

Abstract

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Abstract		
<p>This thesis centers around an in-depth examination of Finland as a country and a potential target market for the international expansion of Casimiro Pérez S.L., a company specializing in the olive oil industry. With an established presence in multiple countries worldwide, Casimiro Pérez S.L. has yet to venture into the Finnish market, which serves as the primary motivation for this study.</p> <p>To conduct this research, a deductive research approach is employed, whereby the investigation begins with general theories and culminates in a practical solution for the company. The study draws upon both primary and secondary sources of information. Primary data is acquired through interviews conducted with employees of Casimiro Pérez S.L., while secondary sources encompass relevant literature and existing research materials.</p> <p>The research methodology incorporates several situational analysis tools, including SWOT analysis, PEST analysis, and Porter's Five Forces model. Additionally, interviews are conducted with the CEO of Casimiro Pérez S.L. to glean additional insights.</p> <p>Upon analyzing the gathered data, the thesis author arrives at several conclusions. It is evident that Casimiro Pérez is not a well-known brand in Finland, and it would face competition from established competitors such as Bertolli, Borges, Primadonna, Xtra, and Rainbow. These competitors have already established their olive oil products in the Finnish market. Considering this information, in conjunction with relevant theories regarding market entry, the study determines that the most viable approach for Casimiro Pérez S.L. would be to adopt the indirect export mode. This entails partnering with a Finnish wholesaler, which would facilitate a smoother introduction of their products into the market.</p>		

Keywords

Casimiro Pérez S.L.; Country analysis; Finland; Hollensen; Olive oil

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1 Introduction

1.1 Research background

When people think of olive oil, they often associate it with Mediterranean cuisine, health benefits, gourmet cooking and in summary with the Mediterranean region, where olive trees have been cultivated for centuries. Olive oil is a staple ingredient in many cuisines and is known for its health benefits in comparison to other products like the butter or the sunflower oil. The largest olive oil producers in the world are Spain, Italy, and Greece. These three countries together account for more than 60% of the global production of olive oil. (Agrupación Aceite de las Valdesas 2021.)

Spain is the world's largest olive oil producer, with approximately 1.5 million tons produced annually (Orús 2023). The olive oil industry in Spain has a long history, dating back to the Roman era.

Olive oil has played a fundamental role in the history of Spanish food and culture throughout the centuries. Its production dates back to ancient times, with evidence of the existence of olive groves in the region that we know today as Spain since Phoenician and Roman times.

-Antiquity and Origins:

The introduction of the olive tree to the Iberian Peninsula is attributed to the Phoenicians, who, thousands of years ago, brought the olive plant with them from the eastern Mediterranean area. Over time, the Romans expanded olive oil production and improved extraction techniques.

-Islamic Era:

During the Islamic occupation of the peninsula, olive culture and olive oil production continued to thrive. The Arabs introduced innovations in agriculture and improved irrigation techniques, which contributed significantly to the development of the olive industry in the region.

-Middle Ages and Reconquest:

With the Reconquista, olive oil production expanded under Christian influence. Monasteries and large landowners encouraged the cultivation of the olive tree, making it an essential part of the economy and daily life. The demand for olive oil grew, and oil mills were established throughout the country.

-Renaissance and Golden Age:

During the Renaissance and Spanish Golden Age, olive oil was not only an essential component of the diet, but also became a symbol of social status. Nobility and royalty promoted its consumption, and the quality of the oil became a measure of distinction.

-19th and 20th centuries:

Industrialization brought with it changes in olive oil production and packaging techniques. Spain established itself as one of the main global producers, but also faced challenges, such as fluctuations in international prices and competition from other producing countries.

-XXI century:

Currently, Spanish olive oil enjoys international recognition for its quality. Protected designations of origin, modern extraction facilities and sustainable practices have contributed to maintaining Spain's rich olive oil tradition in the global context.

The southern region of Andalusia is the largest olive oil producing area in Spain, followed by Castilla-La Mancha, Extremadura, and Catalonia (Ministerio de Agricultura, Pesca y Alimentación 2022). The most common varieties of olives used for olive oil production in Spain are Picual, Hojiblanca, and Arbequina. (Ministerio de Agricultura, Pesca y Alimentación 2022.).



Image 1. Map of Spain with the main areas that produce oil. (Agrupación Aceite de las Valdesas 2021.)

As noted Italy and Greece are the other two major olive oil producers in the world. Italy is the world's second-largest producer of olive oil, with an annual production of around 300,000 tons (Orús 2022). Greece is the world's third-largest producer of olive oil, with an annual production of approximately 300,000 tons. (Agrupación Aceite de las Valdesas 2021.)

In Spain, the production of olive oil is a crucial part of the economy, with many small and medium-sized companies producing high-quality olive oil. The largest olive oil producers in Spain are cooperatives. Some of Spain's largest olive oil producers are aceites del surcoosur S.A., Grupo Ybarra-Migasa and Urzante S.L. (Orús 2023.)

The Spanish company Casimiro Pérez S.L. (Aceites Troya) is an olive oil producer established in 1952 and based in Alcoy, Spain. develops its activity in the Olive oil sector and It is also present in the extra-virgin olive oil, organic extra-virgin olive oil, and organic olive oil sectors. 80% of the sales are national, but the other 20% is currently exported. The company exports its olive oil to countries in the Americas (Brazil, Guatemala and Canada), Asia (China) and Europe (Belgium, France, Germany and the UK). (Casimiro Pérez S.L. 2022.)

Despite already having a foothold in foreign markets, Casimiro Pérez S.L. is looking to expand and grow its business even further. This means exploring new opportunities and markets for expansion. While the company has not yet entered Finland, this is now being considered as a potential target market. As Casimiro Pérez S.L. looks to gain more market share in the already established countries, there is a desire to assess the profitability of entering new markets. For this reason, this thesis conducts a country analysis of Finland and aims to determine whether Finland could a good option in which to expand.

The company has already a strong reputation for reasonably priced, quality products and overall, the goal of this study is to help the company evaluate the potential profitability of entering the Finnish market.

1.2 Thesis objectives, research questions, and limitations

This thesis was conducted in collaboration with representatives of Casimiro Pérez S.L. to do a country analysis of Finland and create a market entry plan for the company. More specifically, since the Finnish market has not been the company's priority earlier, the thesis discusses the advantages and disadvantages of entering this market and aims to provide Casimiro Pérez S.L. with a detailed description of Finland as a potential target market.

The main research question of the thesis is whether Finland is a viable target market for Casimiro Pérez's products. In order to answer this question, several sub-questions have been identified. These include identifying the company's main competitors in Finland (such as local olive oil producers or other foreign companies selling olive oil in Finland), understanding the purchasing behaviour of Finnish consumers, assessing the brand awareness of Casimiro Pérez in Finland and examining various factors that could affect the sale of the product in this market.

It is important to note that this study is only focused on Finland and cannot be adapted to other countries due to each market's unique characteristics and particularities. Additionally, the scope of the study is limited to the olive oil industry and does not extend to other areas.

1.3 Theoretical framework

The main objective of the thesis is to analyse Finland as a target market and create an entry plan for Casemiro Pérez to the Finnish market. The study examines which is to the best way to enter the Finnish market and how the case company should do it.

To analyse a target market, it is necessary to do an internal and external study. In doing the internal study, the main objective is to analyse the resources and capabilities of the case company (Casimiro Pérez S.L.) whereas the focus of the external study is the company's external environment.

In the external study is necessary to study microenvironment and macroenvironment depending on how influent the factors are for the business.

To carry out these studies different tools will be used such as Porter's 5 forces (used to analyse the competitive environment of Casimiro Pérez S.L.), SWOT which will be used to identify specific strengths and weaknesses of the company, PEST which will be used as a tool to track the environment in which they operate or in which they plan to launch a product or service and other marketing tools and techniques that will help to understand better the behaviour of the Finnish consumer and the role that some other competitors already got in the market.

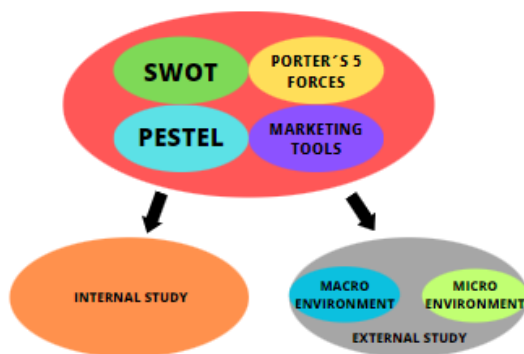


Figure 1. Tools that are going to be used and different parts of the market analysis

1.4 Research methodology and data collection

The methodology chosen for this study was based on the research topic. In this study, both qualitative and quantitative research methods are used to enhance the reliability of the results and answer the primary research question effectively. In business research, a combination of both methods is commonly used.

Quantitative research focuses on analyzing numeric data, while qualitative research emphasizes understanding and interpreting information to gain insight into the research topic. Qualitative data can also include numbers but are not analysed mathematically while the primary goal of qualitative data is to understand and interpret information to make sense of the research topic under investigation. (Saunders et al. 2015, 169-170.)

The two primary sources of data are primary and secondary data. Primary data refers to information that is collected directly by the researcher through surveys, interviews, or observations. (Coll, 2021.)

On the other hand, secondary data refers to information that has already been collected by an organization or individual and is then used for further analysis. This type of data can be sourced from published reports or official statistics generated by a government body or private enterprise. The quality of secondary data depends on the accuracy and reliability of the source used. (Guzmán, 2011.)

This thesis uses both primary and secondary data.

1.5 Thesis structure

The structure of the thesis is divided in 6 different parts:

In the first one there is an introduction that helps to understand better the topic of the thesis and how it is going to be developed. On the second part the main topic will be the case business is explained and in this part are presented the characteristics and sources that the business already have. In the third part, it is explained on a theoretically way how a business should go into a new market and after that in the fourth part it is analysed Finland's market (the target market of the brand) obtaining useful information from different sources to arrive to a conclusion. In the fifth part, after collecting the necessary information the decisions about introduce the product to the Finnish market (or not) and how to introduce this product are taken. Finally, there is the conclusion part. In the last part the conclusions are summarised, and the decisions are explained on a deeper way. It helps to remember and understand the main points of the thesis and it could be described as the product of the whole study.

2 Case company: Casimiro Pérez S.L.



Image 2. Logo of Aceites Troya (The olive oil line of Casimiro Pérez S.L.) (Casimiro Pérez S.L. 2022.)

2.1 Company history

The edible oil producing company Aceites Troya was founded in Alcoy, Spain, in 1952 by José Troya Amat. The company began as a small family business dedicated to the production and sale of vegetable and olive oils. In its beginnings, the company operated in a small workshop where the oil was made by hand using traditional methods. (Casimiro Pérez S.L. 2022.)

Over time, the company grew and modernized. In the 1960s and 1970s, Aceites Troya began to expand its presence in the market, opening new facilities and increasing its production capacity. In 1972, the company moved to its current headquarters in Cementeri Vell street, in the industrial zone of Alcoy. (Casimiro Pérez S.L. 2022.)

In 2014, Aceites Troya became part of the business group founded in 1929 Casimiro Perez S.L, as part of the growth and expansion strategy of the company in the national and international market. The union of both companies has made it possible to take advantage of synergies and complement their respective product lines, expanding their offer and reinforcing their presence in the market. (Casimiro Pérez S.L. 2022.)

Casimiro Perez S.L. has extensive experience in the vegetable oil production and distribution sector, with a distribution network that covers the entire Spanish territory and a broad international presence. The company currently sells the products mainly in Spain but also in other countries like Brazil, China or UK. (Casimiro Pérez S.L. 2022.)

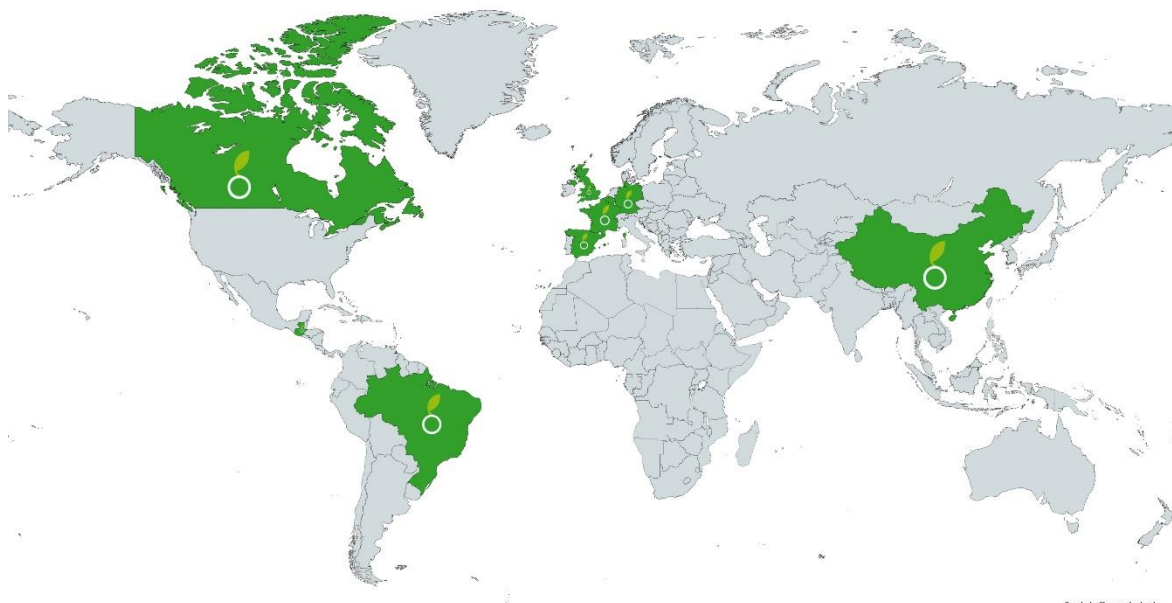


Image 3. Places where Casimiro Pérez S.L. currently sells its products (Casimiro Pérez S.L. 2022.)

2.2 Product portfolio

The line of Troya oils is currently very wide and varied, having options to suit all the different types of oil consumers.

Regarding oils that are not olive oils (and not in the scope of this study), the company has a wide variety of options such as soybean oil, sunflower oil, high oleic sunflower oil, orujo oil, seed oil and special frying oil. On the other hand, related to olive oil, the company from Alcoy produces the following varieties of olive oil: mild olive, intense olive, virgin olive and extra virgin olive. These last two are the only ones that the company exports and for the moment it will continue to be so since for them these two products are the ones that are most widely accepted in foreign markets. (Casimiro Pérez S.L. 2022.)

The main difference between virgin olive oil and extra virgin olive oil is the quality of the oil. Extra virgin olive oil is considered to be of the highest quality, since it is made directly from the olives through mechanical processes and without chemical additives, which results in an oil with an exceptional flavour and aroma, and a free acidity of less than of 0.8%. On the other hand, virgin olive oil is also produced without chemical additives, but its free acidity can be up to 2%, which means that it can have a less intense and characteristic flavor and aroma. In short, extra virgin olive oil is considered to be of higher quality than virgin olive oil in terms of flavor, aroma, and free acidity. (Agrupación Aceite de las Valdesas 2017.)

Aceites Troy provides its two products, virgin olive oil and extra virgin olive oil, in various-sized bottles. Its virgin olive oil is sold only in 5-litre bottles, whereas its s extra virgin olive oil is sold in 250, 500, and 750-millilitre and 1-litre glass bottles, and in 1, 2, 5 and 25-litre plastic bottles. Finally, it also sells its product in 1000-litre tanks for industrial purposes. (Casimiro Pérez S.L. 2022.)



Image 4. Bottle of Aceites troya 5l virgin oil; bottles of extra virgin olive oil (Casimiro Pérez S.L. 2022.)

Finally, Aceites Troya has a gourmet oil production called mas de la salud that produces organic extra virgin oil and extra virgin oil grown in their own harvest in a farmhouse called masia de la salud. (Casimiro Pérez S.L. 2022.)

3 Theoretical background

In this part of the thesis, it will be explained on a theoretical way how to go into a new market and the tools that are going to take the best decisions.

Once all the necessary theory is known, it will be elaborated an study through different tools like PEST-analysis, Porter's Five Forces Analysis, and SWOT-analysis that will help to analyse the Finnish market.

Hollensen's Five Stage Strategy is the primary source of reference for this theory. It is made up of 5 different parts, but this thesis will primarily focus on just three including step 1 the decision to internationalize, step 2 the process of selecting which markets to enter, and step 3 determining how to enter the said market. (Hollensen 2011, 3.)



Figure 2. The five-stage decision model in global marketing and which are going to be used (adapted from Hollensen 2011, 3)

3.1 Hollensen’s five stages strategy

The Five stages strategy, as developed by Hollensen, is a systematic approach that involves assessing market opportunities and internal resources, determining marketing objectives, and planning the implementation of international marketing strategies. (Hollensen 2014, 6.)

This model consists of five clearly defined parts which have been successfully utilized by numerous companies when creating their global marketing plan. It is an efficient and comprehensive method that outlines all marketing activities required to be carried out within a specific timeframe. (Hollensen 2014, 7.)

Although the thesis will concentrate mainly on the first three parts, the entire five-stage process is briefly explained here.

3.1.1 Decision to internationalize or not

The initial phase of the Hollensen's five stage strategy examines the skills and strategies required for global marketing from a value chain point of view. As part of this step, it explores the driving factors that prompt a company to expand internationally and the associated procedures it must undertake. (Hollensen 2014, 3.)

Furthermore, this stage equips companies with analytical instruments like The nine strategic windows model that is helpful to evaluate the degree of competitiveness in the market they plan to penetrate. (Hollensen 2014, 8.)

		Industry globalism		
		Local	Potentially global	Global
Preparedness for internationalization	Mature	3. Enter new business	6. Prepare for globalization	9. Strengthen your global position
	Adolescent	2. Consolidate your export markets	5. Consider expansion in international markets	8. Seek global alliances
	Immature	1. Stay at home	4. Seek niches in international markets	7. Prepare for a buyout

Figure 3. The nine strategic windows model (Hollensen 2014, 8.)

3.1.2 Market entry

In the second part, after considering if the company internationalize the company should choose which is a good market to introduce the products.

This stage mainly aims to help the company how to deal about the economic and political factors of a concrete place that can affect to the company in order to adapt the products to the different situations of different places. Once the business knows all the necessary modifications or adaptations that the product needs to go into the market the brand can choose properly which markets are interesting to export and which can be too risky (Hollensen 2014, 169.)

3.1.3 Market entry strategy

Once the business has decided which is a good market to sell their products, they should decide the way that they are going to introduce the products in the new market.

There are different entry methods and depending on the market peculiarities the business should choose the one that fits better with it being even possible to combine different strategies to adapt the brand better and faster. (Hollensen 2014, 325.)

3.1.4 Design of the global marketing program

In this part, Sven Hollensen gives advises about how to adapt the products to different markets, how to present and show the products and also if it is necessary to do any exchange to the original price. (Hollensen 2014, 471.)

3.1.5 Implementation and coordination of the global marketing program

Once the company has already carried out all the previous steps and is practically internationalized, it only has to coordinate and put into practice everything decided.

In this last part, emphasis is placed on how the company should deal with new partners in the new country (wholesalers, retailers, etc.)

3.2 Implementation of Hollensen's 5 stages model

As it has been mentioned already, just 3 of the 5 stages are going to be used in this thesis. In the following points, we will talk about internal and external analysis, the tools that will be used in these and about the different market entry strategies that exist.

3.3 Analysis of the situation

In order to take into account all the possible variables that affect the company to enter a new market, an internal study is carried out in which internal factors of the company are analysed and another external one in which the company's environment is analysed.

3.3.1 Internal analysis

When considering global expansion, it is important for a company to thoroughly assess its internal factors in the initial stage of decision-making. This involves carefully analysing problems, identifying primary objectives, and evaluating the company's overall ability to adapt and implement work experience and values within the new market. It is crucial to develop a detailed working plan to ensure success in the international market process, as failure to do so may result in significant risks and limited strategic adaptability. In short, studying and learning these internal factors is critical for effective global expansion. To make this internal analysis, it will be used the tool named SWOT. (Carrión J. 2011, 2.)

3.3.2 External analysis

When a company decides to enter the international market, it must not only consider its internal factors, but also devote significant effort toward analysing and evaluating external factors that may impact its operations in the target country. These uncontrollable external factors can significantly influence a company's marketing strategy and must be considered to ensure success. These external factors include political, legal, economic, social, and cultural issues present in the designated country. In many cases, companies require assistance when dealing with the impact of these external environmental factors. (Santesmases M. 2018, 23.)

These factors can be broadly categorized into two sectors: macro-environmental and micro-environmental. The former reflects the current situation and identifies potential opportunities and threats for the company in the selected market. At the same time, the latter analyses the specific competition level of the country and compares it to the company's home country to determine similarities and differences. (Santesmases M. 2018, 23.)

In summary, when considering international marketization, careful attention to external factors is essential for developing an appropriate marketing strategy and achieving long-term success. The tools named PEST analysis and Porter's Five Forces Analysis will be used to make this external analysis.

3.4 Analysis tools

In this section will be explained on a deeper way the 3 tools that are going to be used in the analysis in order to make it easier to understand why the things are done in a certain order and logic once that tools are being applied.

3.4.1 SWOT

The SWOT analysis tool is widely used to evaluate the trade structure of companies by examining both internal and external competitive environments and conditions. It involves identifying major internal strengths, weaknesses, and external opportunities and threats that are closely associated with the research object via a thorough investigation. These factors are arranged in a matrix format, and system analysis principles are then applied to match them and generate a series of outcomes. (Carrión J. 2011, 3.)

The corresponding conclusion is typically critical with significant decision-making implications. This method allows companies to conduct a comprehensive, systematic, and accurate assessment of the research object's situation, enabling the development of appropriate development strategies and countermeasures based on the research results. SWOT analysis is an essential and straightforward analysis tool for developing business strategies when starting a company or initiating a project. (Carrión J. 2011, 3.)

The four main components of this tool include Strengths, Weaknesses, Opportunities, and Threats. The following chapters will analyse these three models in conjunction with the actual situations of the argument. Overall, SWOT analysis provides a practical approach to comprehensively evaluating company strengths, weaknesses, opportunities, and threats, and subsequently developing sound business strategies. (Carrión J. 2011, 3.)



Figure 4. SWOT structure

3.4.2 PEST

When a company wants to sell its products or brands into foreign markets, it may encounter various geopolitical differences that can impact its success. These environmental factors are often beyond the control of the company but companies can use the PEST Analysis model to analyse the overall environment, which focuses on political, economic, social, and technological factors through environmental scanning. (Santesmases M. 2018, 34.)

This external analysis tool can provide an overview of the different factors in the market and help companies understand the growth or decline of the market and the potential and direction of their own operations. (Santesmases M. 2018, 34.)

However, conducting a PEST analysis requires a deep understanding of the analysed enterprise and access to a large number of relevant research materials. (Santesmases M. 2018, 34.)

Economic factors to consider include the level of development, size, growth rate, government revenue, and expenditure. Political factors include the political system, government, national industrial policies, and relevant laws and regulations. Social factors include population, values, and moral standards. Technological factors include breakthroughs in high-tech and new technologies, process technology, and basic research. (Santesmases M. 2018, 35.)



Figure 5. PEST structure

3.4.3 Porter's 5 forces analysis

Porter's Five Forces is a widely used framework for analysing the competitive dynamics of industries and organizations. This model examines five key competitive forces that shape the industry landscape and helps identify areas of strength and weakness. By analysing the industry structure using this framework, businesses can determine their strategic positioning and make informed decisions. (Santander Universidades 2022.)

The versatility of this model makes it applicable in various sectors of the economy, providing insights into the level of competition and customer satisfaction, which can ultimately lead to improved profitability. In essence, Porter's Five Forces serves as a valuable tool to assess the competitive environment of an industry, enabling businesses to gain a comprehensive understanding of their customers and devise effective corporate strategies to stay ahead of the competition. (Santander Universidades 2022.)

The 5 forces are:

-Competitors in the industry: This section analyses the total number of competitors, how the sector is growing, and which barriers are related to mobility or going out of the sector. (Santander Universidades 2022.)

-Substitutive products: This section analyses what substitutive products are, if these products also satisfy all the necessities of the customer, the prices, the possible obsolescence of these products, and the cost of exchanging through the different products. (Santander Universidades 2022.)

-Customers: This section analyses the total number of customers, the power of negotiation that these customers have, if there is any kind of differentiation between them, and if there is any possibility for them to do a backward vertical integration. (Santander Universidades 2022.)

-Potential competitors: This section analyses new possible entry threats, how attractive the sector is for new potential competitors, how expensive it is, and how big the barriers are to go into the concrete sector. (Santander Universidades 2022.)

- Suppliers: This section analyses the power of negotiation of the different suppliers, the number of suppliers that the sector already has, if there is any kind of differentiation between them, and if it is possible to do a forward vertical integration for them. (Santander Universidades 2022.)



Figure 6. Porter's 5 forces structure

3.5 Strategies to go into the market

A market entry strategy refers to a business's approach to enter a new market, establish a presence, attract and engage with potential customers, and achieve its business objectives. This strategy is crucial as it outlines how the business plans to communicate with its target audience, what message it intends to convey, and which channels it will use to generate sales and build strong relationships in the new market. (Hollensen 2014, 325.)

A company's success in a new market is greatly influenced by its chosen market entry strategy. Hence, it is important to carefully evaluate all available options and select the one that aligns with the company's objectives and resources. In this section, It will be explained the various market entry strategies that businesses can adopt to enter a new market, and provide an in-depth analysis of each option. (Hollensen 2014, 325.)

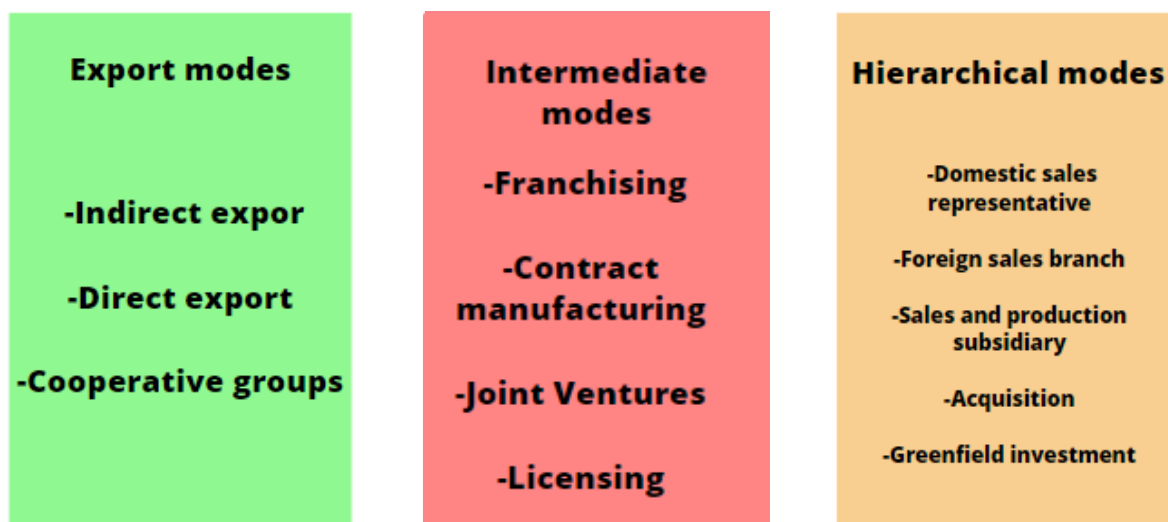


Figure 7. Market entry modes (Hollensen 2014, 331-398.)

3.5.1 Export modes

Export methods are often the go-to option for businesses entering a new foreign market. These methods involve exporting goods directly or indirectly to the target market, based on various factors such as market characteristics and intermediary preferences. The underlying concept of export methods is to engage a trusted and committed external partner or agent who will take on specific responsibilities as specified by the company. The company retains control over its functions while delegating others to the external partner. (Hollensen 2014, 347.)

Export methods are considered to be the easiest to manage, require fewer resources, and entail lower risks than other market entry strategies. Three primary types of export methods exist: indirect, direct, and export through marketing groups. The classification is based on the extent of responsibility the external agent assumes on behalf of the company. (Hollensen 2014, 347.)

Each method has its unique features and benefits, which will be explained in greater detail below. A comprehensive illustration summarizing all the available export methods will also be shown.

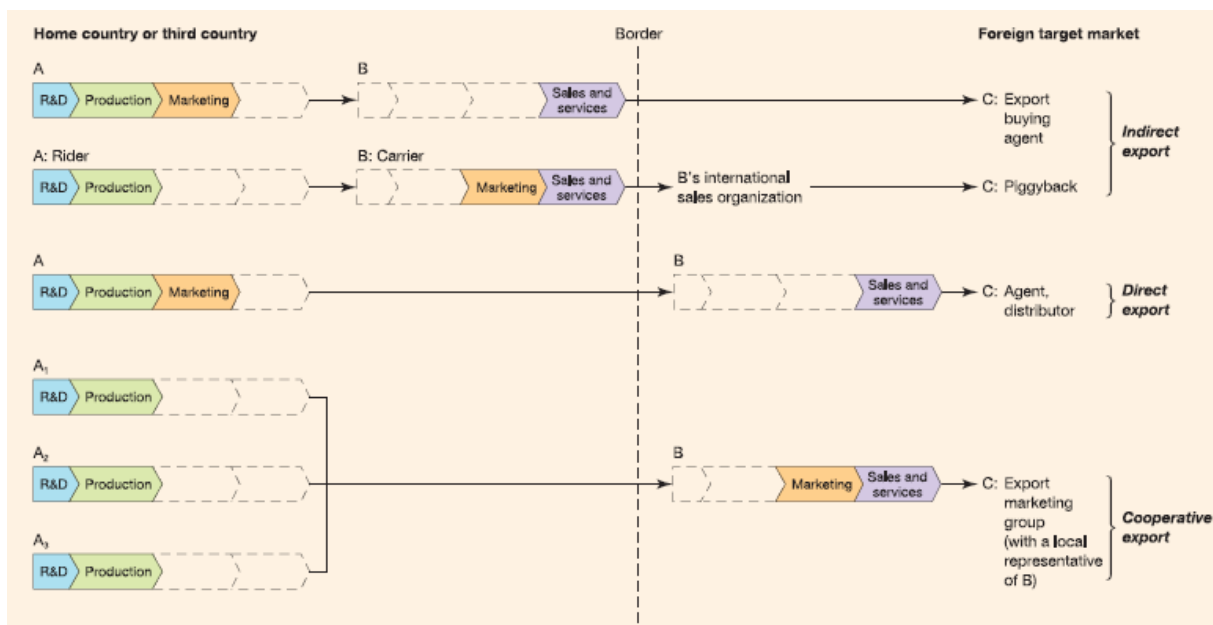


Figure 8. Export modes (Hollensen 2014.)

Indirect exporting

Indirect export is a type of export method where a manufacturer utilizes independent export organizations based in their home country or a third country. In this method, the company is not directly involved in the export activities and relies on external partners to conduct the business. This approach is particularly suitable for companies that are not looking for extensive expansion, have limited resources, or prefer to test the market before making a significant investment. (Hollensen 2014, 349-353.)

The export activities in indirect export are typically carried out by commercial companies that operate outside of the manufacturer's organization, such as local or foreign country export purchasing agents or brokers. One of the key advantages of this method is that it requires no prior experience in exporting and involves minimal investment and commitment, thereby reducing risk. (Hollensen 2014, 349-353.)

However, the use of an external agent reduces the producer's profits, and there is limited control over the marketing mix elements beyond the product. Additionally, there may be

limited or no contact with the target market, which can lead to a lack of understanding of the market's needs and preferences. (Hollensen 2014, 349-353.)

Direct exporting

Direct export refers to the process by which a manufacturer sells its goods directly to an importer, agent, or distributor based in the foreign target market. This approach involves the producing company taking full responsibility for all export activities and establishing direct connections with the intended foreign market. The company may use agents or distributors to facilitate the process. The benefits of this method include the opportunity to build trust, establish new contacts, conduct market research, and develop new marketing strategies through the company's international department. (Paéz G 2021.)

One significant advantage of direct export is that it provides direct access to the local market and customers, resulting in a shorter distribution chain and greater control over the company's marketing mix. Furthermore, direct export enables companies to gain more knowledge of the target market, which is valuable when developing marketing strategies. However, it is important to consider the potential drawbacks of this approach, such as the possibility of less market price control due to export tariffs or trade rebates, the need for investment in a sales organization, and the possibility of cultural differences between the exporting and importing countries. (Paéz G 2021.)

Cooperative groups

This export method involves multiple companies collaborating in export activities, which is common among small enterprises or those operating in mature or traditional sectors. Such companies often face limitations in production capacity due to the size of the market. (Hollensen 2014, 361.)

This collaboration allows these companies to provide consumers with a more comprehensive product, with each company contributing its specific product or service to generate joint profits. Additionally, this approach mitigates the risks and costs of internationalization as they are distributed among the participating members. (Hollensen 2014, 361.)

However, conflicts may arise between the companies due to differing objectives. (Hollensen 2014, 361.)

3.5.2 Intermediate modes

Intermediate market entry modes lie between export and hierarchical modes, offering export opportunities while facilitating knowledge and skill transfer among collaborating parties. In these modes, the leading company and local partners share ownership and control of the business in the target market. This approach is often employed when the company has a competitive advantage in the new market but needs more knowledge or resources to utilize it effectively. (Hollensen 2014, 369.)

There are several intermediate entry modes, including licensing, franchising, contract manufacturing, and joint ventures. These methods enable the participating companies to share risks and rewards while also leveraging their strengths and resources to achieve common objectives. Below, each of these four intermediate modes of entry will be explained in greater detail. Additionally, a detailed diagram summarizing all the methods will be provided. (Hollensen 2014, 369.)

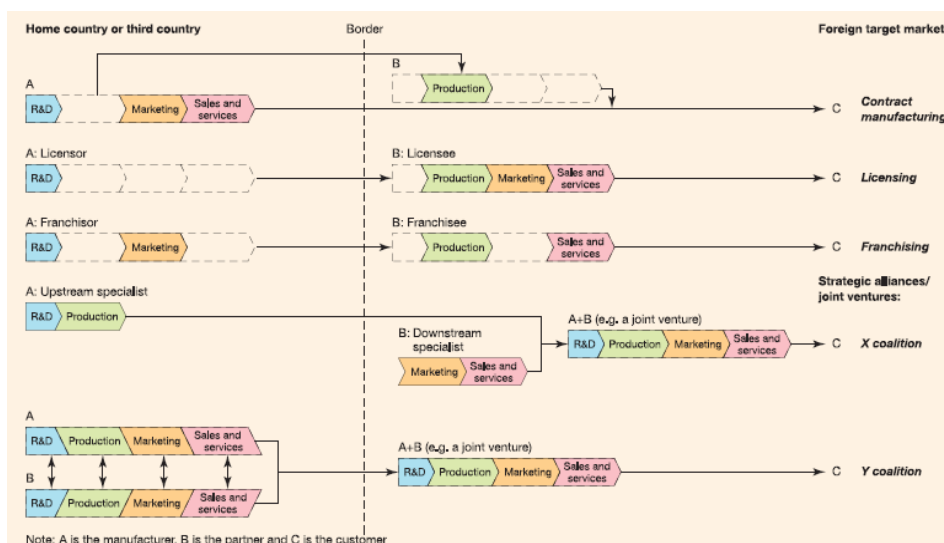


Figure 9. Intermediate modes (Hollensen 2014.)

Franchising

Franchising is a business model where a franchisor grants the right to a franchisee to use their established business concept and trademarks in exchange for a fee or royalty. It's a popular marketing method where independent investors can purchase a proven business service and benefit from the franchisor's experience and knowledge. (Hollensen 2014, 374.)

There are two main types of franchising: product and trade name franchising, and business format franchising. This section will focus on the latter, which is the most widely used globally. This type of franchising involves the establishment of a relationship between the franchisor and franchisee through an agreement. By purchasing the franchise, the franchisee gains the right to operate a business model that has already been developed by the franchisor. (Hollensen 2014, 374.)

There are two types of franchising systems: direct and indirect. In a direct franchising system, the franchisor controls and coordinates all the franchisee's activities. In contrast, an indirect franchising system involves a sub-franchisor who has its own franchisee subsystem within their territory. (Hollensen 2014, 374.)



Image 5. Famous franchises (Whichfranchise. 2014)

Contract manufacturing

Contract manufacturing is a business arrangement where a company hires a specialized external partner to handle the production of their goods. The contracting company retains control over marketing, distribution, sales, and service, while the local company assumes responsibility for the manufacturing process. (Hollensen 2014, 369.)

Contract manufacturing is a practical solution for companies that require additional resources to establish an assembly line in a foreign market. By outsourcing production, the company can benefit from reduced production and investment costs, as well as favorable export laws. Moreover, being closer to customers can result in faster delivery times and lower transportation expenses. (Hollensen 2014, 369.)

However, there are challenges associated with this type of partnership, such as the difficulty of transferring knowledge to the local enterprise. Also, finding a suitable manufacturer that meets the company's requirements can be a daunting task. Additionally, there is a risk that the local partner may become a strong competitor in the future. (Hollensen 2014, 369.)

Despite these potential drawbacks, contract manufacturing can be an effective means of expanding production capabilities while maintaining control over key business functions. (Hollensen 2014, 369.)

Joint ventures

A joint venture refers to a partnership between two or more companies, where they come together to create a new entity that operates in the market. (Hargrave M. 2023.)

Companies may form joint ventures for a variety of reasons, such as accessing new markets, accelerating entry into a target market, and reducing costs associated with research and development. Joint ventures can take two forms: equity joint ventures and non-equity joint ventures, also known as strategic alliances. (Hargrave M. 2023.)

In an equity joint venture, the partnering companies establish a new company, and they share ownership and control of the new entity on an equitable basis. Conversely, strategic alliances do not involve the creation of a new company, and cooperation is not equitable. This means that alliance members do not invest in the same way. (Hargrave M. 2023.)

Joint ventures and strategic alliances have a specific duration and typically end with the sale of the new company, including one of the parties. Ultimately, joint ventures and strategic alliances offer companies an opportunity to work together to achieve a common goal, gain access to new markets, and achieve economies of scale while sharing risk and reward. (Hargrave M. 2023.)

Licensing

Licensing is a business arrangement where a licensor grants the licensee the right to use a particular intellectual property or technology, in exchange for a predetermined fee or royalty. This approach allows the lead company to establish a local production presence in foreign markets without making any significant initial investment. (Hollensen 2014, 371.)

However, this entry mode involves a higher level of responsibility for the local company, as most of the operational functions are transferred to them. Although this arrangement offers several benefits, such as lower investment requirements, increased profitability, access to new markets, and potential acquisition of competitive advantages, there are also some drawbacks. (Hollensen 2014, 371.)

For example, the local company may become a future competitor, and negotiations can be challenging, requiring a high level of control from the lead company. Additionally, governments may impose restrictions on licensing, which can further complicate matters. Despite these potential challenges, licensing remains a viable option for companies looking to expand their operations into foreign markets. (Hollensen 2014, 371.)

3.5.3 Hierarchical modes

Hierarchical market entry methods are strategies where the parent company has complete ownership and control over the foreign market entry. (Hollensen 2014, 399.)

The different methods available include appointing agents, setting up sales and production subsidiaries, creating transnational organizations, buying existing companies, or establishing new business operations in the foreign market. Each method varies in terms of the amount of control and investment required by the parent company and are explained in more detail below. (Hollensen 2014, 399.)

A figure is also shown that helps to better understand how each one works.

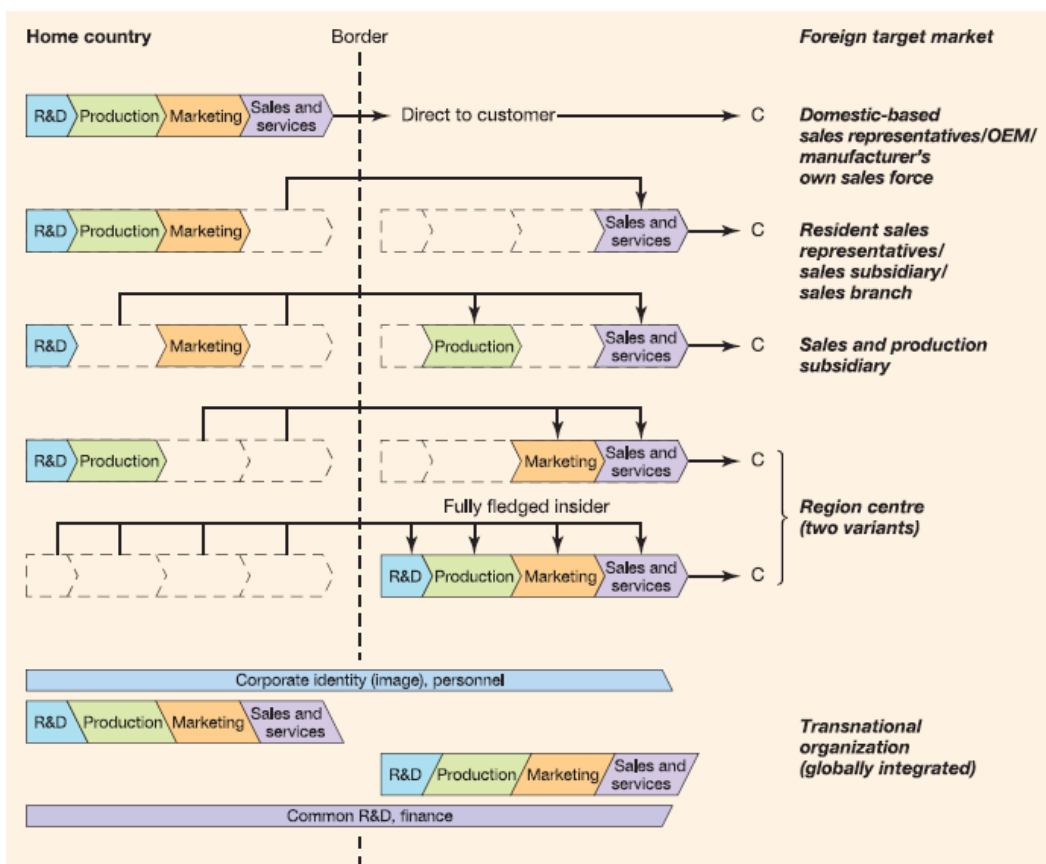


Figure 10. Hierarchical modes (Hollensen 2014, 399.)

Domestic sales representative

The sales representative can either be based in the country where the company is located or in the country where the sales are taking place. When the representative is based in the same country as the manufacturer, they are referred to as domestic-based. This type of representative travels to other countries to carry out sales activities. By having a domestic-based representative, the company can maintain better control over the sales process and maintain direct communication with customers. However, this approach can be costly since it involves significant expenses such as travel costs. Hence, the company needs to ensure that the size of orders justifies the expense. (Hollensen 2014, 400.)

Foreign sales branch

In some instances, it may be feasible to transfer the entire sales function of a company from domestic to international markets. This approach involves the establishment of new branches in the target country, which can be facilitated by local companies that allow the hiring of locals. By doing so, the company can effectively hand over control of the sales process to the new international branch. This approach requires significant investment and carries a high degree of risk. However, it also provides the potential for greater market penetration and improved access to local customers. Ultimately, the decision to pursue this approach will depend on the company's goals, available resources, and risk tolerance. (Hollensen 2014, 401.)

Sales and production subsidiary

When a company is confident about the long-term potential of its products in a particular market, it may establish a sales and production subsidiary in that country. This approach involves significant high investment and is considered risky. However, by doing so, the company can exercise direct control over both the sales and production processes in the market. This helps the company to avoid issues related to exports, transportation costs, and raw material procurement, as well as providing direct access to the target market. Ultimately, the investment required for this method may be substantial, but the company can benefit from reduced operational challenges and the potential for sustained growth over the long term. (Hollensen 2014, 402.)

Acquisition

A company looking to establish a presence as a subsidiary in a foreign country has two options: acquisition or land investment. An acquisition allows the company to enter the market quickly, with immediate access to established distribution channels, skilled employees, valuable know-how, and a pre-existing reputation. However, this approach requires significant investment and is associated with high risk, as it may be subject to challenges arising

from the cultural practices of the acquired company. Typically, this method is employed when the market is highly competitive, with significant barriers to entry. Despite its potential drawbacks, an acquisition can be an effective way for a company to establish a foothold in a foreign market and gain a competitive advantage. (Hollensen 2014, 407.)

Greenfield investment

When a company decides to make a Greenfield investment in a foreign country, it involves constructing a new production plant that adheres to the company's specific requirements, incorporates the latest technological advancements, and avoids any issues related to taking over an existing facility. This approach provides the company with greater flexibility and control over the production process. However, it comes with a higher level of risk and requires significant investment, both in terms of time and resources. The construction of a new plant can take a considerable amount of time, resulting in a slower market entry. Despite this, the company may receive local incentives from the government, or it may have its own strategic reasons for choosing this method of market entry. Ultimately, Greenfield investment can be an effective way to establish a strong presence in a foreign market and achieve long-term growth objectives. (Chen 2020.)

4 Analysis of the Finnish market

Once all the contents have been explained in a theoretical way and at all time is known what they are talking about, it will proceed to study the market of interest of the company Casimiro Pérez S.L..

To expand its product sales to Finland, Casimiro Pérez S.L. plans to conduct a market feasibility study. This study will examine Finland as a potential target market and analyse its general characteristics and factors, as well as the competition in the Finnish market. The analysis will focus specifically on olive oil, which is the product that Casimiro Pérez S.L. specializes in. To carry out the study, a PEST analysis will be used to assess the general environment, while Porter's Five Forces analysis will be used to evaluate the specific competition in the olive oil market in Finland.

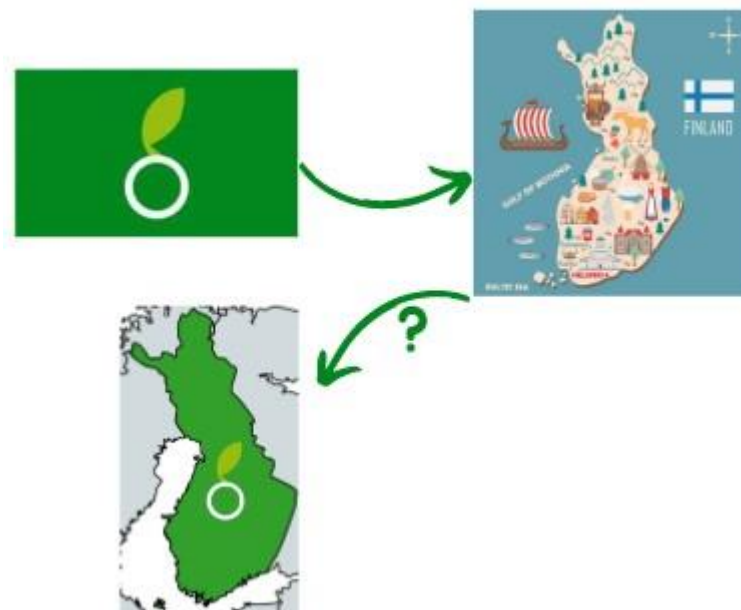


Image 6. Possible future market of Casimiro Pérez S.L. (Own source)

4.1 PEST analysis

To help the case company, Casimiro Pérez S.L., enter the Finnish market, the following provides a PEST analysis of the market. As was explained in subchapter 3.4.2, PEST analyse different factors that influence the business and the name is composed for the initial of every factor: Political, Economic, Social and Technological.

4.1.1 Political factors

Among the most important political factors related to the company's market of interest is the fact that Finland is an EU country following its accession to the EU in 1995. In addition, Finland is also part of the euro zone, i.e. the country's currency has been the euro since 1999. In addition, Finland has also been a member of the Schengen area since 2001, which is why it abolished border controls at the common borders in 2001. (European Union 2023.)

Related to national politics, on 2 April 2023, the country's parliamentary elections were held and the centre-right National Coalition party won, followed by the far-right party. It is still too early to say how this will influence national politics, but on paper these parties advocate for conservatism, and in the case of the far-right party it is even against the European Union. (Torralba C. 2023.)

An event that is not happening directly in Finland but close by is the ongoing war between Ukraine and Russia. The war between Russia and Ukraine started in 2014 and has caused the death of tens of thousands of people as well as massive population displacements. Russia annexed the Crimean peninsula and supported pro-Russian separatists in eastern Ukraine. Despite international efforts to resolve the conflict, tensions remain high and the conflict remains unresolved. (BBC News, 2023.)

The war between Russia and Ukraine has direct implications for Finland, which shares a border with Russia. Finland has expressed concern about the situation in Ukraine and has been one of the strongest advocates of international sanctions against Russia. Tensions between Russia and Ukraine have increased instability in the region and have heightened Finland's concerns about security on its own border. (BBC News, 2023.)

In addition, Finland used to be lightly dependent on trade with Russia and due to the war almost every business between both countries has deteriorated.

On the other hand, Finland has been one of the countries providing financial and humanitarian assistance to Ukraine. Finland has worked with other EU countries to impose sanctions on Russia and has expressed its support for Ukraine's territorial integrity. (BBC News, 2023.)

The war between Russia and Ukraine therefore has significant security and economic implications for Finland. Finland has worked to maintain good relations with both countries, but has expressed concern about the escalation of tensions and has advocated a peaceful solution to the conflict resulting in its annexation to NATO on 4 April 2023. (BBC News, 2023.)



Image 7. EU members, Elections in Finland and Russian war (BBC News 2023.)

4.1.2 Economic factors

When it comes to economic factors that have an impact on the Finnish market, there are several to consider. One of the most significant is the use of the euro as the national currency. This means that Finland is part of the larger Eurozone economy, which can have both benefits and drawbacks for Finnish businesses and consumers alike. On the one hand, using the euro can make it easier to do business with other European countries and can help to promote stability and consistency across the region. On the other hand, it can also make it more difficult for Finland to control its own monetary policy and to respond to economic challenges in a way that is tailored specifically to its own needs.

Another factor that influences the Finnish market is the average salary in the country. At €456084 per year, this is relatively high compared to many other countries in the world. This can be both a strength and a weakness for the Finnish economy. On the one hand, it can help to attract highly skilled workers and support consumer spending, which can drive economic growth. On the other hand, it can also make it more difficult for Finnish businesses to compete on price with companies in other countries where labor costs are lower. (Palo-kangas.E, 202.)

When it comes to food taxes specifically, the general tax rate in Finland is 14%. This means that consumers can expect to pay a higher price for food items than they might in some other countries where taxes are lower. (Vero Skatt. 2020.)

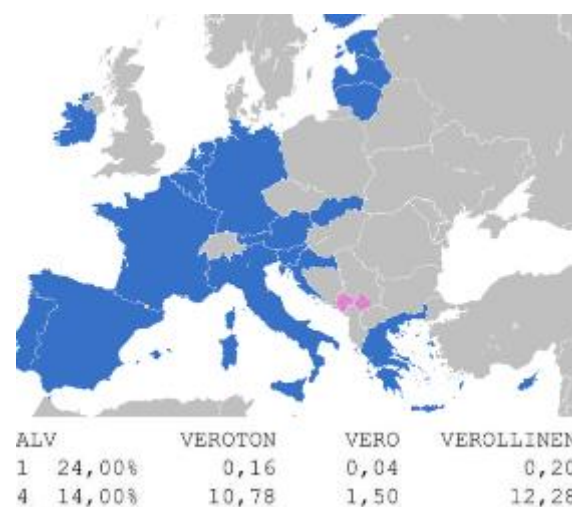


Image 8. Eurozone members and ticket from S-maket on which they charge 14% to the meal (Own source.)

4.1.3 Social factors

Related to the social factors that influence in this study, the most important one is which behaviour have the Finnish people related to olive oil. according to a study carried out by the prestigious olive oil organisation ASAJA Jaén: Around 0.47 kg of olive oil is consumed per person. (ASAJA Jaén. 2022.)

As for the consumption of olive oil according to sex, 50.2% is consumed by women and the remaining 49.8% by men. If we distinguish the consumption of olive oil according to age, the group between 50 and 65 years of age predominates with 34%. In terms of family structure, middle-aged families with children predominate, with a consumption of 20%, followed by young families with children with 17%. (ASAJA Jaén. 2022.)

With regard to the level of purchasing power, those Finns with a medium-low income level have a higher consumption of olive oil than those with a high income level, with 59% of those with a medium income level. (ASAJA Jaén. 2022.)

In terms of educational level, individuals with a higher level of education (university) have a higher consumption of olive oil (50%). However, for those with no education, their consumption amounts to no more than 11%. In general, olive oil continues to be unknown to the lower-middle consumer, although its qualities are appreciated by more educated consumers. (ASAJA Jaén. 2022.)

Of the different varieties of olive oil, the most predominant is extra virgin olive oil with 41%, followed by olive oil with 39%. Olive pomace oil is not consumed at all with only 2%. (ASAJA Jaén. 2022.)

According to the type of packaging, consumption is higher in PET packaging (70%) and glass packaging (28%). The main use of olive oil is as a raw product, i.e. for seasoning (65%), although the use of olive oil for cooking (30%) also stands out to a lesser extent than the previous one. (ASAJA Jaén. 2022.)

The main establishments where the inhabitants of Finland buy olive oil are supermarkets (37%), followed by hypermarkets (25%), the Internet (9%) and traditional shops (2%). (ASAJA Jaén. 2022.)

The majority of users in this country consume olive oil in their own homes (97%), only 3%

do so outside their domestic environment. Outside the home, the establishments where olive oil is most consumed are bars and restaurants (25%) and hotels, the canning industry and the food processing industry (20%). (ASAJA Jaén. 2022.)



Image 9. Olive oil vs Butter in Europe (Landgeist 2021.)

It is also important to know what typical dishes there are in the country. Finnish cuisine is shaped by the country's location, weather, and history, and emphasizes the use of fresh ingredients and hearty, comforting dishes. Some of the most iconic and traditional Finnish dishes include Karjalanpiirakka, which are small pastries filled with rice porridge and often served with egg butter. Another popular dish is Kalakukko, a fish pie made with rye flour dough and filled with fish and bacon.

Meatballs, or Lihapullat, are a staple of Finnish cuisine and are made from a mixture of beef and pork, seasoned with onions and allspice. They are often served with mashed potatoes and lingonberry jam. Poronkärstys is a traditional stew made with reindeer meat and typically served with mashed potatoes or lingonberry sauce and is popular in Lapland.

Graavilohi is a dish of cured salmon, often served with a mustard-dill sauce or rye bread, while Hernekeitto is a pea soup made with dried peas, ham, and vegetables, typically served with rye bread and mustard. Finnish rice pudding, or Riisipuuro, is often served with cinnamon and sugar, and blueberry pie, or Mustikkapiirakka, is a buttery pastry filled with fresh blueberries and often served with whipped cream.



Image 10. Karjalanpiirakka, Kalakukko, Graavilohi and Mustikkapiirakka (Collage elaborated with pictures from kitchen recipes.)

4.1.4 Technological factors

The last of the factors to be analysed is technological. In terms of the latest technology, Finland is a very advanced country in terms of technology and connectivity. It is also known for its commitment to privacy and data protection for its citizens. This has led to an early and widespread adoption of social networking and digital communication technology in the country. (Similarweb, 2023.)

The most popular social networks in Finland are Facebook, Instagram and Twitter, which are used by a large part of the Finnish population to communicate and share information. There are also popular social networks specific to Finland, such as Suomi24, which is an online discussion platform used by many Finns to discuss current issues and share opinions. (Similarweb, 2023.)

The use of social networks in Finland extends to all ages and sectors of the population. Young people are particularly active on social media and use platforms such as Snapchat and TikTok. There are also a large number of Finnish companies using social media to promote their products and services and to interact with their customers. (Similarweb, 2023.)

in terms of the country's infrastructure, Finland's infrastructure is modern, efficient and well maintained. The country has a well-developed road and motorway network connecting major cities and towns, as well as an extensive railway network covering much of the country.

The country also has an advanced telecommunications network, which includes high-speed internet access throughout the country, as well as a wide range of mobile and fixed-line communication services. (Legiscomex. 2017.)

Overall, Finland's infrastructure is of high quality and well developed, reflecting the country's commitment to progress and sustainable development. (Legiscomex. 2017.)



Image 11 Road map of Finland (Shutterstock 2020.)

4.2 Porter's 5 forces

As previously stated in the thesis, Porter's Five Forces model is a framework that examines the competitive dynamics of a particular industry or micro-environment. In contrast to the done PEST analysis, this tool specifically focuses on the olive oil sector to identify potential opportunities and threats within the industry.

Regardless of the market sector, this analysis is critical for businesses that seek sustainable profitability, as it helps them anticipate and avoid unfavorable circumstances. Presented below is an overview of Porter's Five Forces model, which outlines the five essential factors that influence industry competitiveness and profitability.



Figure 11. Porter's five forces

4.2.1 Suppliers

The main supplier of an oil company are the olive producers, that is, the people who have fields dedicated to the exploitation of olive trees.

With regard to the suppliers of Casimiro Pérez S.L. These are individuals who own fields with olive trees in the region of l'alcoià. These suppliers are very numerous since anyone who has olive trees in the area (which is the main crop of this plant because it is the one that gives the best yield with the conditions of the land) can sell their fruit to Casimiro Pérez S.L.

This great abundance of suppliers means that they barely have bargaining power or differentiation from one another. The only factor that may become relevant are factors external

to these suppliers that cause the supply to decrease, as is currently the drought that the area is experiencing and that brings as a product that it is not being a good year for the production of olives.

With regard to the possible forward vertical integration by these small producers, it is almost impossible to be carried out since to produce oil in industrial quantities, a large quantity of olives is needed, which, as a general rule, no individual has in this area. Added to the need to make a large investment in machinery and infrastructure which is not usually within the reach of these people who usually grow olives to obtain an extra income beyond their salary from their main job.



Image 12. People collecting olives close to Alcoy, Alicante (Vilaplana 2021.)

4.2.2 Substitutive products

A company must take into account its competitors and the new companies that are going to enter the market. For this reason, the business can't forget about substitute products that threaten their sales. These refer to those products/services that satisfy the same customer needs as those that are satisfied by those offered by the sector.

Sometimes these can pose an even greater threat than products of the same type themselves. This section will analyse the possible substitute products for virgin oil that may pose a threat to Casimiro Pérez S.L.

Olive oil is a product whose main function is to serve as an ingredient for cooking and seasoning food. Some of the basic needs covered by olive oil are the lubrication of food during cooking, the improvement of the flavor and texture of dishes, and the contribution of healthy fats to the diet.

However, there are other substitute products that can threaten the olive oil sector, such as other types of oils (such as sunflower or soybean), margarines and butters.

4.2.3 Potential competitors

In any market there is a threat for companies already established in it that new companies intend to gain a foothold in the market and begin to introduce their product in it. This section will analyse the potential competitors that may appear in the olive oil market and pose a threat to Casimiro Pérez S.L.

In the oil market there are many companies already installed and in good positions, despite this the market leader is Aceites del sur-Coosur S.A. different from the competitors. But it cannot be forgotten that we are talking about the virgin olive oil market, therefore, not all the companies in the oil market are within the virgin oil market, but they can begin to enter the market.

Due to the aforementioned, the threat of new competitors does exist for Casimiro Pérez S.L.

The entry barriers to the virgin olive oil market for a company already established in the oil market should not be a problem for them, that is, the entry barriers will be minimal and they will be able to introduce their product without too many inconveniences. It must also be taken into account that the virgin olive oil market is quite established today, this means that some less powerful or innovative companies do not see the entry into the virgin olive oil market as attractive.

That said, there may be other companies that do welcome entering an already established market. Innovative companies with a good R&D department should not see any drawbacks in entering a new market, since it is quite flexible. With a new and innovative product they can be successful among customers who consume this product.

4.2.4 Customers

With regard to the bargaining power of the end customer, they do not have any power regarding the ability to negotiate the price or other areas since, among other things, they buy the product directly from intermediaries, so they have no contact or influence with companies. Like Casimiro Pérez S.L., the number of olive oil consumers can be measured in millions of people and these clients have no differentiation from one another.

Regarding a possible backward vertical integration, this is practically impossible since it requires a multi-million dollar investment and oil consumers are individuals without such large sums of money.

4.2.5 Competitors in the industry

To carry out the analysis of the main competitors and for this to be carried out properly, we will use the Competitors Matrix where, through a table, the strong and weak points are synthesized, as well as the market price (prices collected by the author of the thesis in different supermarkets in Lahti) of each of the competitors together with Casimiro Pérez S.L.

The main competitors of Casimiro Pérez S.L. in the virgin olive oil sector are Bertolli (S-Market), BORGES(S-market,Prisma and LIDL), PRIMMADONNA(LIDL), XTRA(Prisma) and Rainbow (S-Market and Prisma)







	CASIMIRO PÉ- REZ S.L.	BER- TOLLI	BOR- GES	PRI- MADONNA	XTRA	RAIN- BOW
PICTURE						
PRICE	6€/L	14,10€/L	13,98€/L	10,7€/L	6,29€/L	8,49€/L
STRENGHT	Very good quality/price	Brand with good reputation	-Brand with good reputation -Able in a lot of supermarkets	Cheapest on LIDL	Cheapest in the current market	Good quality/price
WEAKNESS	Not in Finland yet	-The most expensive -Just in S-market	Expensive	-Just in LIDL -Similar to Casimiro Pérez but more expensive	-Just in Prisma	-Just available in the S-group -The brand does not produce directly the product

Table 1. Competitors matrix in Virgin olive oil present in the Finnish market

4.2.6 Intermediaries

As far as intermediaries are concerned, these are the supermarkets that deliver the product to the end customer. These supermarkets usually have a large volume of purchases and are not a large number of supermarkets, so they do have significant bargaining power over Casimiro Pérez S.L. and they may be stricter and more relevant when negotiating on issues such as price, the quantities of product to receive in a certain period of time or the exclusivity of selling certain brand products.

The main intermediaries in Finland are:

-K Group: It is the second largest supermarket chain in Finland and operates under several brands, such as K-Market, K-Supermarket and K-Citymarket.

-S Group: It is the largest supermarket chain in Finland and operates under several brands, such as Prisma, Sokos and Alepa.

-Lidl: It is a discount supermarket chain that operates in Finland and other European countries.

In Lidl the decisions are taken from the central offices in Germany while in S Group are taken by the central offices in Helsinki.

In K group each supermarket has more flexibility related to which products to offer and the price.

4.3 SWOT

Once the Porter's five forces and PEST analysis have been elaborated, is time to set up the SWOT. As it has been already explained, the SWOT analysis is a widely used tool for assessing a company's current situation.

It is composed of four elements: strengths, weaknesses, opportunities, and threats. The analysis involves identifying and summarizing the internal and external factors that impact the company's decision-making process, making it a useful tool for developing marketing strategies.

In the context of Casimiro Perez S.L., a SWOT analysis figure (figure 12) has been presented to illustrate the analysis components, which will be explained in detail.



Figure 12. Casimiro Pérez S.L.'s SWOT.

4.3.1 Strengths

CASIMIRO PEREZ S.L. is a brand that has established itself in the market due to its various strengths. One of its key strengths is its consolidated brand. The company has invested in building a strong and recognizable brand over time, which helps it stand out from the competition. A strong brand also increases the credibility and trust among customers, which can result in customer loyalty and repeat business.

Another significant strength of CASIMIRO PEREZ S.L. is its experience in exporting. By exporting products, the company has gained valuable experience in dealing with different cultures, regulations, and business practices, making it well-positioned to enter new markets and explore new business opportunities. This experience in exporting has allowed the company to diversify its customer base and reduce its reliance on a single market or region.

In addition, the brand has a good relationship between quality and price. Customers are attracted to the products offered by CASIMIRO PEREZ S.L. because they are of good quality and are offered at a reasonable price. This competitive advantage helps the brand to maintain its position in the market and increase customer loyalty.

Finally, CASIMIRO PEREZ S.L. has proper production capability. The company has the necessary production capacity to meet the demand for its products in Finland or any other market, which helps ensure timely delivery and customer satisfaction. Proper production

capability also means that the brand can respond quickly to market changes, emerging trends, and new customer needs.

4.3.2 Weaknesses

CASIMIRO PEREZ S.L. is a brand that faces some significant weaknesses that could affect its growth and competitiveness in the market. Two of its main weaknesses are that it is a small company compared to other companies in the olive oil sector. This could limit the company's ability to invest in research and development, expand its product offerings, or compete on price. A small company might also have limited resources to promote and advertise its products effectively, which can negatively impact brand awareness and customer acquisition.

In the other hand, the brand does not work in any Nordic market yet so they do not have experience in markets like Sweden or Norway that are similar to the Finnish one.

4.3.3 Opportunities

CASIMIRO PEREZ S.L. has several opportunities that it can leverage to increase its growth and competitiveness in the market. Some of its main opportunities are that the Finnish market for virgin olive oil is not overcrowded, which means there is room for new players like CASIMIRO PEREZ S.L. to enter the market and establish a foothold. This represents an opportunity for the brand to expand its customer base and increase sales by offering high-quality olive oil products that cater to the local market's needs and preferences.

Related to technologies, the social media makes it easier to create advertisements that can help to gain fame in new markets: Social media platforms offer an excellent opportunity for CASIMIRO PEREZ S.L. to promote its products and raise brand awareness. The brand can use various social media platforms like Facebook or Instagram to target specific audiences, create engaging content, and build a strong online presence. This can help the brand to gain fame in new markets, increase its customer base, and ultimately drive sales.

Some other opportunities are that is easy to sell the product in the Finnish market for being both in Schengen area. This is because there are no customs barriers or other trade restrictions within the area, which simplifies the logistics of importing and exporting goods. This presents an opportunity for the brand to expand its market reach and increase sales by offering high-quality olive oil products to customers in Finland.

4.3.4 Threats

CASIMIRO PEREZ S.L. is facing several threats that could potentially impact its growth and profitability in the future. One of the biggest threats is the ongoing war in Russia, which could affect the business's relationship with its suppliers, leading to an increase in the cost of raw materials. This, in turn, could impact the brand's ability to deliver its products to customers and have a negative impact on its sales and revenue.

Another significant threat is the preference of Finnish consumers for butter over olive oil. This could make it difficult for the brand to convince consumers to switch to olive oil, potentially impacting its sales and revenue in the Finnish market.

Finally, the potential entry of larger competitors into the Finnish market presents a significant threat to CASIMIRO PEREZ S.L. If the brand is successful in entering the market, it could attract the attention of larger competitors who may compete directly with the brand, leading to increased competition and pricing pressures, which could impact the brand's profitability.

4.4 Choice of entry mode

As previously discussed in the thesis, there exist various methods for a company to enter a new market. The choice of method depends on the company's goals for the new market, the resources available to the company, and the desired level of control over operations in the foreign market.

Two methods that require significant investment are typically employed when a company has a clear competitive advantage, are the intermediate and hierarchical modes. These methods offer greater control over operations in the foreign market.

On the other hand, export modes are the most used for initial market entry, as they pose lower risk. These methods require less investment and fewer resources but offer less control over operations in the foreign market. Despite this, they are easier to manage.

The key objective of Casimiro Perez S.L., as a company, is to enter the Finnish market and introduce its products forming partnerships with local wholesalers. The production of virgin olive oil will remain in the existing location (Alcoy). The company is not particularly concerned about maintaining a high level of control over the shares in the foreign market, as it is not necessary to do so. Due to the company's limited resources, making a significant investment in the foreign market is not feasible.

Given these considerations, the intermediate and hierarchical entry modes, which require significant investment and greater control, are not viable options. Therefore, the company's only feasible choices are export modes, which can be divided into two categories: direct export and indirect export.

To remind the main characteristics of these two methods, a table summarizing the characteristics of each one is presented:

CHARACTERISTICS	DIRECT MODE	INDIRECT MODE
FLEXIBILITY	LESS FLEXIBILITY	MORE FLEXIBILITY
MONEY	BIGGER INVESTMENT	LOWER INVESTMENT
PROMOTION CONTROL	MORE DECISION POWER	LIMITED
RISK	HIGHER	LOWER
SALES	HIGHER (POTENTIALLY TALKING)	LOWER(POTENTIALLY TALKING)
EXPERIENCE NEEDED	MORE EXPERIENCE NEEDED	LESS EXPERIENCE NEEDED

Table 2. Direct vs Indirect mode (Hollensen 2014.)

With all the pros and cons that are presented in the table, it is considered subjectively proper to suggest that the best of the two options would be through an indirect way, since in this way the company can carry out an export plan with its limited budget without assuming big risks and without the need to have someone with experience in the Finnish market among its workforce.

The cons of this indirect method are the lack of control in marketing, which does not worry the company much as it is a staple food item, and the possible lower sale of the product, which is not a fact that can be fully measured. security as there are other external factors that can influence this.

5 Suggestions

After doing a deep analysis of the Finnish market and how to go into it, is considered that the Finnish market is a proper market for the Casimiro Pérez's S.L. virgin olive oil and to go into they should choose an indirect mode.

To carry out this indirect method, the company Casimiro Pérez S.L. will search the Finnish market for a wholesaler who already has a good market presence and has an extensive distribution network. After a search, the company will contact a Finnish wholesaler specializing in gourmet products and reach an agreement to sell its virgin olive oil directly to the wholesaler.

Once the commercial relationship is established, the company Casimiro Pérez S.L. will start exporting its products through the Finnish wholesaler.

The wholesaler will be in charge of the distribution and sale of the Casimiro Pérez S.L. product in the Finnish market.

In this way, the company Casimiro Pérez S.L. don't need to worry about establishing a physical presence in Finland and can focus on the production of your virgin olive oil. For its part, the Finnish wholesaler has the necessary experience in the local market to promote and distribute the products of the Spanish company to supermarkets such as S market, Prisma or K market. To make it easier to understand, a figure below will be shown.



Image 13 How Casimiro Perez S.L. is going to sell virgin olive oil in Finland (Own source.)

6 Conclusions

Finally, as a summary, this section will provide a short and direct answer to the main question and sub-questions that have appeared during the study.

-Is Finland a viable target market for Casimiro Pérez S.L.?

After thoroughly analyzing the Finnish market and carefully considering all the relevant factors that could impact the introduction of the company's product, a conclusion has been reached. Based on the research, Finnish market presents a promising opportunity for the company to expand and generate new sources of revenue.

However, it is necessary to do it carefully. The success of the company's entry into the Finnish market will depend largely on its ability to execute its strategy in a manner that aligns with the unique characteristics of the Finnish market. The company must take into account the cultural norms, language barriers, and regulatory requirements that are specific to Finland, as well as the preferences and buying habits of Finnish consumers for this, the proper way to introduce the product is through an indirect mode with a Finnish wholesaler that simplifies all the process.

-Which competitors are already in Finland?

After a market research done, the main brands found in the virgin olive oil market are Bertolli, Borges, Primadonna, XTRA and Rainbow.

Bertolli is an Italian olive oil brand, founded in 1865. It is characterized by its smooth and fruity flavor, with a slight touch of nuts. (Bertolli 2023.)

Borges is a Spanish brand of olive oils with more than 120 years of experience in the production of high quality oils. the brand also offers olives, vinegars and other products related to gastronomy. (Borges 2023.)

Primadonna is a brand of virgin olive oil, produced in the Andalusia region of Spain. This oil is characterized by having an intense and balanced flavor, with notes of freshly cut grass and almonds. The brand focuses on the production of high quality olive oil, using carefully selected olives in its production process. In addition, Primadonna has been awarded in various international competitions, which guarantees the quality of its extra virgin olive oil. (Oliveoiltimes 2018.)

XTRA is a Finnish brand of virgin olive oil that is produced in Spain and imported into Finland. XTRA is a brand of the S-group.

Rainbow is a cheaper brand of the S Group. Is the cheapest and depending on the supply of oil in the world it also changes the provider

-Which factors can influence to the entry of the company?

The decision to enter the Finnish market can be significantly influenced by the course of the Russian conflict. If the situation worsens and the conflict continues to escalate, it may not be advisable to move forward with the idea of introducing the product to the market. However, if the situation stabilizes and calms down, this would not pose a hindrance to carrying out the product introduction plan.

It is important to note that there is an encouraging factor in this regard: both Finland and Spain are members of the European Union. This could make the task of introducing the product to the Finnish market easier and simpler, thanks to the existing policies and trade agreements between the countries.

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