, payment schedules, consignment and title ownership arrangements. (Lyson & Gillingham 2003, 71-72.). A simple supply chain is shown in figure 2.

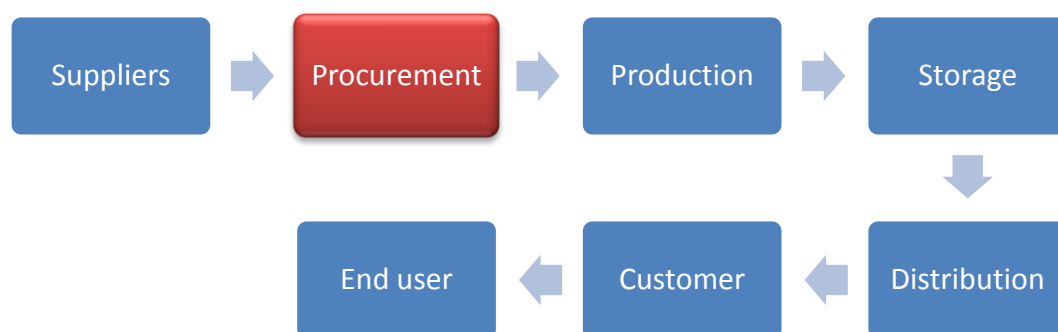


Figure 2. A simple supply chain (Lyson & Gillingham 2003, 71)

Supply chain management covers almost business activities including purchasing, transportation, manufacturing, logistics and marketing. Meanwhile, logistics is viewed as a part of supply chain management. The term “logistics” is used to describe the movement of materials, parts, finished products and related information from the source of supply to final customers in an effective way in order to meet customer requirements (Bozarth & Handfield 2008, 363). Generally, logistics focuses on transportation, warehousing and storage of goods. Logistics deals with the delivery of goods, coordination among third-party carriers, and other activities directly related to the actual transportation of goods from one point to another.

In response to the research goal, this thesis mainly focuses on the procurement function in the supply chain.

2.2 Procurement

The business environment has become more and more competitive in recent years. It requires companies to increase customer value by enhancing their business performance. Many companies have paid attention to purchasing and supply management- how to provide higher quality, faster delivery at a lower total costs.

According to Van Weele (2010), procurement refers to obtaining goods, services or materials from suppliers to an organization. It involves recognizing needs, selecting suppliers, negotiating prices, terms and conditions, issuing contracts or orders and ensuring deliveries and payments.

In general, a procurement process often consists of five steps, which are illustrated as the following:



Figure 3. The procurement process (Bloomberg, Lemay & Hanna. B. Logistics 2002, 15)

The procurement process starts with defining the needs of the organization such as raw materials, goods, parts or services (*Recognizing a need*). After defining their needs, all optional choices of suppliers are researched and then the best supplier will be selected from the list. The selected supplier is the company who fulfills all requirements of the organization (*identifying a supplier*). Once a supplier has been found, the order will be offered, contracts signed, delivery time and other terms provided (*Qualifying and placing an order*). The next stage is *monitoring and managing the delivery process* to make sure right products are received in right quantity in right place at the right time. The last stage is to evaluate the purchase and the supplier. Normally, after purchasing goods from suppliers, most organizations examine and evaluate their working experience with the supplier through purchasing transactions. If they do not satisfy one or some transactions, they can contact again with the supplier to avoid future problems or they seek another supplier for their next purchase. (Bloomberg et al. 2002, 15.)

In the procurement process, the study mainly focuses on the first step “*recognizing a need*” by examining the needs of Vietnamese customers and the fourth step “*monitoring and managing the delivery process*” with the search for third party logistics company and they are marked with red.

2.3 Transportation in inbound logistics and outsourcing

Transportation is considered as a key element of logistics management (Chopra & Meindl 2010, 380). In the global business marketplace, the role of transportation is even more significant. It facilitates the movements of goods from the original source of supply to the final consumers. Transportation plays a key role in economic success by allowing the safe and efficient distribution of goods and services throughout the supply chain (Bloomberg et al. 2002, 118).

Transportation service providers support the four major linkages throughout a typical supply chain, which is shown in the figure 4: inbound logistics, intra-organizational movements, outbound logistics and recovery and recycling.

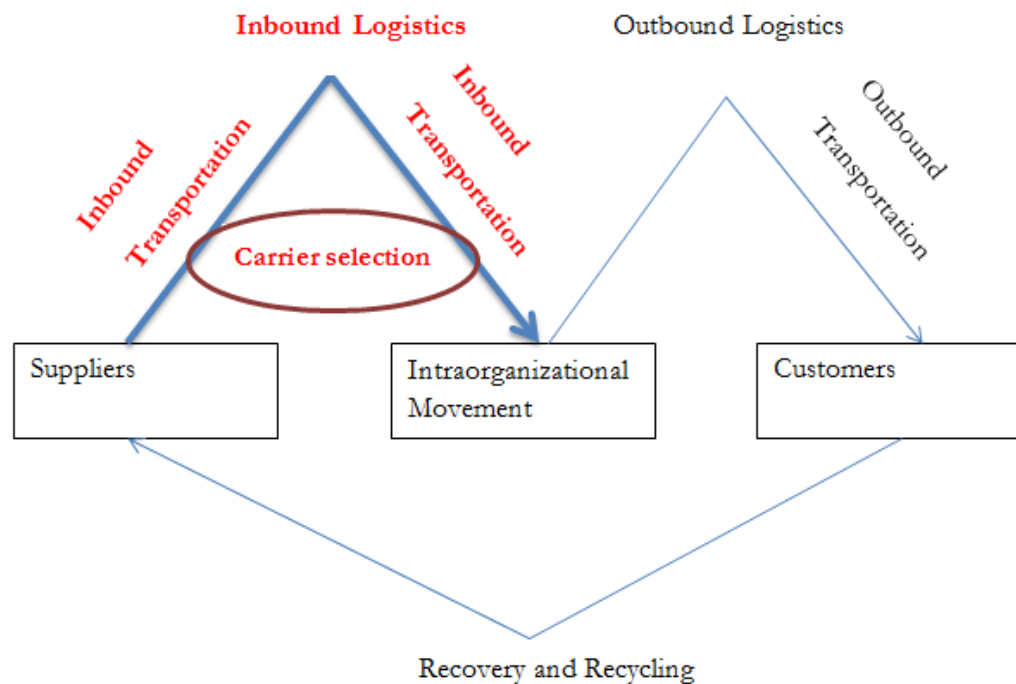


Figure 4. Type of Logistics/ Transportation links (Modified from Handfield, Monczka, Giunipero & Patterson 2009, 624)

The first link regarding inbound logistics refers to the movements of goods between suppliers and an organization (buyer). It consists of activities such as negotiation and

contractual term discussion. Nowadays, many companies want to focus on their competencies and they outsource transportation activities in this link to companies specializing in transportation and logistics services. (Handfield et al. 2009, 623.)

The second link refers to the movements of goods within a company from warehouse to production facilities or from production section to storage. Many companies have directly control this link by the use of their own transportation vehicles. (Handfield et al. 2009, 623.)

The third link concerns the movements of goods from an organization to their customers. The fourth link represents the shipment of repairable or recycling items back to maintenance facilities to reduce the impact on the environment. (Handfield et al. 2009, 624.)

Transportation accounts for a large portion in total logistics costs, especially in manufacturing companies. On average, transportation costs comprise ten percent of a product's total cost (Handfield et al. 2009, 625). Any supply chain's success requires the appropriate use of transportation. Ineffective management of transportation activities leads to increased waste, higher costs and reduced competitiveness (Handfield et al. 2009, 625).

In an attempt to achieve competitiveness and improve business performance, many companies outsource what is not their core business (Van Weele 2010, 159). Outsourcing logistics to a third party logistics provider has becoming a new trend and is viewed as an effective option for smaller shippers and shipments. The third party logistic providers are responsible for managing all inbound and outbound transportation activities. With outsourcing, organizations can reduce capital investment from owning expensive transportation assets (Bloomberg et al 2002, 112). In addition, third party logistics providers meet transportation requirements through offering convenient, low cost and reliable transportation and logistics services whereas small companies or shippers do not have sufficient volume for economies of scale or lack of expertise staffs. These are some of primary reasons for the recent increase in outsourcing.

2.4 Third party logistics selection

Third party logistics provider selection is an important phase in transportation management. It depends on a variety of factors such as the company's plans, future objectives, product types, acquisitions, etc and differs from business to business.

Typical process of selecting third party transportation provider normally consists of the following steps:

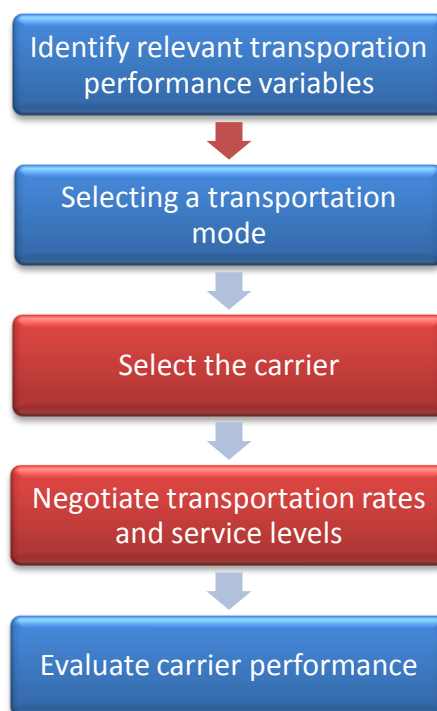


Figure 5. Transportation strategy development- A decision making process (Modified from Handfield, Monczka, Giunipero & Patterson 2009, 627)

In the first step (*Identify relevant transportation performance variables*), transportation performance variables such as cost, speed, reliability, capability, accessibility should be determined carefully, listed in the order from the most important to less important criteria as a checklist and using checklist as a guideline to keep everything in perspective. Those variables are used to compare different providers within the same mode. (Handfield et al. 2009, 629.)

Next step is *selecting a transportation mode and select the carrier*. The identified key transportation performance variables and the ability of the different modes or logistics providers must be matched. (Handfield et al 2009, 632-638.)

When a transportation provider is selected, the buyer can negotiate specific services and required service levels while the carrier can suggest what freight volumes are necessary to support a particular service level or rate (*Negotiate transportation rates and service levels*). After the best suited transportation mode is selected, the decision on transportation provider needs to be monitored with the selected transportation mode. (Handfield et al. 2009, 640.)

Within the thesis goal, only step three “*select a carrier*” and step four “*Negotiate transportation rates and service levels*” are focused and marked as red. To evaluate all possible candidates and select the most suitable transportation provider, a set of criteria must be defined. Transportation provider selection depends on many criteria that apply to only one mode of transportation provider (Bloomberg et al. 2002, 121). In the research of criteria for selecting the third party logistics provider, McGinnis, Kochunny and Ackerman (1995, 99) mentioned eight important criteria when selecting third party logistics providers including on time shipment and delivery, acceptable error rates, financial stability, creative management, the ability to meet promises, availability of top management when necessary, responsiveness to unforeseen troubles, and performance and quality requirements must be met before rate discussion can occur. In other research for criteria of third party logistics selection, Bloomberg, Lemay & Hanna (2002, 121) also proposed five criteria that can influence to choose transportation provider are price, accessibility, responsiveness, claims record and reliability. However, criteria for selecting a third party logistics company often differ from business to business and from situation to situation. It depends on the company's plan, future objectives, etc.

Price: this factor normally influences logistics managers in making decision of carrier selection since managers believe that most carriers offer the same basic transportation services. The difference comes from the offered price. When other factors are equal, the lower cost carrier easily will be chosen. However, depending on characteristics of different organizations, the consideration of price can be changed from the most important to less important in correlation with other factors. (Bloomberg et al. 2002, 121.)

Accessibility: refers to the transportation capacity or equipment availability of carriers. The carrier who has sufficient capacity to serve all transportation needs for customers can create a competitive advantage over their competitors. (Bloomberg et al. 2002, 124.)

Responsiveness: the ability to handle special needs and emergencies. Some carriers provide only services which mentioned in a detailed contract and leave their customers seeking another carrier for their special needs. (Bloomberg et al. 2002, 125.)

Claims record: means the ability of carrier to safeguard the organization cargo. Organizations should check the actual loss and damage experience of the potential carrier during selection process through their performance record. (Bloomberg et al. 2002, 125.)

Reliability: refers to timely delivery. The carrier must consistently meet organization's on-time performance targets. (Bloomberg et al. 2002, 125.)

Within the aim of this thesis, reputation, price, speed, accessibility, responsiveness, technology and integration, quality and security, handling loss and damage are selected to use in choosing a transportation provider for the company. The selected third party logistics supplier is the one who fits all requirements at the best price.

Chapter 2- theory part encompasses multitude of definitions and concepts such as supply chain management, procurement, transportation and third party logistics selection. The relationships between concepts are shown in the figure 5 in which the procurement is the core of the theory part and marked with red color. In the procurement section, only "*recognizing a need*" and "*monitoring and managing the delivery process*" steps are focused.

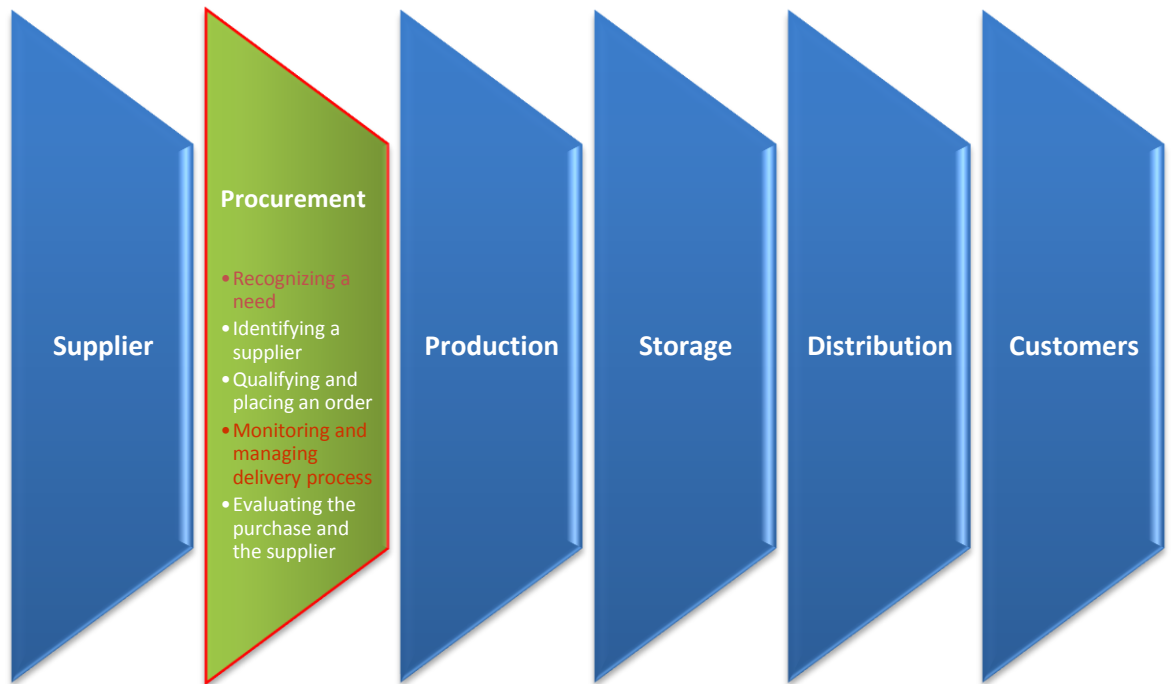


Figure 6. Conceptual map showing the link between main concepts

3 Research method and Methodology

In this chapter, the research method and the data collecting process is explained in detail. Reliability and validity of the research is also mentioned to explain and ensure about the quality of the research. In the last section, the risks of the research is also identified.

3.1 Research methods

The thesis is made with two goals: to investigate the potential products (recognizing the need for Finasian) that can attract more Vietnamese customers and determine who can be effective transportation provider for the case company to deliver goods from three cities in Netherlands to Helsinki, Finland. Therefore, the thesis is conducted as both qualitative and quantitative research.

Quantitative research relies on numerical analysis and measurement of the data collected through a set of structured questions with predetermined response options to a large number of respondents whereas qualitative research aims to understanding a phenomenon through analysing and interpreting non-quantified data collected by observations (Burns & Bush 2014, 146).

For the first aim, the research on the potential products is conducted through quantitative method to investigate main research problems such as market demand determination, consumer awareness, and potential opportunities by answering “Who? What? Where? When? How?” – questions.(Please see details in the attached file Appendix 2)

Quantitative research questions are mostly done through a survey (Burns 2010, 57). As a research method, survey allows the collection of significant amount of data in economical and efficient manner in limited time and handles large sample size. It involves interviews with a large number of respondents using a pre-designed questionnaire, statistical analysis of the answers and interpretation of the answers. All respondents answer the identical questions presented in the same order with the same response options.

The idea of survey is to ask common questions about motives, circumstances, sequences of events or mental deliberations (Burns & Bush 2014, 173), not going into depth but still getting “beneath the surface”.

Standardization of the questions/answers and computer processing allow to conduct statistical analysis including tallies and cross-tabulations quickly and easily despite large sample size. In addition, respondents can be divided into segments or subgroups, for example by occupation, income, location etc. for comparisons in order to search for meaning differences. There are five main advantages of using survey methods: 1) standardization, 2) ease of administration 3) ability to see the “unseen” 4) suitability to tabulation and statistical analysis and 5) sensitivity to subgroup differences. (Burns & Bush 2014, 172).

Thus, survey is considered the most suitable method for research due to 1) large number of the respondents (116 respondents); 2) limited time of research; Conducting the research including development of the research design, data collection, analyzing data and findings presentation were limited; 3) easy administration and convenience and flexibility of computing processed statistical analysis.

The research was carried out on during week 7-8 and 10-11, 2014 (from 12.2.2014-19.2.2014 and from 7.3.2014-14.3.2014). The target population under study specified by the objectives of the research is the Vietnamese community living in Finland -about 7532 persons (Statistics Finland 2014.) including students, employed and unemployed people.

The second study of the thesis is conducted through qualitative methods, namely case study interview because the information needs to be collected is confidential information of the company or the price of transportation offered by logistics providers.

Case study is one of the main traditional strategies of qualitative research. Case study is a description of a management situation, focusing on investigating a phenomenon or situation in its natural setting The data of case study are often collected through verbal reports, interviews and observation. Other sources are also used such as financial reports, budget, operating statements and also market and competition reports (Ghauri & Gronhaug 2010, 109). In this thesis, personal interviews (with the owner of the company) were used. From personal interviews with the owner of Finasian Kauppa Oy, informative and confidential data were collected smoothly and avoided misunderstandings during the interview. The interviewer had the opportunity to obtain detailed information about the personal perceptions and opinions along with asking more detailed questions and clarifying ambiguities and pressing on for full answers.

Email interviews were also used with the representatives of logistics service providers since all logistics service providers are located in Netherlands and email interviews seem to be a better choice with less cost than personal or telephone interviews. The disadvantage of email interviews is that the response rate is often lower compared to other types of interview. In this study, the interviewer is a potential customer of the interviewees and the content of the interview to collect data for making decision of selecting transportation providers. Therefore, the email interviews can get more attention from interviewees (representatives of transportation providers).

3.2 Interviews

As mentioned above, several separated interviews were conducted in this study, including the interviews with the owner of Finasian Kauppa Oy, and with representatives of alternative transportation providers. With the owner of the company, the subject of the interview was gathering information related to the current transportation activities of delivering goods from Netherlands to Finland; how well the transportation service provider has done and how to improve the Finasian's transportation flows.

Interviews were conducted through using a semi-structured approach which means that the topics to be covered and questions to be asked were predefined but the respondents are allowed to give open-ended answers and encouraged to discuss their observations and opinions on the issues (Ghuri & Gronhaug 2010,126). The pre-defined questions enable the interview to go smoothly without interruptions but will not limit the interview with specific questions. The interviews used should allow deeper discussions and allow the interviewees to give their personal opinions freely.

The following themes were selected for case study interview:

- Theme 1: Business goals of the company
- Theme 2: Current transportation for delivering food from Netherlands to Helsinki
- Theme 3: Process and key criteria for selecting transportation providers

The aim of theme 1 is to figure out the business goals of the company. Theme 2 is to identify the status of current transportation management in the company and figure out the problems what they need to improve in order to achieve their business goals. Theme 3 is

focused on process and key criteria used for selecting transportation providers in the company.

Other interviews including emails and phone calls were conducted with the representatives of transportation providers in order to investigate the information relating to delivery activities from Netherlands to Finland such as costs, delivery frequency, departure location. The data collecting process can be illustrated as following:

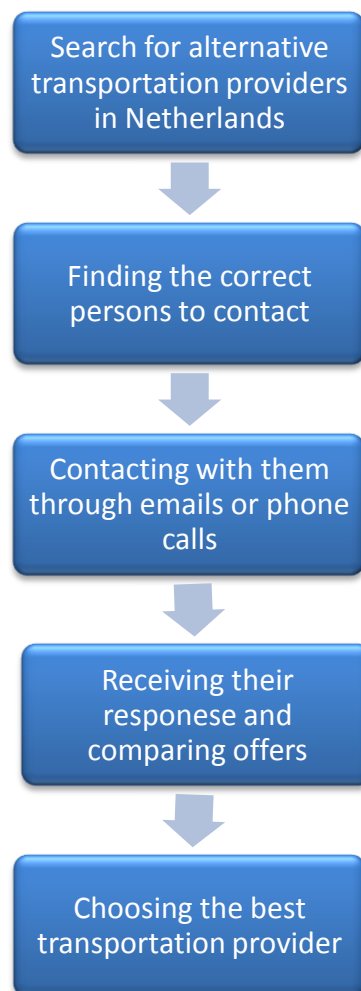


Figure 7. Interviewing process

To determine an efficient transportation provider, a decision matrix was used. The selected provider is a company who meets all stated requirements, at all levels of priority. The decision matrix can be illustrated as shown in the table 1.

Criteria	Weight	Alternative 1	Alternative 2	Alternative 3
		Score	Score	Score
Reputation	3			
Price	3			
Speed/ Time for delivery	2			
Accessibility	2			
Responsiveness	3			
Technology and integration	2			
Reliability	3			
Handling loss and damage	2			
Total score				

Table 1. Decision matrix for transportation provider selection

Decision matrix is used to evaluate possible alternatives to support making a decision. The first column listed relevant criteria used to compare between or among alternatives. Each criterion has relative weight based on how important that criterion affects the final decision. In the study, each criterion is weighted from 1 to 3 (1= low, 2= medium, 3=high). Scores are added for evaluating each choice against the criteria 1,2,3 (1=low, 2= moderate, 3=high). After that, multiply the score for each decision criterion by its weighting factor. Finally, the total scores for each alternative will be considered to analyze the results.

In the survey regarding third party logistics selection conducted with 163 logistics service users in the US by McGinnis and Kenneth (1995, 19), the findings indicated that on time performance and delivery, superior error rate and responsiveness for unforeseen events are considered especially important for companies in selecting a logistics service provider. Therefore, those criteria are viewed important factors for Finasian to choose their logistics service provider.

For Finasian, price is also considered one of important factors in selection process since Finasian is a start-up company with limited capital. The firm always requires the minimum cost of logistics service to increase the profitability. Therefore, the firm wants to find a low cost service provider where it can minimize transportation cost. In addition, word of mouth always plays an important factor for many companies including Finasian when looking to purchase a service. A service provider with a good reputation is normally able to provide a

better service with higher quality than its peers in the industry. For these reasons, cost, reputation, reliability and responsiveness are considered as the most important factors for the company in selecting logistics service provider and are given the weight of 3. Other factors Speed/ Time for delivery, Accessibility, Technology and integration, Handling loss and damage are less important for the company in making decision, therefore they have same weight of 2.

3.3 Survey

In order to reach more respondents, the questionnaire was put online as a Webropol interactive questionnaire. This form helps to quickly get the gathered data into an electronic form and also easily to be delivered through emails, papers or be conducted through skype. The sample size of the survey was 116 respondents including students, employed and unemployed people. The questionnaire was written in both English and Vietnamese (see Appendix 2).

To answer the research objective related to choosing right Asian products, twelve measurement questions for Vietnamese in Finland have been developed. Investigative questions are listed below together with the measurement questions numbers from the questionnaire (Table 2).

The questionnaire consists of questions related to customer background and customer demand for Asian products. Professor Russell Morey (1997, 1) stated that supply chain management encompasses of activities including planning and forecasting, organizing and controlling the flow of materials and services from the suppliers to the end customers. The supply chain includes everything that is required to satisfy customers' needs or specifications and ensure that customers receive the right products with the right quality at the right time at an acceptable price and at the desired location (Lysons and Gillingham 2003, 72). In order to reach the supply chain requirements, companies must seek to know exactly what the customer expects from a product or service and must then focus their efforts on meeting these expectations. Different customer groups have different characteristics and they might have different needs (expectations) of goods including low prices, reliability, customer service, ease of use and safety (Harvard business review 2015.). The findings of customer background can help understand customer needs and requirements for products and therefore support companies in choosing right products to

purchase in order to serve customers better. As a result, it enhances efficiency in procurement and helps company's supply chain to meet its goal in satisfying customer needs.

As the owner discussed during the interview, the company has developed e-commerce business in order to serve customers living outside the Helsinki area who have a demand for Asian food. Customer location data can give the company an idea if there is any potential need for Asian food of Vietnamese people living far from Helsinki. It might help the company in forecasting customers' demands thereby improving procurement process of the company.

Question 3 to question 7 refer to demand for customers' preferred Asian products and purchasing frequency for those products, how much customers are willing to pay for each time and dominant factors for purchasing decision. Asian products listed by customers are useful for the company to determine what to purchase. Amount of payment for each time and dominant factors in purchasing decision give the company ideas of other aspects of products the company should consider such as should they purchase high quality products with high prices or good quality products with affordable prices.

Objectives	Investigative questions	Measurement questions
What are right Asian products to purchase?	Who are the company's potential customers?	1. What is your occupation? 2. Where do you live?
	How is the customers' demand for Asian products	3. Can you list some Asian products you mostly like to purchase from Asian shops and how often do you purchase those products ? 4. How often do you purchase Asian products in those shops? 5. How much are you willing to buy for each time? 6. What Asian products are lacking in the market?
	What are other aspects needed to consider about Asian products?	7. How important are those factors in your purchasing decision?

Table 2. The overlay matrix for product research

3.4 Reliability and validity

Reliability of a study refers to the stability of the results. Validity, on the other hand, refers to the accuracy of the measurement. (Burns & Bush 2014, 214)

Evaluating the reliability and validity of a quantitative study is mainly based on the evaluation of the quality of data and the appropriateness of the research methodology used. In other words, some key factors need to be considered in order to ensure reliability and validity of a quantitative study, including:

- Questionnaire design
- Administering a questionnaire
- Data integrity
- Appropriate analysis strategy

Many studies have indicated that questionnaire design directly affects the quality of the data collected. Therefore, in order to ensure reliability and validity of the research, the questionnaire for the survey was developed carefully. The researcher strived to minimize question bias, to avoid misleading questions and to keep the questions focused, simple, brief and clear. The questionnaire was pretested to ensure that the questions and instructions are understandable to respondents.

The questionnaire needs to be well administered in order to maximize the response rate. In order to reach more Vietnamese respondents to answer, the questionnaire was translated into both languages: English and Vietnamese. The questionnaire also can be reached through different channels or methods such as online surveys on social media, handout paper forms, emails, chatting on Skype or phone calls.

Respondent errors were primarily minimized by the use of the telephone interview and also a variety of approaches for conducting surveys (online Webropol, Skype and papers). Because of this, the nonresponse-rate was tried to be kept to a minimum and through interaction with the interviewees, the interview was kept interesting enough to continue. At the same time the risk of misunderstandings was eliminated, because the interviewee could ask questions to clarify the question if needed, which at the same time minimized attention loss due to misunderstandings or in the case of conducting survey, using Vietnamese language (mother tongue) if needed also can help to reduce misunderstandings for the respondents.

A qualitative research is not based on numbers. Flick (2009, 14-17, 67) described some of key factors which provide more perspective on reliability and validity as following:

- appropriateness of methods and theories
- perspectives and diversity of the participants
- reflexivity of the researcher and the research
- variety of approaches and methods
- text as empirical material.

The appropriateness of methods and theories are ensured through careful selection and it was discussed and reasoned above.

Possibly some additional perspectives could have been found by conducting more interviews. However, because of limited time and difficulties in searching Dutch transportation providers from Finland, the author could only contact seven transportation providers including DFDS logistics, Schenker Oy, LVshipping, Mentrex- Lemac BV, Neele , Hemetex BV, Cargo Team International BV in order to compare and select the best transportation provider among them in which two offers received from the list, three of them do not have shipments to Helsinki and two of them did not reply or receive phone calls.

The literature review section which supports to understand the findings of the study was used with different reliable sources. Most of them are books used for educational purpose in the logistics field and are written by the most cited authors who are experts in their fields. Using different sources provide the deeper understandings of concepts used in this study through verifying and comparing among them.

3.5 Risks

The interviewer and the owner of the company do not have a common mother tongue which can increase the risk of misunderstandings.

Email interviews normally have low response rate. In the case, no response from the transportation providers, telephone interview will be conducted in order to get response from them.

4 Results

Chapter 4 discusses the findings for potential products and transportation provider for the case company. Based on collected data analysis, Asian products for Finasian to purchase are identified. The transportation provider is also chosen from three possible logistics companies through comparison among them.

4.1 Identifying customers' needs

In this section, the result of the survey is analyzed in order to find out the real needs of Vietnamese customers for Asian products. Through investigating the customers' needs, it helps Finasian Kauppa Oy to identify possible products they should buy.

4.1.1 Occupation and cities of participants

Personal background of the respondents has a significant influence on purchasing habit such as purchasing frequency, purchasing payment per visit and priorities for purchasing decision. Therefore, it is important to know about occupations and living area background .

Figure 8 and 9 show the background information of the participants of the survey.

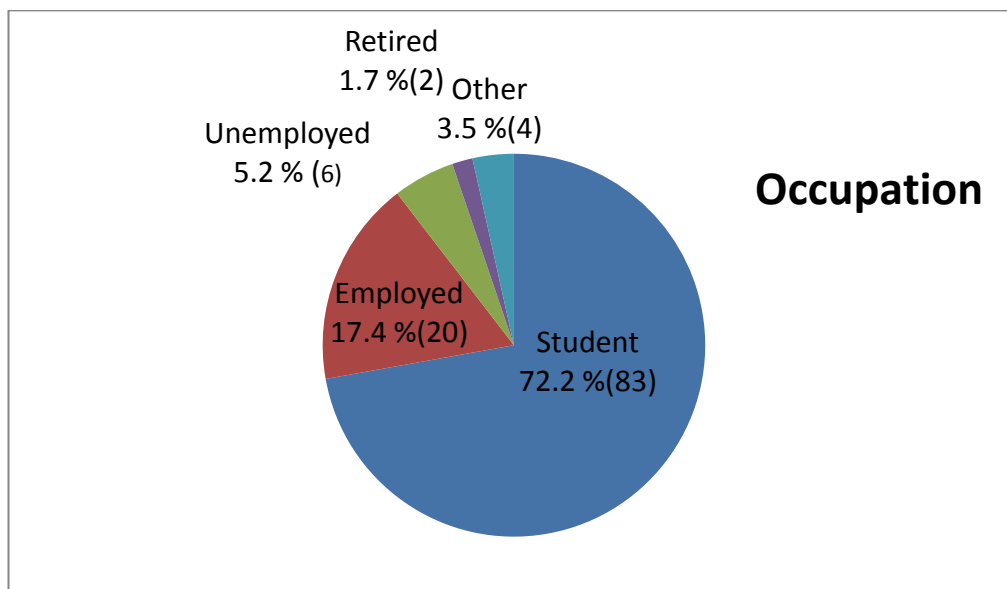


Figure 8. Occupation of interviewees

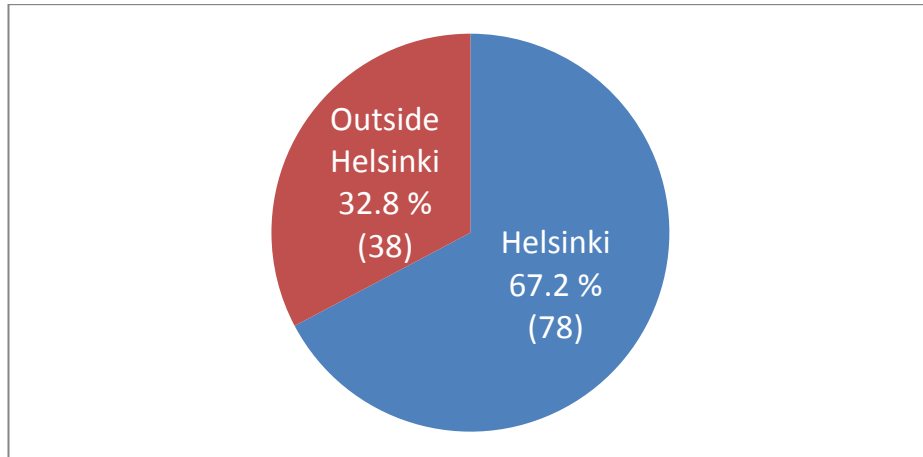


Figure 9. Cities of participants

Most of the interviewed participants are students (more than 72%) and then working people. Only a small proportion of respondents reported that they are currently unemployed (5, 2%) or less than two percent of respondents are retired (1, 7%). That might be because the survey was published mainly on the Internet and students are more actively online. The results could be more accurate if the numbers of participants in the categories are more balanced.

With the target to expand business and reach more customers living in Finland, Finasian Kauppa Oy develops the internet shop (e-commerce business). To find out if there is a need of customers living outside Helsinki for purchasing Asian food, interviewed respondents were asked about their living location. Two third of respondent live in Helsinki which can be seen as 67, 2% in the figure 8. Only 32, 8% of interviewed respondents are living outside Helsinki including Espoo, Vantaa, Porvoo, Kokkola, Lappeeranta, Lahti, Kouvola...

4.1.2 Visiting frequency

Data collected regarding to visiting frequency shows that more than 74% of respondents have never been to the shop 711kioski (Finasian Kauppa Oy). Among the shops of interest, Viivoan is the most well-known. It also has the most frequent visitors. About 22,6% of the survey participants go to Viivoan at least once per week to buy products. Only two participants of this survey go to 711kioski shop at least once per week.

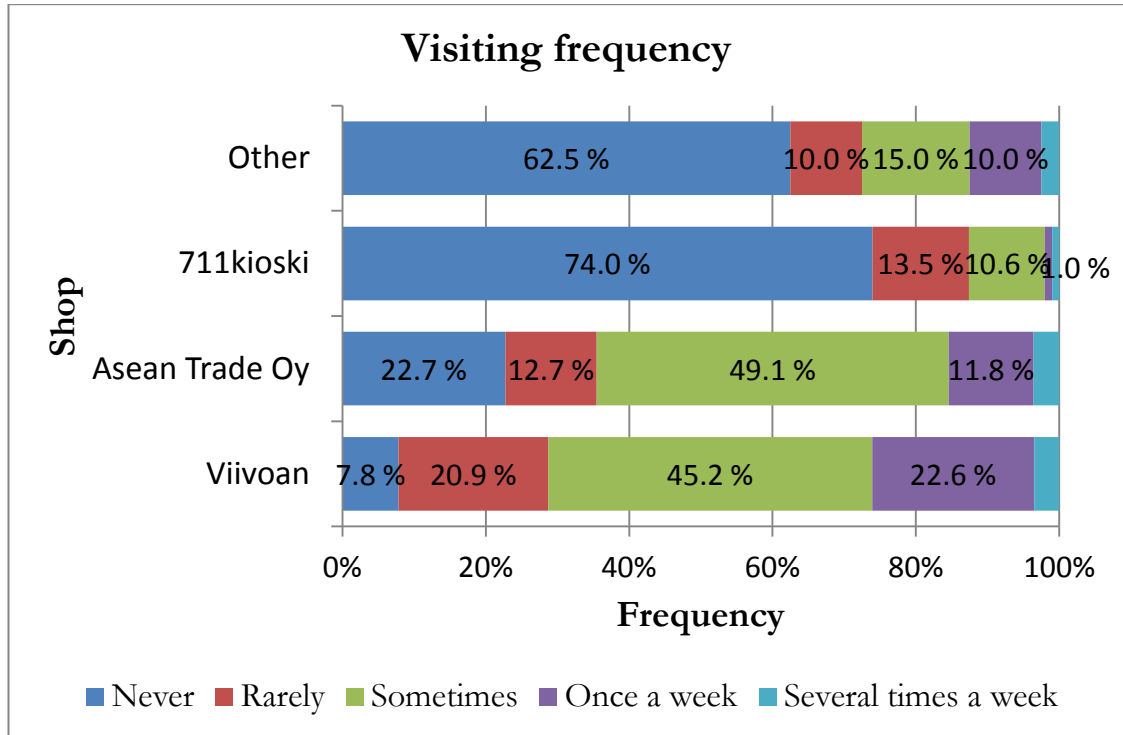


Figure 10. Frequency of respondents in visiting the shops

4.1.3 Purchasing frequency

In order to define the potential Asian products to sell, interviewed respondents were asked about what kinds of Asian products that they often buy. It can be seen in the figure 11 that almost all products are sometimes purchased by consumers except confectionaries. Rice and spices are purchased the most frequently (several times a week). This is because rice is staple in Asian food, eaten at every meal. Spices are also important in Asian cuisine. Asian drinks are also preferred products of Vietnamese consumers. Most of respondents rarely or never purchase confectionaries.

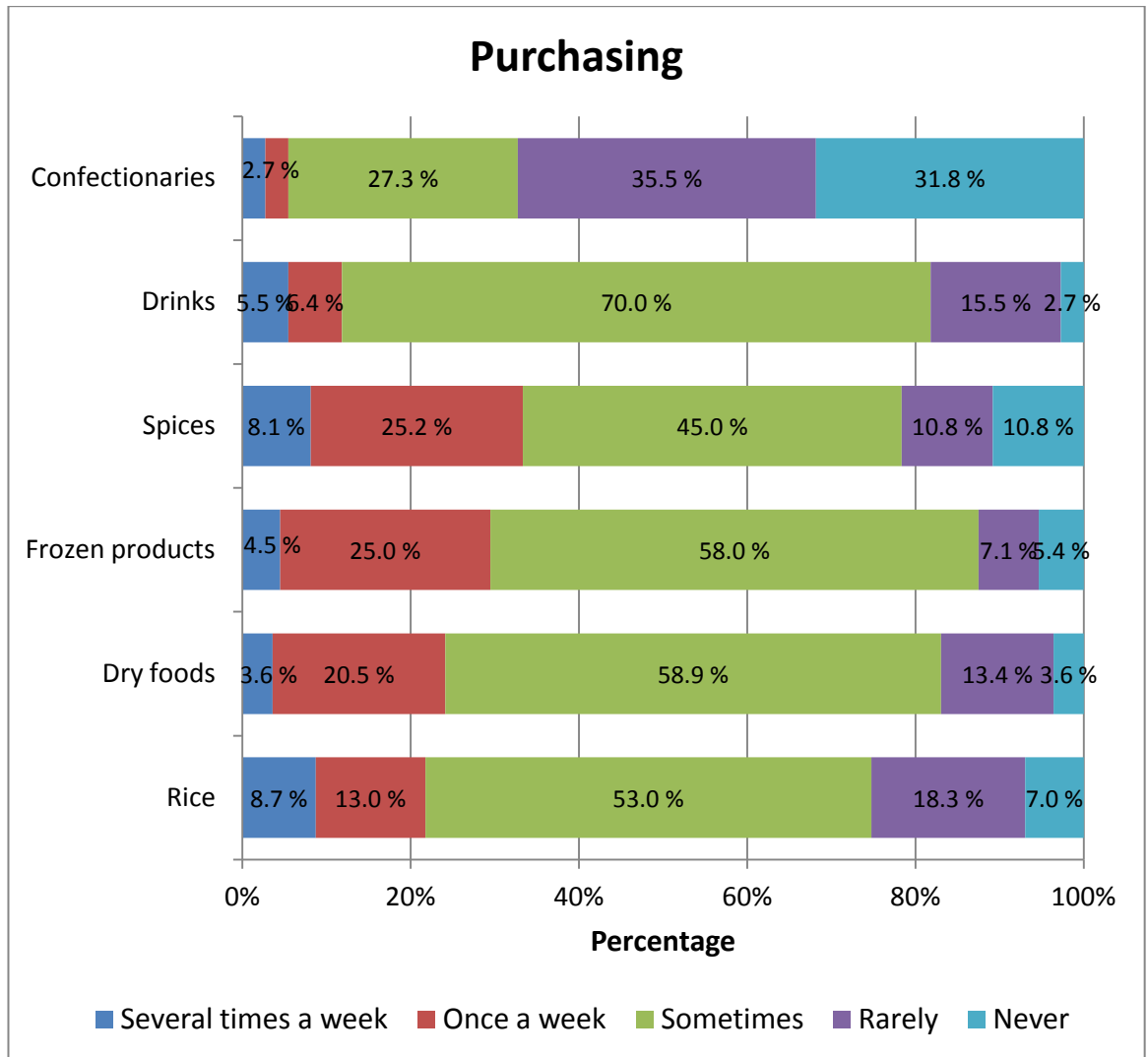


Figure 11. How often do the respondents buy products.

4.1.4 Payment groups

The interviewees were asked how much money they are willing to pay for each visit. The findings of the survey regarding payment show that most of consumers do not spend much money for each time of purchasing (Figure 12). Half of interviewed respondents spend 10- 29 euros for each purchase of Asian food and 21, 55% of respondents spend 30-49euros per visit.

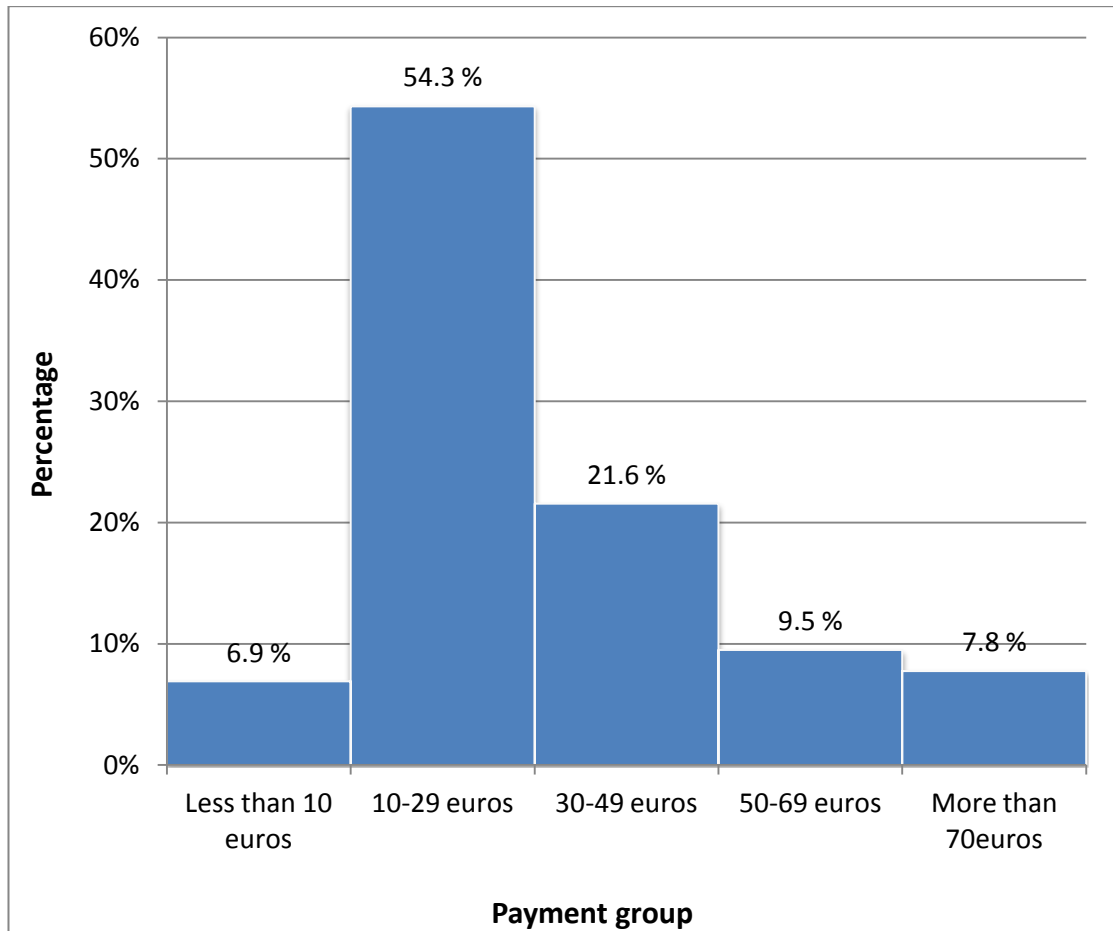


Figure 12. Customer distribution over payment amount.

4.1.5 Determinant factors for purchasing products

Concerning determinant factors that influence purchasing decision of customers, interviewed participant were asked to rank factors that determined their purchasing decisions. These included quality, variety of products, price, convenience of location, customer service, delivery service and others from the most important to less important. As figure 13 shows, quality is ranked as the most important factor in consideration with other factors. Standing in the second is variety of products and then price. This indicates people prefer to visiting shops that sell variety of products with good quality at reasonable price. If other factors are equal, then the consideration turns to the convenience of location. The shops which are nearby bus stops, tram stops or have parking place have more competitive advantage. Among the shops, Viivoan has very good location (nearest to the Hakaniemi square) and sells a variety of products with good quality. Aseanic shop has reasonable price for its products. Therefore, to attract more customers, Finasian

Kauppa Oy should focus on purchasing high quality products, selling variety of products at reasonable price.

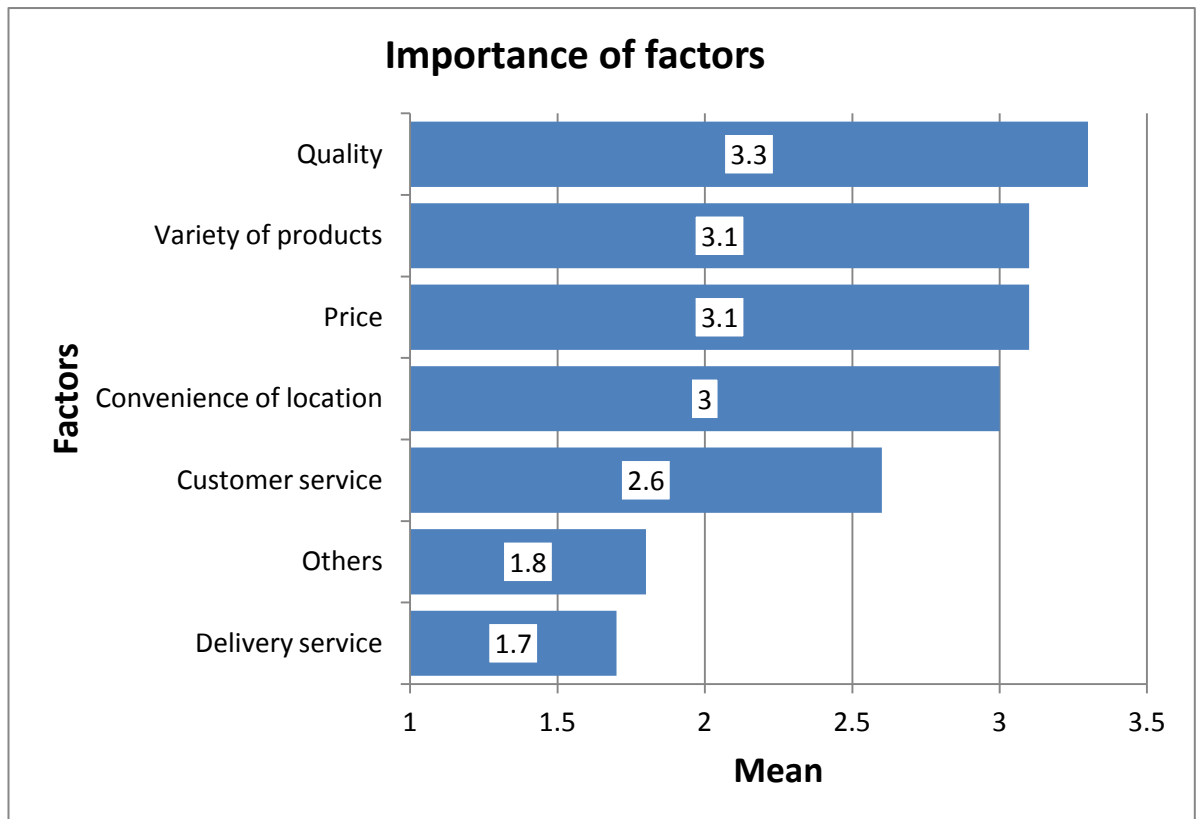


Figure 13. The important factors to customer

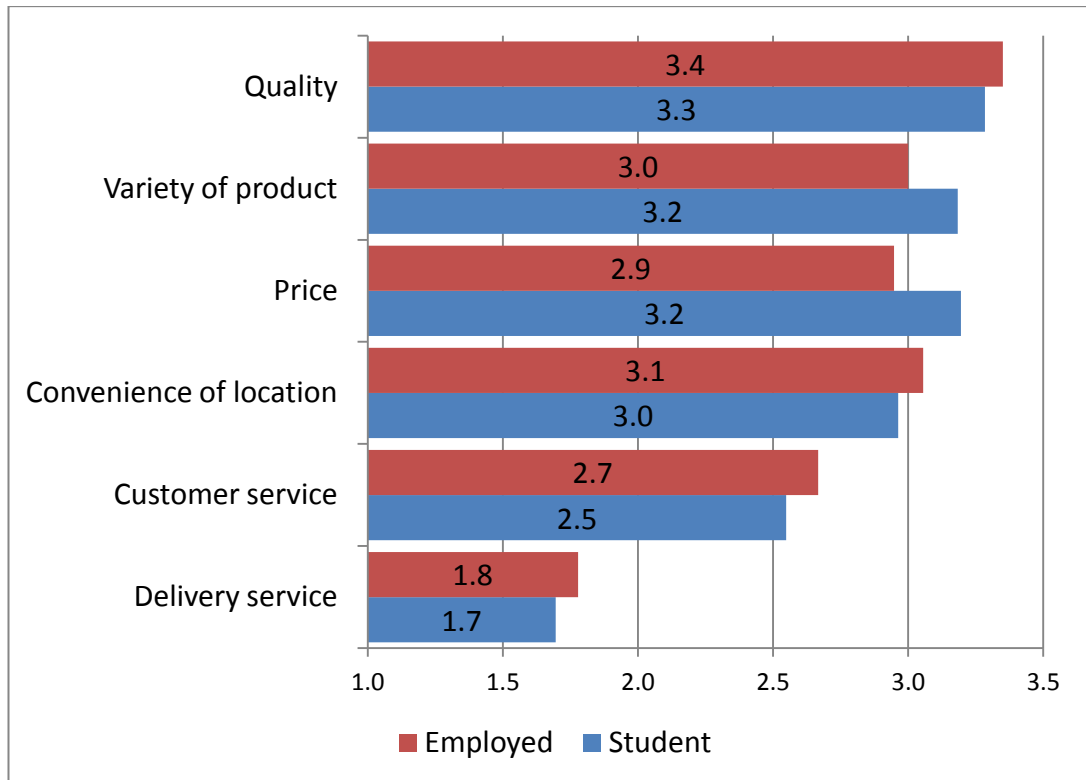


Figure 14. Difference of determinant factors based on different occupations

Since the majority of respondents are students and employed persons (shown in figure 8), the analysis focused on the differences in ranking determinant factors that affect the making purchasing decision of only employed people and students. As shown in the figure 14, both employed persons and students consider quality as the most important factor that affect their purchasing decision. Variety of products, price and convenience of location are also important for both employed and students. However, price is ranked more important to students than to employed persons. For students, price and variety of products are more important than quality. For employed people, price is not as important as convenience of location and variety of products. For both, delivery service is less important and it does not affect much in their purchasing decision.

4.2 Transportation provider selection

The process of choosing an effective transportation provider for Finasian starts with the review of the current use of the third party logistics in the case company. The next steps is taking a closer look at the background of three possible logistics companies. The decision for selecting a transportation provider is made based on the comparison of criteria among them.

4.2.1 The current situation for the use of third party transportation provider

As mentioned in part 1.3, the company currently is using Flowertrucks Oy's service (website www.flowertrucks.fi) for transportation of goods from Netherlands to Helsinki. Flowertrucks Oy is a small Finnish family owned company, established in 1990 and located in Tampere. They offer temperature controlled transport services between Finland, Germany, Holland, Denmark and Belgium. Their target customers include private persons and companies. The company owns 20 employees and 17 unit transport vehicles.

According to the owner of the company, Flowertruck Oy is a small company, their offered price is not stable and rather high. Therefore, the company has been looking for another transportation provider who has more competences to do business with.

The background of Flowertrucks Oy corresponding to the listed criteria can be shown as follow.

Criteria	Flowertrucks
Reputation	a small company with 21 employees
Price	reasonable price but not stable, sometimes reach to 200-220 euros/pallet for both dry and frozen cargo
Speed/ Time for delivery	The transport time from Holland to Helsinki is about 32 hours at the shortest.
Accessibility	Owns 18 transport units with two warehouses in Vantaa and Holland for temperature controlled transport between Finland, Germany, Holland, Denmark and Belgium.
Responsiveness	offers their customers supply chain solutions to optimize cost and time.
Technology and integration	no e-services
Reliability	achieved Finnish Transport Safety Agency (Trafi) for security approval and safety criteria in road transportation
Handling loss and damage	provides insurance services that helps their customers protect against all risks of physical loss or damage from any external cause.

Table 3. The background of Flowertrucks Oy

4.2.2 Alternatives of transportation providers in Netherlands

In this chapter, two transportation providers are closely analyzed and compared with the current carrier that the company is using (Flowertrucks Oy) in order to select the best partner for the company.

- **DB Schenker and DB Schenker Logistics Netherlands**

DB Schenker is a part of Deutsche Bahn AG that focuses on logistics including all transport and logistics activities (DB Schenker rail and DB Schenker logistics). They employ 95000 employees and have been operating in 130 countries around the world. In 2013, DB Schenker gained around revenues of 19.7 billion euros in which 14.86 billion euros generated from DB Schenker logistics (DB Schenker website 2014.). In the logistics sector, they offer integrated services from European land transport, global air and ocean freight, sophisticated logistics solutions and global supply chain management from a single source. DB Schenker logistics is the global leader in the industry based on their revenues (14.86 billion euros) and good performance. With their vision to place customer satisfaction and quality at the center of their work, they are successful in holding top positions in their industry. (Table 4.)

Criteria	Schenker Logistics Netherlands
Reputation	Large company with 62200 employees and revenue of nearly € 15 billion, ranked as the leader in European land transport.
Price	190 euros/pallet for both dry and frozen cargo
Speed/ Time for delivery	The transport time is 3-4 days
Accessibility	Owns a dense network of 2000 in all the major economic regions of the world. In the Netherlands, DB Schenker Logistics operates a network of 21 logistics centers at 17 locations. For road transport, the company has wholly-owned fleet with 2,500 trucks and 22,000 trailers, more than 60 drivers and 50 trailers in the Netherlands
Responsiveness	DB Schenker Logistics provides global supply chain solutions which are tailored for every customers such as time- and cost-optimized services for general cargo and partial and full loads in order to achieve efficient
Technology and integration	The customers can access online information on e-service 24/7 to request price, place orders and track their shipments online. Using EDI (Electronic Data Interchange). The transport orders are sent electronically and processed instantly in the database. With EDI, the transport orders can be processed faster, greater efficiency and cost savings by reducing incorrect or incomplete transport orders.
Reliability	They have been awarded many certificates such as AEO (Authorized Economic Operator), EFQM (The European Foundation for Quality management), ISO 9001, ISO 14001, OHSAS 18001, Air freight security EU 185, CPR15-2 (hazardous goods), HACCP certified, GDP compliant / Wholesale license, TAPA-A / TAPA-B, 5S – Six Sigma.
Handling loss and damage	Notification for nonconformity. If something goes wrong, they will inform to customers immediately with full explanation of response.

Table 4. The background of Schenker Logistics Netherlands

DB Schenker Logistics Netherlands has four land transport terminals which is a part of a network of 17 modern logistics service centers and offices at strategic locations in the Netherlands. With the fast and reliable distribution network between logistics service centers and business parks, DB Schenker Logistics Netherlands satisfies all customers by offering the most efficient transport solutions. DB Schenker Logistics Netherlands offers a wide range of service solutions and it does not depend on the amount of goods customers want to ship: single package, a number of pallets or full container loads. DB Schenker Logistics Netherlands bring more convenience for their customers by the use of modern

facilities such as internet booking, Europe wide good tracking and other e- services such as E-POD, digital CMRs and emission reports.

- **Hemetex BV**

The background of Hemetex BV corresponding to the listed criteria can be shown as follow.

Criteria	Hemetex BV
Reputation	a small company with 5 employees
Price	223.5 euros/pallet for both dry and frozen cargo
Speed/ Time for delivery	The transport time is 3-4 days
Accessibility	Offers wide range of services such as sea freight, air freight, road transport, exceptional transport and ware housing. In road transport, they can offer customers with diversity of solutions. They have different sizes of truck for each transport such as containers, general cargo, refrigerated, or special transport.
Responsiveness	Offers variety of services, not only clearance of goods and handling of custom matters but also the whole process in consultation with customers from door to door planning, options and choose the transportation system at the best price. It means Hemetex B.V will review the possibilities and advise customer in the choice of the appropriate means of transport.
Technology and integration	no e-services
Reliability	On November 14, 2011, Hemetex BV received the combined AEO Certificate Customs Simplifications / Security, issued by the Dutch customs authorities. This means that Hemetex BV is seen as a safe and reliable partner for all customs operations.
Handling loss and damage	In order to avoid delivering damaged products to customers, Hemetex organizes, manages transports and also examines the shipment on arrival.

Table 5. The background of Hemetex BV

Hemetex BV Rotterdam is established in 1976. Hemetex is a strong partner specializing in transports and logistics. They offer a variety of services including customs documents, ocean freight, air freight, road transport, special transport and storage. They handle shipments of almost every size and manage the whole transport according to customers'

wishes and needs to get shipments to the destinations in an optimal and economic way. With Hemetex, shipments are arranged, managed and can be checked on arrival in order to avoid damages in delivering products to customers. (Hemetex website.)

4.2.3 Comparison of three transportation providers

The table 6 shows the decision matrix with the weights given based on the information of three companies collected from table 3, 4 and 5.

Criteria	Weight	Flowertrucks	Schenker Logistics Netherlands	Hemetex BV
		Score	Score	Score
Reputation	3	1	3	2
Price	3	2	3	1
Speed/ Time for delivery	2	3	2	2
Accessibility	2	1	3	2
Responsiveness	3	2	3	3
Technology and integration	2	1	3	1
Reliability	3	2	3	2
Handling loss and damage	2	3	3	3
Total score		37	56	40

Table 6. Decision matrix showing how each transportation provider satisfies each factor

Taking into account all factors mentioned above, it seems DB Schenker Logistics Netherlands is the best potential partner for Finasian Kauppa Oy since the company has more competitive advantages and gained highest total score in comparison with others (shown in the table 6).

DB Schenker Logistics Netherlands is known as the market leader in logistics. Currently, DB Schenker Logistics Netherlands owns a team of logistics specialists who are experienced in diverse sector and multimodal transportation units that ensure to bring safety and efficient solutions for any complicated transportation needs to customers in general or to Finasian Kauppa Oy particularly. With owning seven locations in Netherlands including Rotterdam, which is considered as the largest and busiest port in Europe, Schenker Logistics Netherlands has more regular shipments to Finland than Flowerstruck Oy and Hemetex BV.

In a price comparison among Flowertrucks Oy and Hemetex, Schenker Logistics Netherlands offers cheaper price while the time delivery is almost the same compared with others.

Another competitive advantage of DB Schenker Logistics Netherlands is the use of technology in their service providing process while Flowerstruck Oy and Hemetex do not employ. As a biggest player in logistics industry, Schenker Logistics Netherlands adopt e-services in order to create convenience for customers. With the use of e- services, their customers can access information and make business transactions online (such as request price, place orders or track their shipments). That helps to reduce the processing time and also reduce incorrect or incomplete transport orders.

In regarding to quality, DB Schenker Logisitcs Netherlands gives a high priority to quality and put quality into their business direction. Comparing to Flowertrucks Oy- they are awarded with Finnish Transport Safety Agency (Trafi) for security approval and safety criteria in road transportation and Hemetex with the combined AEO Certificate Customs Simplifications / Security issued by the Dutch customs authorities , DB Schenker Logistics Netherlands has obtained many certificates for their service quality such as AEO (Authorized Economic Opera-tor), EFQM (The European Foundation for Quality management), ISO 9001, ISO 14001, OHSAS 18001, Air freight security EU 185, CPR15-2 (hazardous goods), HACCP certified, GDP compliant / Wholesale license, TAPA-A / TAPA-B, 5S – Six Sigma during their operations.

5 Conclusion

In this chapter, the thesis findings are summarised. In addition, the suggestions on products, selected transportation provider and further research for the case company are also presented. The chapter ends with self evaluation of how the study benefits to the company.

5.1 Key outcomes

The research was commissioned by Finasian Kauppa Oy to find out possible products for the company to purchase and identify an efficient transportation provider to deliver products from suppliers in the Netherlands to Helsinki. In order to achieve the objects of the thesis, a survey, emails and phone call interviews were organized.

The survey was conducted with 116 Vietnamese respondents. According to the results of the survey, 74% of the respondents do not have prior customer history with Finasian Kauppa Oy, which means that the company is quite new for Vietnamese consumers. Most of them are not familiar with the shop and have never been there. In contrast, most of interviewees are familiar with Viivoan or Aseanic and they visit there more frequently than Finasian Kauppa Oy. In the future, these respondents are potential new customers for Finasian Kauppa Oy.

The results of the survey shows that rice and spices are the most frequently purchased products. Standing in the second are frozen and dry foods. Frozen products such as seafood (shrimp, fish, and squid, cuttlefish, muscle, and minced crab), chicken, duck, spring roll pastry and fermented sausage are also favorite products for Vietnamese consumers.

Additionally, fresh herbs are products that purchased very often by Vietnamese consumers. Some most-selected Asian drinks include fruit juice; soybean juice and coffee.

The table 7 listed some potential and preferred products for Vietnamese customers according to the thesis findings.

Groups	Listed products
Rice	
Spices	fish sauce, sesame oil, soy sauce, seasoning, chili sauce, vinegar, oyster sauce, pepper, five spicy powder, sweet chili sauce, cumin powder, turmeric, hoisin sauce, teriyaki sauce, Peking duck sauce, black cardamom, and star anise
Dry products	rice noodles, vermicelli, egg noodles, rice papers, green bean, readymade flour mix, glutinous rice powder, tapioca, dried mushrooms, and fungies
Frozen products	seafood (shrimp, fish, and squid, cuttlefish, muscle, and minced crab), chicken, duck, spring roll pastry and fermented sausage
Fresh herbs	tofu, spinaches, bamboos, cabbages, mints, corianders, spring onions, chilis, pakchois, garland chrysanthemums, watercresses, water spinaches, elsholtzia ciliates, perillas, lolots, sauropods androgynous, Thai parsleys, and piper lolots
Asian drinks	fruit juice, soybean juice and coffee

Table 7. The favorite Asian products

In contrast, the survey respondents reported that they rarely bought confectionaries. Some products are still unavailable in the market such as duck embryo, dry bamboo shoot, beef jerky, matcha powder, unflavored agar powder, konjaku noodle, Vietnamese taro jelly, fresh tropical fruits and lack of more vegetables.

5.2 Recommendations for products and a transportation provider

In conclusion, Finasian Kauppa Oy should focus on purchasing rice and spices which are the most frequently purchased by Vietnamese customers, especially some specific products mentioned above. The company also should consider purchasing products that are not available at the moment in the market (the products are pointed out earlier) in order to gain competitive advantage and attract more customers. Both frequently purchased products and unavailable products are the need for the company to purchase in order to attract more and serve customers better.

Concerning the transportation provider selection to deliver goods from Netherlands to Helsinki, three third party logistics companies were chosen to compare. Being a strong player in European logistics industry with good reputation, better offers, better quality

management and better usage of technologies, DB Schenker Logistics Netherlands is the best option for the company to build partnership with.

5.3 Suggestions for Further Research

Selecting and offering products to sell in a competitive market is very important since it determines the success or failure of a company. Therefore, it is really important for Finasian Kauppa Oy to find out potential Asian products for them to purchase. However, there were some limitations in the survey.

Further development of the research would need the following actions:

- To review and develop questions
- In the current research, most of the respondents are student and working people who are mainly living in Helsinki or Espoo. To continue reaching more respondents with the diversity in occupancy in order to reflect precisely the need of Asian products of Vietnamese community living in Finland and their views of dominant factors on making purchasing decisions. Unfortunately, in the current research, most of respondents in the study are students and employed and they are living mainly in Helsinki and Espoo. The research definitely would benefit from a larger amount of interviewees which covers more occupancies, more income levels, more cities and ages. From that, the company would have a better view of what are the right products for them to purchase.
- To continue contacting prospects by placing online questionnaire, telephone or emails.

Concerning to the third party transportation provider, it requires an assessment of DB Schenker Logistics Netherlands's performance to support decision if the company should continue using their service or look for a new third party logistics company.

5.4 Benefits to the company

As mentioned above, the study was carried out in order to help Finasian in improving their procurement process. Two issues they are concerning are finding the right products they should purchase (recognizing a real need) and an effective third party transportation provider to deliver goods.

The study brought to the company the whole picture of the Vietnamese' needs and wants, what products Vietnamese consumers use regularly and are willing to purchase the most. Identifying the need and planning purchase help the company to avoid purchasing unsuitable products which can lead to wasted time, increased expense, do not satisfy the need and therefore inefficient procurement.

At the same time, the study also recommended to the company a reliable transportation provider- DB Schenker Logistics Netherlands through an detail comparison with others. With their competitive advantages, DB Schenker Logistics Netherlands can help reduce transportation costs, increase cost savings and therefore enhance efficiency of procurement process of the company.

5.5 Personal learning process

For me, writing the bachelor's thesis is a truly challenging but very interesting and meaningful work.

Some challenges I confronted with during writing my thesis were conducting a survey with Vietnamese consumers and making contacts with potential transportation providers. I worried about what I should have asked in the survey, how many respondents I could get, how to distribute my survey and how to get more respondents with the hope that I could get all information I need. I also faced difficulties in making contacts with transportation providers. Some of them did not answer me or took longer time to get answers from others. It made me frustrated. I have learned to stay motivated, how to solve problems and overcome difficulties.

However, the thesis writing process also gave me valuable opportunities. First of all, I had a chance to cooperate with professionals who working in my interest field such as the owner of Finasian and sales executives of transportation providers. Through discussions and research processes, my communication skills are improved both in oral and writing. I also have better understanding of the importance of procurement process to the success of a company and how to select a suitable transportation provider for a company. Secondly, I has truly gained deeper knowledge about concepts and terms in my interest field such as supply chain management, logistics, procurement process, third party transportation provider since the thesis writing process required to search for and select

relevant information in literature review to support for better understanding of the thesis results. Discussion session is one of the most difficult tasks to me but it is also an interesting part that I really enjoyed. It has equipped me the ability to summarize collected data, to do critical analyses and to draw conclusions. These are very useful to me in my future career.

As I read somewhere “ writing a bachelor’s thesis is not the end of your study but it is your first significant of academic work”. I had valuable and enjoyable experiences during writing my thesis. New things I have learned, deeper knowledge of my expertise I have gained and meaningful work I have contributed to the case company are achievements I received through my thesis.

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Appendices

Appendix 1: Questionnaire

1. Are you familiar with 711kisoki (Finasian Kauppa Oy- Chinese shop)?

- Yes, I have been there
- Yes, I heard about it but never been there
- No, I have not heard about it

2. What is your occupation?

- Student
- Employed
- Unemployed
- Retired
- Other

3. Where do you live? If you live outside of Helsinki, could you name the city you are living?

- Helsinki
- Outside Helsinki, where?

4. Can you list some Asian products you mostly like to purchase from Asian shops?

	Several times a week	Once a week	Sometimes	Rarely	Never
Rice					
Dry products <input style="width: 100px; height: 15px;" type="text"/>					
Frozen products <input style="width: 100px; height: 15px;" type="text"/>					
Fresh vegetables and herbs <input style="width: 100px; height: 15px;" type="text"/>					

Asian drinks	<input type="text"/>					
Asian confections	<input type="text"/>					

5. How often do you purchase Asian products in these shop?

	Several times a week	Once a week	Sometimes	Rarely	Never
Vivoan (Vietnamese shop)					
Asean Trade Oy (Chinese or Malaysian shop)					
711kioski (Chinese shop)					
Other <input type="text"/>					

6. How much are you willing to pay for each time?

- Less than 10 euros
- 10 - 29 euros
- 30 - 49 euros
- 50 - 69 euros
- More than 70 euros

7. What are Asian products you would like to buy but not available on the market at the moment?

8. How important of these factors in your purchasing decision?

	Not at all	somewhat important	Important	Very important
Price				
Competitive quality				
Delivery service				
Customer service				
Convenience of shop location				
Variety of Asian products				
Other <input type="text"/>				

Appendix 2: Structure interview with the representative of the case company

Theme 1: Business goals of the company

1. What are the key business goals of the company?
2. How do supply chain decisions influence the company's performance
3. What are the roles of supply chain in the company's competitive strategy?

Theme 2: Current transportation system for delivering food from Netherlands to Helsinki

4. What are the transportation modes used for delivering goods from sources of supply to your company?
5. Do you have your own transportation assets or do you outsource to third parties?
6. If you do outsource, who are third party transportation providers you contract with?
7. How often do you need to deliver goods from the sources of supply to your company?
8. How much goods does your company purchase for each time?
9. What kinds of goods does your company purchase?
10. How do you evaluate the transportation performance of the service provider you use?
11. What are the aspects they do not meet your requirements?

Theme 3: Process and key criteria for selecting transportation providers

12. Can you describe the process of selecting transportation providers in your company?
13. What are the main key criteria for selecting transportation providers?
14. What are challenges for the company in selecting transportation providers?

Appendix 3: Structure interview with the representatives of transportation providers

- Do you have direct delivery from cities Benthuisen, Rotterdam and Kampen to Helsinki?
- In our case, we have 2 euro block pallet size (European pallet size 1200mm x 800mm x 160mm, weight from 800 kilos to 1 ton) of goods including vegetables, dry goods and frozen products that need to be delivered from the three cities Benthuisen, Rotterdam and Kampen to Helsinki. Could you estimate the following:
 - ✓ How much does it cost to deliver 2 euroblock pallets of vegetables and dry products?
 - ✓ How much does it cost to deliver 2 euroblock pallets of frozen products?
 - ✓ How long does it take to deliver goods from those cities to Helsinki?

Appendix 4: Overlay matrix for a research- oriented thesis

Investigative questions (IQs)	Theoretical framework (chapter and subchapter)	Measurement questions for qualitative research (question number in interview structure)	Results
What are specific business goals of the company that integrated logistics must contribute to? (IQ1)	2.1	1, 2	
How well of current transportation system for delivering foods from Netherlands to Helsinki (IQ2)	2.2	3,4,5,6,7,8,9,10,11	
What are key criteria that the company uses to assess and select a logistics provider for delivering goods from sources of supply to the company? (IQ3)	2.3	12,13,14	

Appendix 7: Cover letter

Hello,

Our company is Finasian Kauppa Oy working in retail industry. We specialize in distributing Asian foods in Finland. Currently, we import products from Netherlands, mainly from three cities Benthuisen, Rotterdam and Kampen. We are looking for a transportation provider who can help us to deliver goods from those cities to Helsinki. We are wondering if you have direct shipments from those cities to Helsinki. Another thing we concern is that, we have 2 euroblock pallets of goods including vegetables, dry goods and 2 euroblock pallets of frozen products that need to be delivered from three cities Benthuisen, Rotterdam and Kampen to Helsinki, can you estimate:

- How much does it cost for deliver 2 euroblock pallets of vegetables and dry products
- How much does it cost for deliver 2 euro block pallets of frozen products?
- How long does it take to deliver from those cities to Helsinki?

We are looking forward to hearing from you soon.

Appendix 8: Offer from Hemetex BV



Ontvangscontrole
Douaneformaliteiten
Opslag
Transport

Hemetex bv
Internationale expedite

Parmentierplein 13, P.O.Box 59220
3008 PE Rotterdam
Tel. 31-(0)10-429 68 44
Fax 31-(0)10-428 21 12

ING Bank 65.14.24.224
Handelsregister Rotterdam nr. 24248190

Internet: www.hemetex.nl
E-mail: hemetex@hemetex.nl

Offer

Offer no.: 201405050

Thu Hien

Tel.:
Fax:
Email: hienpham1983@gmail.com

Att.:

Date: May 27, 2014

Re.: Forwarding charges for 2 pallets vegetables and dry products, 2 pallets frozen products to Helsinki

Dear Thu Hien

For a.m. services we can offer you the following rates:

Pickup : Benthuisen, Rotterdam, Kampen (NL)
Delivery: Helsinki (FIN), based on ZIP code 00-01
Commodity: vegetables, dry goods, frozen products
Packaging: Europallets / blokpallets

Terms: DDU

Forwarding charges

Weight		NL - FIN		
		Euro	Blok	Prijs
from	To			
Minimum	740	1		€ 285,00
741	925		1	€ 367,00
926	1480	2		€ 447,00
1481	1850		2	€ 551,00

Fuel charges 15% (June 2014) variable

Documentation NL

Export declaration EUR 45,00 per document
Extra HS code EUR 8,50 per code, per document (if applicable)

Excl. customs duties, insurance, customs- and inspection fee

Offer is valid: 30 days (subject to changes in surcharges)

Payment: within 8 days after invoice date