



Market analysis for a baby-care product

Case Lulla Doll by RoRo Care

Kieu Diem, Ly

Bachelor 's Thesis
Degree Programme in International Business
2017

DEGREE THESIS	
Arcada	
Degree Programme:	International Business
Identification number:	
Author:	Kieu Diem, Ly
Title:	Market analysis for a baby-care product Case Lulla Doll by RoRo Care
Supervisor (Arcada):	Christa Tigerstedt
Commissioned by:	
<p>Abstract:</p> <p>The purpose of the thesis is to find out whether or not Finland is a potential market for a baby-care product - Lulla Doll. This is a doll created by RoRo Care, an Icelandic startup. The thesis studies the macro business environment in Finland as well as the consumer behaviour towards baby care products. Moreover, this thesis aims to define target customers for Lulla Doll and the means to reach these segments in light of social media marketing. The main research method adopted was qualitative approach. In particular, researcher conducted desk research, observation and gathered data from a questionnaire during the research. The theory framework of the thesis focuses on PESTEL analysis, Aaker and McLoughlin's market analysis theory, and Porter's Five Forces model.</p> <p>Business environment in Finland is relatively favourable due to transparency, low-corruption, and growing economy. It is a high-context society with a high living standard that is open to various marketing channels' accessibility. Lulla Doll has to face the external firm challenges to gain market entry. In Finnish context, these challenges are tendency for low-risk, practical mindset of Finns and difficulty of Finnish as a language. Opportunities for Lulla Doll are the mother's need for free time and low competition of baby-care industry in Finland. Potential segments are mothers aged 28 to 34, who are employed and live in urban areas. To enter the Finnish market, Lulla Doll should emphasize persuasive benefits to mothers and parents beside mentioning advantages for their babies' well-being.</p>	
Keywords:	Market analysis, baby care, health care, sleep problems, Finnish market, PESTEL, SWOT, qualitative
Number of pages:	57 + 11 appendices
Language:	English
Date of acceptance:	

CONTENTS

1	INTRODUCTION.....	8
1.1	The case company RoRo Care	8
1.1.1	<i>Lulla Doll (https://lulladoll.com/)</i>	8
1.2	The purpose of the thesis	9
1.3	Demarcation.....	10
1.4	Structure of thesis	11
2	CONDUCTING A MARKET ANALYSIS	12
2.1	The External Environment	12
2.1.1	<i>Political Environment</i>	13
2.1.2	<i>Economic Environment</i>	14
2.1.3	<i>Socio-Cultural Environment</i>	14
2.1.4	<i>Technology Environment</i>	15
2.1.5	<i>Ecological Environment</i>	15
2.1.6	<i>Legal Environment</i>	15
2.2	Market Analysis	16
2.2.1	<i>Actual and Potential Market Size</i>	16
2.2.2	<i>Market Growth Rate</i>	17
2.2.3	<i>Market Profitability</i>	18
2.2.4	<i>Cost Structure</i>	18
2.2.5	<i>Distribution System</i>	18
2.2.6	<i>Market Trends and Developments</i>	19
2.2.7	<i>Key Success Factors</i>	19
2.3	Competitive Environment (Porter's Five Forces)	20
2.3.1	<i>Existing Competitors</i>	21
2.3.2	<i>Threat of New Entrants</i>	23
2.3.3	<i>Threat of Substitutes Products</i>	23
3	METHODOLOGY.....	23
3.1	Research design.....	23
3.1.1	<i>Using a deductive approach</i>	26
3.1.2	<i>Data analysis</i>	26
3.2	Ethical and legal considerations	27
4	THE PESTEL ANALYSIS FOR RORO	28
4.1	Political Environment	28
4.2	Economic Environment	28
4.3	Socio-Cultural Environment	30

4.3.1	<i>The Finnish infant care system</i>	30
4.3.2	<i>Finnish expectations</i>	31
4.4	Technological Environment	33
4.5	Ecological Environment.....	35
4.6	Legal Environment.....	35
4.6.1	<i>VAT regulations for distance selling to Finland.....</i>	35
4.6.2	<i>Advertising.....</i>	37
5	AN ANALYSIS OF THE MARKET FOR LULLA DOLL IN FINLAND	38
5.1	Potential market size.....	38
5.2	Market profitability.....	39
5.2.1	<i>Existing competitors.....</i>	39
5.2.2	<i>Direct competitors (http://www.familings.fi/)</i>	39
5.2.3	<i>Threat of Substitutes Products.....</i>	42
5.3	Distribution system	42
5.3.1	<i>Marketing agencies</i>	42
5.3.2	<i>Advertising companies.....</i>	43
5.3.3	<i>Bloggers</i>	43
5.3.4	<i>Resellers</i>	44
5.4	Market trends and development.....	45
6	RESULT FROM OBSERVATION AND QUESTIONNAIRE	46
6.1	Shop screening	46
6.2	Questionnaire	47
7	DISCUSSION	48
7.1	Summary of the findings and conclusions	50
7.2	Trustworthiness of the research	52
7.3	Suggestions for future research	53
	References.....	54
	Appendices.....	58

Figures

Figure 1 Structure of thesis	11
Figure 2 The External Macro Environment, source: adapted from Baines, et al. 2008, p.51	13
Figure 3 Porter's Five Forces model, source : adapted from Aaker and McLoughlin, 2010, p.68.....	21
Figure 4 Understanding the Competitors, source: adapted from Aaker and McLoughlin, 2010, p.47	22
Figure 5 Economic growth of Finland, source : The Global Economy, nd	29
Figure 6 Share of social media users in Finland in 2015, by platform, source: statista, nd	35
Figure 7 SWOT analysis of Familings	41
Figure 8 Frequency of sleep problem faced by babies	47
Figure 9 SWOT analysis of Lulla Doll in Finland.....	48

Tables

Table 1 Prevalence of Internet usage and certain purposes of use in 2016, source: Statistics Finland, 2016	34
Table 2 Birth rate in Finland, 2006 - 2015. Source : stat.fi, 2016	38

FOREWORD

I owe special thanks to my thesis supervisor Christa Tigerstedt who is a Senior lecturer in areas of Business, Department of Business and Analytics at Arcada University of Applied Science. Her constant support and endless patience and sound knowledge encouraged me to overcome challenges to complete this research.

Besides, I would love to express my gratitude to my lecturer Nigel Kimberley – an expert in English and communication. With his great help, this thesis becomes smarter and more fun to read.

Last but not least, my friends, Huan Nguyen and Anh Le, deserve special thanks. I really appreciate them spending time on proofreading my thesis and contributing useful comments.

1 INTRODUCTION

Being known as one of the most common dilemmas faced by parents, infant sleep problems affect both babies' and parents' health and wellbeing, and especially the mother's (Boyse K., nd). Sleep problems disturb executive functioning in childhood and lead to poor self-regulatory behavior (Turnbull, Reid, Morton, 2013). "When infants don't sleep, their mothers don't either", says Callahan A., Ph.D., on her blog. A mother is vulnerable to postpartum depression and her parenting is affected if the sleeping is disturbed (Callahan, 2012).

Based on scientific and clinical studies, RoRo Care has gained noticeable success since its first introduction of Lulla Doll in 2014. Realizing Finland is a potential market, RoRo has a possible interest to enter the Finnish childcare market with its psychological doll. This thesis is, therefore, conducted as a Cross Border Assignment (CBA) provided by the Nobanet network (<http://www.nordicbal-ticnet.info/>), University of Akureyri and RoRo. The idea is to gain insight into the Finnish market and to show how the Lulla Doll could find its way to Finnish consumers.

Before making any critical decisions, it is crucial to conduct a market analysis. This thesis aims to analyze the market and find possible market and demand for Lulla Doll. Hopefully, the result will assist RoRo in making right market entry decisions.

1.1 The case company RoRo Care

Founded in 2011, RoRo Care company is a startup located in Reykjavik - the capital of Iceland. The young company is founded by three dedicated mothers who hold degrees in business.

1.1.1 Lulla Doll (<https://lulladoll.com/>)

The fundamental idea behind the startup is Lulla Doll, a doll which simulates intimacy with its soft touch and the soothing sound of heartbeat and breathing. When

parents have to be away, their baby can still experience positive benefits of closeness. The doll was tested and developed for more than three years. Clinical studies and professional advice in nursing and medicine have contributed to the development of Lulla Doll. Scientific researches have shown the positive effects of closeness, heartbeat and breathing sounds, smell, sight and touch on infants and babies.

Lulla Doll is, technically, a psychological device. It has a real-life record of the breathing and heartbeat of a mother at rest. This record is meant to keep infant's breathing and heartbeat steady, resulting in a longer and deeper sleep. The doll bears a resemblance to a human face making use of unisex and unisex colors. Lulla Doll's skin is made of natural cotton covering ultrafine microfiber padding which is hypoallergenic.

Lulla Doll has received positive feedback from users on its quality, durability, and efficiency. Beside its domestic market of Iceland, the company is expanding to 11 markets including the United Kingdom, Australia, Denmark, Canada, Hong Kong, New Zealand and so on (Lulla Doll, nd). RoRo is interested in finding additional markets to expand their growth. The company puts primary concern on the online shopping experience rather than a bricks and mortar store.

1.2 The purpose of the thesis

The purpose of the thesis is to find out whether Finland is a potential market for RoRo Care company. This investigation is expected to explain Finnish consumer behavior towards childcare products in order to forecast demand. This thesis aims to define target customers as well as means to reach these segments considering social media marketing. Moreover, the business environment, particularly online business, is also examined to evaluate business potential of RoRo Care in Finland. Thus, the main research question, following by sub questions, of this thesis is

How could Lulla Doll find its way into the Finnish market?

1. What is the business environment like in Finland?

2. What kind of challenges awaiting the company in Finland?
3. What are the opportunities for Lulla Doll in Finland?
4. What are potential target segments and their characteristics in Finland?

1.3 Demarcation

To stick with the writer's aim of doing market analysis, the thesis does not come up with any market entry plan at this stage. Moreover, as the company is interested in online business, the thesis puts primary concern on online consumer behaviors.

To analyze market profitability, theoretically, Porter's Five Forces model is used as one basis for the analysis. However, only topics related to competitors are discussed in the thesis because the bargaining power of the suppliers and the bargaining power of the customers are insignificant. There is a slight chance that customers will buy more than three to five products per transaction; thus, the bargaining power of customers does not play a considerable role. A similar pattern applies to the bargaining power of supplier since the supplier of RoRo Care is outside of the Finnish market.

1.4 Structure of thesis



Figure 1 Structure of thesis

To address the research question, the thesis has been divided into seven chapters. The first chapter is the introduction which illustrates the overall picture of the whole research. In the second chapter, the theoretical foundation of the thesis can be found. The third part introduces which research methods were used to conduct this study. The three subsequent parts are informative ones where one can learn about the macro economic environment of Finland (chapter 4), the Finnish market analysis for Lulla Doll (chapter 5) and result of the empirical research (chapter 6). Many subchapters exist in chapter 4 and 5 attributable to different kinds of analysis. The final chapter is the summary.

2 CONDUCTING A MARKET ANALYSIS

This chapter discusses related theories about exploring the macro business environment, conducting a market analysis, and analyzing the competitive environment.

2.1 The External Environment

According to Baines and his coworkers, the external environment consists of two types of elements. The first type comprises of elements that do not influence the performance of a company at once yet might do in the longer haul. The second type involves elements that have an impact on a company but it is impossible to control them. These two types of elements signal the potentially high degree of risk related to the external environment. (Baines, et al. 2008, p.51).

The simplest and one of the most popular frameworks used to study the macro environment is known as PESTEL (Baines, et al. 2008, p.51). PESTEL analysis “is most often used to understand the potential market with a planned output on it with a new product” (Kozlova, 2014, p.17). This approach helps to illustrate the big picture of the Political, Economic, Social-cultural, Technical, Ecological, and Legal environment.

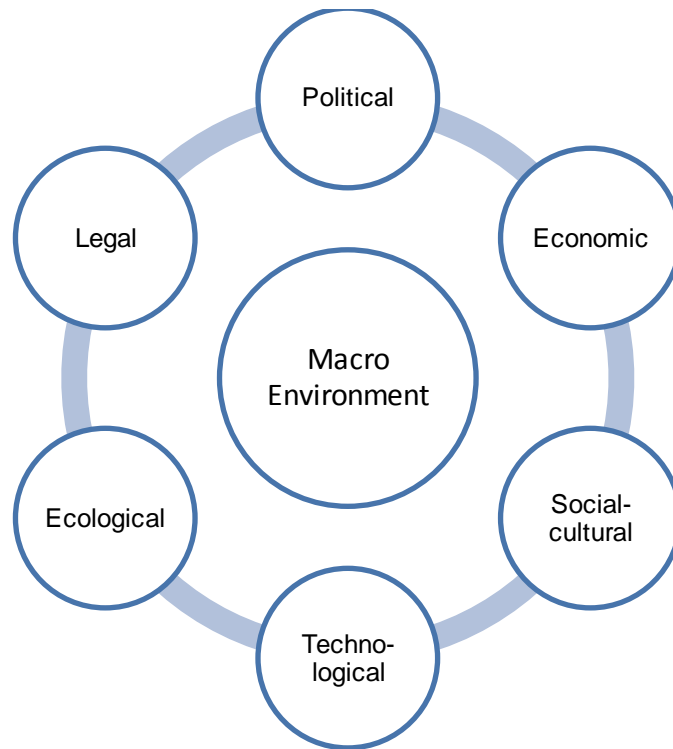


Figure 2 The External Macro Environment, source: adapted from Baines, et al. 2008, p.51

2.1.1 Political Environment

According to Baines and his coworkers, the political environment refers to the period of cooperation between business, society, and government prior to the laws and regulations correlated with consumers and business practices are applied, when they are being formed or opened to dispute. Therefore, political environmental analysis plays a critical role as firms can predict potential legal and regulatory changes in their industries to prevent, impact and adapt that law. Firms which manage their relationships with government and regulatory bodies better than their rivals own a sustainable competitive advantage that promises an out-performance. (Baines, et al. 2008, p.51-52).

According to Kotler, three important elements should be considered in political environment analysis associate with attitudes towards international buying, government bureaucracy, and political stability. Attitudes towards international buying differ between countries: some are quite open-minded while others are less receptive to foreign firms. Government bureaucracy is “the extent to which the

host government runs an efficient system for inspiring foreign companies” by offering productive customs handling, relevant market information, and other support in doing business. International marketers may find it profitable to run business in an unsteady circumstance, however, political instability in a country will influence how people operate the business and financial issues. (Kotler, et al. 2008, p.947-948).

2.1.2 Economic Environment

A country’s economic situation has great effects on “what economists term factor prices within a particular industry for a particular firm or organization”. These factors consist of raw materials, labor, buildings and other capital costs, and any other inputs to a business. Thus, developing an understanding of the economic environment is inevitable (Baines, et al. 2008, p.53). Baines and his co-workers (2008, p.53-54) outlined several economic elements which affect a company’s external environment: wage inflation; price inflation; gross domestic product per capita (GDP); income, sales and corporation taxes; exchange rates; export quota controls and duties.

Besides GDP, Solomon and his colleagues (2009, p.55-56) suggested gross national product (GNP) and standard of living as other indicators of economic health. These authors also proposed that a marketer should not forget to consider the overall pattern of changes or fluctuations in an economy, which also known as the business cycle. All economies go through cycles of prosperity, recession, and recovery. Each stage in this cycle leads to different consumer buyer behaviors. Therefore, it is important for a marketer to analyze a country’s business cycle. (Solomon, et al. 2009, p.57).

2.1.3 Social-Cultural Environment

The term refers to the features of the society, the people who exist in that society and the culture which embodies the values and beliefs of the society (Solomon, et al. 2009, p. 63). The social-cultural environment has a significant impact on the

behavior of the customer, marketing intermediaries, the political/legal environment as well as the attitudes towards competition (Albaum and Duerr, 2008, p.114). Thus, it is indispensable to study the social-cultural environment, particularly the demographics, the cultural values, norms and customs, the language, and the ethnocentrism (Solomon, et al. 2009, p. 64-66).

2.1.4 Technology Environment

The development of technology is dramatically changing the way that companies enter the market. Companies can choose between traditional marketing efforts or the emerging marketing ways that utilize email, web-based and database marketing techniques. (Baines, et al. 2008, p.57).

2.1.5 Ecological Environment

According to Baines and his coworkers, the concept of “green marketing” came in the 1990s while that of “sustainability” and “social responsibility” born in 2000s increasingly have an impact on the consumer’s consciousness. In other words, the consumers pay more attention to the influence of companies on the ecological environment. Equally, they are worried about the products that are produced by exploiting poor and coercive labor policies. Hence, it is crucial to recognize this tendency towards sustainability and social responsibilities to develop an adaptable strategy. (Baines, et al. 2008, p.57).

2.1.6 Legal Environment

Legal environment covers most aspects of a firm’s business from transparency of pricing, the prevention of restricted trade practices, minimum wages and business taxes, product safety, good practice in packaging and labeling, the abuse of a dominant market position, to the codes of practice in advertising. (Baines, et al. 2008, p.59-65).

2.2 Market Analysis

According to Banes, Fill and Page, a strategic market analysis provides essential information and understanding of a market which a firm has the intention to enter. A strategic market analysis is supposed to support managers with knowledge of the character of the industry. It is a way to achieve competitiveness within the industry and to show how competition takes place (Baines, Fill and Page, 2008, p.191). This thesis puts primary concerns on baby-care industry in Finland and the possibilities of Lulla Doll in this specific market.

According to Aaker and McLoughlin, based on consumer and competitor studies, market analysis assists managers in collecting strategic intelligence about a market and its tendency. Evaluating the attractiveness of a market is one of the main objectives of a market analysis. The attractiveness of a market is determined by the long-term return on investment, and it plays a key role in making a market investment decision. (Aaker and McLoughlin, 2010, p.60).

Aaker and McLoughlin (2010, p.61) pinpointed seven crucial dimensions of a market analysis in their book of *Strategic Market Management*:

- Potential market size
- Market growth rate
- Market profitability
- Cost structure
- Distribution system
- Market trends and developments
- Key success factors

These dimensions will be discussed in detail below and in sense of appropriacy for RoRo Care and the Lulla Doll case.

2.2.1 Actual and Potential Market Size

Market size, as defined by Philip Kotler (2008, p.12), is the number of actual and potential buyers offered by a market. The actual size of a market relies on the

number of people who show the need, own resources and are willing to exchange these resources in return for what they want (Kotler, 2008, p.12-13).

According to Rusinova, potential size illustrates “the upper limit of the total demand and takes into consideration not only the existing customers” but also possible consumers who exhibit a certain level of interest. Even though the potential market size is not an absolute figure, it offers good values of orientation and can considerably “change the size and prospects for the market”. (Rusinova, 2014, p.14).

Aaker and McLoughlin mentioned that “published financial analyses of the firm, customers, government data and trade magazines and associations” are useful sources to find actual and potential market size. However, the most powerful source is a survey of product consumers “in which the usage levels are projected to the population”. (Aaker and McLoughlin, 2010, p.64).

2.2.2 Market Growth Rate

By forecasting growth rate of a market, managers can develop a sound investment and strategic marketing plan as well as prepare mitigation for financial and management risks. (Aaker and McLoughlin, 2010, p.65). It is necessary to identify the driving forces before forecasting growth and detecting maturity and decline (Aaker and McLoughlin, 2010, p.65).

According to Aaker and McLoughlin, using historical data is the easiest way to anticipate the market growth rate. However, the strategic judgment is not about reckoning history but about the expectation of turning points when the rate and direction of growth convert. Leading indicators of market sales such as demographic data and sales of related equipment or the experience of analogous industries are helpful in conjecturing turning points. (Aaker and McLoughlin, 2010, p.66).

2.2.3 Market Profitability

Baines and his colleagues (2008, p.73) argued that: “as a general rule, the stronger the competitive forces the lower the profitability in a market”. Therefore, identifying the intensity of competitive forces in baby-care industry is indispensable to predict the level of market profitability.

Porter’s Five Forces model reveals the competitive forces and an evaluation of the strength of each of the forces. The collective result describes the intensity of competition in a market (Baines, et al. 2008, p.73). Aaker and McLoughlin (2010, p.68) outlined five factors, based on Porter’s model, which have great influence on profitability:

- The strength of competition among existing competitors.
- The presence of possible competitors who will enter in case of high profits.
- Substitute products to which customer will switch if product’s price is too high.
- The bargaining power of customers.
- The bargaining power of suppliers.

More details of Porter’s Five Forces model will come later in a separate section.

2.2.4 Cost Structure

To understand the cost structure of a market helps managers name present and future vital elements for success. Porter’s value chain model is a handy tool to spot where the value is added as well as where the costs could be reduced. (Aaker & McLoughlin 2010, p. 70).

2.2.5 Distribution System

Distribution channel, also known as a marketing channel, is “a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user” (Kotler, et al. 2008,

p.881). Normally, it includes resellers, physical distribution firms, and marketing agencies. A distribution channel is a complete path through which products and services go from the seller to the customer or payments for these products come from the customer to the seller (Rusinova, 2014, p.18).

An analysis of distribution system should consist of the following aspects, proposed by Aaker and McLoughlin (2010, p.71):

- Existing distribution channels – analyzing how direct they are to the customer and selecting based on their length.
- Trends and emerging channels – keeping in mind that new channels can offer a significant competitive advantage.
- Channel power structure – identifying the predominator and predicting how this is likely to change.

2.2.6 Market Trends and Developments

According to Rusinova, market trends are the upward and downward movement of a market, during a certain period, thus they are tendency of sales growth or decline in a long run. If a firm introduces a completely new and innovative product, it is extremely difficult to point out the market trends. In this situation, possible alternatives are to estimate the potential customers or customer segments and to observe the trends of somewhat similar products. (Rusinova, 2014, p.19).

Aaker and McLoughlin argued that market trends analysis sheds light on two important attributes: it puts primary concern on changes and tends to pinpoint what is crucial. In additionally, it acts as a valuable summary of customer, competitor, and market analysis. Hence, it is practical to establish the trends near the end of a market analysis. (Aaker & McLoughlin 2010, p. 72).

2.2.7 Key Success Factors

One of the most important outputs of a market analysis is the description of key success factors (KSFs) (Aaker and McLoughlin, 2010, p.73). These key success factors play a key role for a company to achieve its marketing objectives. These

are “assets and competencies” (Aaker and McLoughlin, 2010, p.73) that provide the foundation for strong competitive advantages which allow a firm to gain advantages in a competition (Rusinova, 2014, p.20).

According to Aaker and McLoughlin, there are two kinds of KSFs, which are strategic necessities and strategic strengths. Strategic necessities do not enhance the competitive advantage nor do they assure the winning share in a competition. Nevertheless, having no strategic necessities weaken a company in compare to its competitors. In short, without strategic necessities, a firm possess a substantial weakness. (Aaker and McLoughlin, 2010, p.73).

The second type is the ace in the hole to win a tight competition. “Strategic strengths are those at which a firm excels, the assets or competencies that are superior to those of competitors” (Aaker and McLoughlin, 2010, p.73) and provide a solid base of advantage.

While some assets and competencies are significantly important now, they are not necessarily the most critical ones in the future. Therefore, it is not enough to identify current KSFs but to equivalently spot the emerging KSFs as the product proceeds in its life cycle. (Aaker and McLoughlin, 2010, p.73).

2.3 Competitive Environment (Porter’s Five Forces)

Porter (1979) claimed that it is in need to study the competitive environment within an industry and to label the major competitive forces so that firm can estimate their influence on its present and future competitive positions. Therefore, he introduced Porter’s Five Forces model as below (Baines, et al. 2008, p.73).

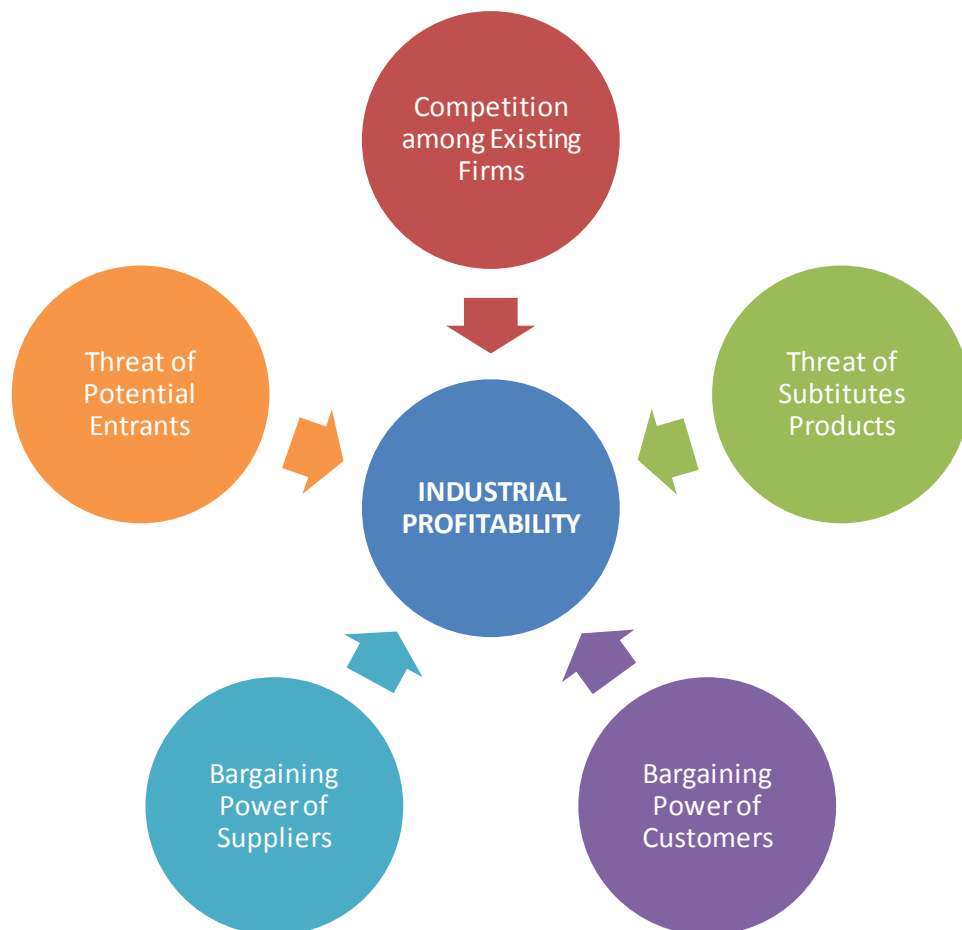


Figure 3 Porter's Five Forces model, source : adapted from Aaker and McLoughlin, 2010, p.68

2.3.1 Existing Competitors

Competitors are defined as companies with similar offerings, as perceived by customers (Baines, et al. 2008, p.77). While direct competitors are obvious and easily spotted, indirect competitors disguise in less visible form yet offer customers strategically relevant alternatives (Aaker and McLoughlin, 2010, p.43).

The severity of competition from present rivals depends on the following elements:

- The number of competitors, their size, and their commitment;
- The similarity of their product offerings as well as strategies;
- The existence of high fixed costs;
- The size of exit barriers.

According to Aaker and McLoughlin, first consideration involves in the density of competition and the quality of each competitor within. “The more competitors that exists, the more competition intensifies”. The two next factors are the level of differentiation and fixed costs. Finally, firms should evaluate the presence of exit barriers such as specialized assets, long-term contract commitments to buyers and distributors, and relationship to other parts of a firm. (Aaker and McLoughlin, 2010, p.69).

After competitors and the intensity of competition have been studied, the concern turns to understanding rivals and their strategies (Aaker and McLoughlin, 2010, p.42). Competitors activities are influenced by eight factors listed below.



Figure 4 Understanding the Competitors, source: adapted from Aaker and McLoughlin, 2010, p.47

Understanding direct and indirect competitors and their actions results in several benefits. To begin with, insights into the current strategy strengths and weakness of a rival can propose opportunities and threats that will merit a response. Moreover, acknowledgment of future strategies of a rival helps anticipation of emerging threats and opportunities. Furthermore, strategic decisions on next movement have a better base on the prediction of likely reaction of key competitors. The

outcome is “the identification of some strategic uncertainties that will be worth monitoring closely over time”. (Aaker and McLoughlin, 2010, p.47).

2.3.2 Threat of New Entrants

Industries are oscillating: Firms enter and exit industries all the time (Baines, et al. 2008, p.73). According to Aaker and McLoughlin (2010, p.46), companies which engage in the following activities should be deliberated as potential market entrants: market expansion; product expansion; backward and forward integration; the export of assets or competencies; and retaliatory or defensive strategies.

2.3.3 Threat of Substitute Products

According to Baines and his coworkers, in any industry, substitute products and services, that perform the same function or meet similar customer needs, usually exist and sometimes, they are produced by companies less seemingly to be competitors. Therefore, most companies have failed to recognize the problematically hidden threat from newly developing products and services. (Baines, et al. 2008, p. 75).

In compared to direct competitors, substitutes products compete with less intensity. However, they are still relevant as they can have an impact on the profitability of the market and can evolve into a major threat. (Aaker and McLoughlin, 2010, p.69).

3 METHODOLOGY

3.1 Research design

According to Bryman and Bell, in terms of choices of research design, research methods chosen have to agree with research questions being investigated. If a research aims to unravel “the relative importance of a number of causes of a social phenomenon”, a quantitative research strategy appropriately fits this ob-

jective. If a research wants to study the world perspective of members of a specific social community, it is suggested to choose qualitative research methods. Similarly, if a research topic is new or having little previous literature, “a more exploratory stance may be preferable”; and therefore, qualitative is a proper option. (Bryman and Bell, 2011, p.35).

Since the thesis's topic is not to identify any causes of the social phenomenon, quantitative research strategy will not be used. The objectives and research questions of this thesis are a combination of two mentioned above circumstances. The research focuses on describing the Finnish economic environment for baby care product, which has not been studied in any research before. A similar trend takes place when it comes to exploring the need for a solution to infant sleep problems in Finland. Moreover, the research is supposed to interpret Finnish mothers' perception and behavior towards infant sleep problems to find out demand for Lulla Doll. Therefore, the researcher decided to use qualitative strategy to conduct this research.

Main research strategy utilized is ethnography. "The purpose is to describe and explain the social world the research subjects inhabit in which they would describe and explain it" (Saunders, Lewis & Thornhill, 2009, p.149). Specifically, in this case, the research subjects are mothers and their babies, and the social world is the Finnish society. This strategy requires a lot of time invested in over an extended time because the researcher should engage herself in the social world as much as possible (Saunders, Lewis & Thornhill, 2009, p.149).

3.1.1 Data collection

This section describes how data is collected, from where the data is retrieved and what the data is about. Three main methods for data collection are desk research, observation and conducting a questionnaire.

3.1.1.1 Desk research

Desk research is a method utilizing secondary data available in print or published on the internet (Business Dictionary, nd). Secondary data will be retrieved from

online articles, researches, books and statistics databases. Several statistics databases suggested are Statistics Finland (Tilastokeskus), OECD Better Life Index, and so on. Besides, governed administrative pages such as Kela, Tax Administration (Vero), Infopank (Infopankki) will provide information about regulation and so on. Researcher looks for demographical data, economical figures, and legal texts to describe the macro environment of Finland and to analyze the market for Lulla Doll.

3.1.1.2 Structured observation

As Saunders and his co-workers mentioned in their book (2009, p.301), when a researcher's concern is to quantify behavior, he or she would conduct a structured observation. More importantly, structured observation supports the descriptive approach of the thesis (Saunders, Lewis & Thornhill, 2009, p.302). Depending on the purpose of a research, observation can last for a brief certain of time or prolongs many years (Bryman and Bell, 2011, p.424-425).

Observation takes place in the central mall of Helsinki: Kamppi Shopping Mall. There are several baby shops which sell infant clothes and health care equipment. Researcher spends time screening the shops, finding out the common products sold there, relatively to baby sleep care; and the average price of those products. In additionally, the researcher also pays attentions to what customers look for or buy at the shop to study their behaviors and spot potential needs for Lulla Doll. This matter will be mentioned in Chapter 6 (Empirical Research) under the name of Shop screening.

3.1.1.3 Questionnaire

The questionnaire implies all data collection methods in which all respondents answer to the same set of questions in a predetermined order (Saunders, Lewis & Thornhill, 2009, p.360). Questionnaire is supposed to be used for descriptive research such as that to find out attitude and opinion (Saunders, Lewis & Thornhill, 2009, p.362).

The questionnaire will be handed to customers from the shops and sent to members of parents' groups online. The purpose is to collect general ideas about infant sleep problem in Finland, opinion on Lulla Doll and to find out the demand

for Lulla Doll in Finland. The questionnaire is attached in Appendix section (Appendix 1).

3.1.2 Data analysis

3.1.2.1 Using a deductive approach

According to Saunders, Lewis & Thornhill, a deductive approach makes use of existing theory to guide the approach that researcher "adopt to the qualitative research process and to aspects of data analysis". It is reckoned that once an existing theory has been used to generate research question and objectives, it can help you devise an outlined to organize and direct data analysis. (Saunders, Lewis & Thornhill, 2009, p.360).

Hinged on PESTEL analysis to formulate research questions, the researcher will use this theory to analyze the Finnish business environment. Similar tendency takes place in Porter's Five Forces model and Aaker and McLoughlin's market analysis theory. Therefore, PESTEL analysis, Porter's Five Forces model and Aaker and McLoughlin's market analysis theory will shape the data analysis process.

3.1.2.2 SWOT analysis

Baines and his co-worker (2008, p.188) claimed SWOT as one of the most common analytical tools, and it stands for the internal Strengths and Weaknesses as well as the external Opportunities and Threats. Strengths and Weaknesses are associated with the internal resources and capabilities, as perceived by customers, while Opportunities and Threats are external matters that can cause problems to firm's operating.

SWOT analysis classifies the information and allows the manager to identify the key issues. Consequently, it helps to orientate strategy to achieve a strong fit between the internal capability and the external situation or to convert weaknesses into strengths and threats into opportunities (2009, p.189). Therefore, in the thesis, SWOT will be used as a summary to illustrate a general picture.

Baines and his colleagues (2008, p.188-189) defined each element as:

- Strengths refer to things that earn credibility and market advantage to a company or things that a firm is good at.
- Weaknesses are things a company lacks or performs in an inferior way in compared to its competitors.
- Opportunities are “potential to advance the organization by the development and satisfaction of an unfulfilled market need”. They are made of the economic climate, demographic changes, market, and technology (Kotler, et al. 2008, p.135).
- Threats are things that may affect or lower the potential performance. They consist of competitive activity, channel pressure, demographic changes, and politics (Kotler, et al. 2008, p.135 -137).

3.2 Ethical and legal considerations

According to Bryman and Bell, four basic ethical principles in business research involve in doing none of the following things: doing harm to participants, lacking informed consent, violating of privacy and misleading. Harm includes of real harm such as physical or mental harm, and potential harm. To avoid lack of informed consent, research participants should receive as much information as needed to decide whether to take part in a study. A guarantee of anonymity and confidentiality in prior to the recording of information is the most used method to bypass invasion of privacy. To maintain the neutral of the data, the researcher "must provide a full and accurate explanation to participants". (Bryman and Bell, 2011, p.128-137).

Beside the basic principles, there are other ethical proposals. In the age of digital data and Internet of thing, questions about confidentiality and copyright have been raised up. "This issue focuses on who owns the data and under what circumstances people are entitled to use it". Therefore, it is encouraged to use open sources which provide researches with Creative Common licenses. (Bryman and Bell, 2011, p.139-141).

4 THE PESTEL ANALYSIS FOR RORO

4.1 Political Environment

“Finland is a parliamentary democracy with a republican constitution. The president, the government and its subordinate ministries hold the governmental power” (Mundi L., 2012, p.7).

Finland earns its 13th rank of ease of doing business, on 1-190 scale. A high ease of doing business ranking reflects that the regulatory environment is favorable for operating a business (The World Bank, nd). Information needed to establish a business such as taxation and regulation is available on official pages such as Info Bank (infopankki.fi), Tax Administration (vero.fi), Enterprise Finland (yrittysuomi.fi), and so on. Statistics can be found at a separate website that specializes in doing research known as Statistics Finland (stat.fi). Most of the information is provided in English.

Coming at a second position on Corruption Perceptions Index list, Finland holds a place in top least-corruption-country in the world (The Global Economy, nd). While the first position of the Political Stability Rankings marks at 1.54 (2014), Finland engages in a generally stable politics with a point of 1.28 (2014) coming at 8th position. The indexes propose “the likelihood of a disorderly transfer of government power, armed conflict, violent demonstrations, social unrest, international tensions, terrorism, as well as ethnic, religious or regional conflicts” (The Global Economy, nd).

4.2 Economic Environment

Finland used to be a small open economy until industrialization boosted after the World War II. In the advent of the 1990's, Finland suffered from depression caused by the world economy downturn and the Soviet Union's collapse. Owing to a dramatic growth in the electronics industry and, particularly, the telecommunications equipment area, Finland got over the depression in an astonishingly short period (Mundi, 2012, p.7-8).

Inevitably, Finland economy fell into depression again because of the severe financial crisis and the following euro crisis in the period between 2008 and 2011. However, a governor of Bank of Finland stated that Finland is leaving the recession behind and moving onto a growth track (Yle, 2016).

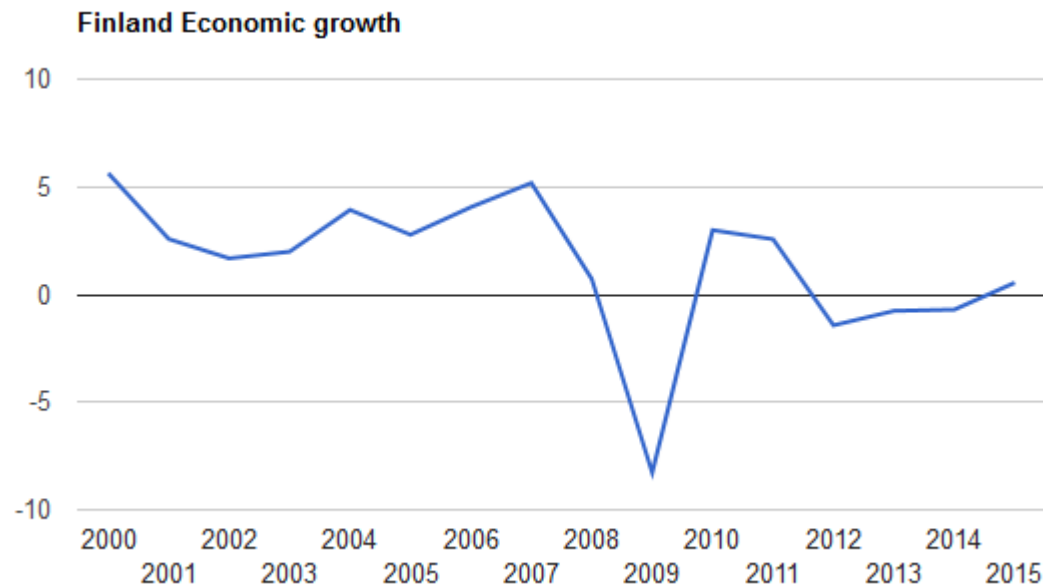


Figure 5 Economic growth of Finland, source: *The Global Economy*, nd

Finland has been using the Euro as its national currency unit since 2002 (Mundi, 2012, p.8). The latest GDP per capita, in 2016, was EUR 38,959 (Statistics Finland, 2017), which grew by 1.4% compared to previous year (see Appendix 2).

According to *The Global Economy* (nd), the inflation rate of Finland in the previous ten years has been fluctuated a lot, with the highest at the mark of 4.1% in 2008 and the lowest at the mark of -0.2% in 2015 (see Appendix 3). Taxes on goods and services have been the highest rate of 37.68% in the last 14 years (2000-2014), see Appendix 4.

According to OECD Economic Surveys of Finland, in 2015, 69% of people of 15 to 64 year-old are employed. Among those, 70% of men and 68% of women have paid job. Average personal earnings in 2015 were \$40,060 (Appendix 5). It should be noted that women at the age of 25 to 34 hold the most live births and have high employment rates (see Appendix 6).

The living standard in Finland is at topnotch. Known as the best country for education, Finland has 87% of adults aged 25-64 finish upper secondary education (OECD, 2015). Breathing in clean air, drinking high-quality water, having 65% of people reported to be in good health, Finnish people, without a doubt, have evaluated their life as satisfied (OECD, 2015). High living standard, at a certain level, reflects the economy health of the country (Solomon, et al. 2009, p.55-56).

Based on the Statistics Finland's consumer survey, the consumer confidence indicator (CCI) marked at 15.8 (2016) in October. In comparison with the corresponding period in 2015, all factors have seen improvement. Consumers expected an optimistic economic for Finland's near future, as well as grading their own saving possibilities as good over the next 12 months. In October, consumers considered the time was suitable for buying durable goods.

4.3 Socio-Cultural Environment

This chapter studies about Finnish baby care system as well as the Finnish consumers and their common values and beliefs.

4.3.1 The Finnish infant care system

According to Info Bank, a baby born in Finland has been taken good care of since he or she is a fetus. Local maternity clinic keeps a close watch on the mother's, the fetus's and even the father's physical and mental health. Antenatal and family classes for expecting parents are organized by a prenatal clinic with most of Finnish fathers' and mothers' participation. Besides, the clinic supports parents by discussing parenthood, father's importance, and the relationship between mother and father. (Infopankki, 2014).

All parents are supplied with a handbook named "We're having a baby" from where a useful instruction of expecting a baby, giving birth, and raising the baby in early days can be found. Recommended services and social protection for families with children can also be found in the book. The handbook is published by National Institute of Health and Welfare. (Infopankki, 2014).

According to Kela, Finnish maternity box is a baby gear known as the “only one of its kind in the world”. The package comprises of high-quality baby wears, linens, towels, nappies, baby care (e.g. mattress, toothbrush, nail clippers, book, toy), and personal belongings for parents (e.g. sanitary pads, lubricant lotion, pamphlets) (Kela, 2017). The box can be used as a baby basket when it is positioned with fabric (Lee, 2013).

Maternity leave following by parental leave lasts up to 23 weeks, making Finland top of parental leave policy in the world (Business Insider, 2016). After that period, child care leave can be optional. It should be noted that during each leave, mothers receive an allowance from Kela to support their lives. The allowance rate bases on the salary. In 2016, value per recipient of all three allowances was approximately €6,400 (Kela, nd).

4.3.2 Finnish expectations

Finnish people have their own perception of the correlation between price and products' quality; of a good experience when shopping online as well as of an interesting advertisement. The following parts will tap into these subjects.

4.3.2.1 Expectation for products

As mentioned by Santander trade, the Finns have a strong expectation in product sustainability. They suppose that a product should meet a decent standard and meant to last. Products and services are an investment that should yield a fair return in Finnish mind. Hence, Finns are willing to pay extra for durability and quality. A strong signal for quality is a brand. Reparability and servicing are big pluses. (Santander trade, 2016).

Generally speaking, the Finns are open to innovative goods and concepts. They prefer practical products as well as simple packaging. Finnish consumers also favor safety and origin of the product. Finns support national products especially when it comes to food. (Santander trade, 2016).

4.3.2.2 Expectations in online shopping

A clearly stated complete price is influential. A price component includes not only product price but also discounts and price information (i.e. shipping payment). The low price was not the only determining point but total payment for purchasing process was. (Yrttiaho, 2013, p.62).

More than half of respondents of the research preferred to pay their online purchase by internet banking. Yrttiaho reasoned that Finns did not want to give credit card information away. 'Credit card' (18%), 'bill' (16%), and 'payment when shipped' (13%) were the next common payment methods. The preference of paying at once is a noteworthy characteristic of Finland. (Yrttiaho, 2013, p.62).

Finnish post (Posti) was the most well-known delivery service. Some 64% of respondents wished to pick their order up at the post office. Whereas, 25% of respondents preferred home delivery. Delivery was estimated as important by over-55-year-old respondents and less essential by younger age groups. (Yrttiaho, 2013, p.63).

Online shopping using phones and tablets was not considerably valued. A similar result was found between different age groups and inside and outside capital area. Nevertheless, women favored this mean of online shopping more than men did. (Yrttiaho, 2013, p.63).

The respondents appreciated having the customer service and technical support in Finnish. However, while over-55-year-old emphasized the importance of Finnish service, the youngest age group rated neutral to the vital of language. Yrttiaho explained that English has become popular in Finland, online world and among youngsters. Therefore, Finnish service need might fade when young people age. Respondents living in the capital area saw less importance of Finnish service than those who live outside of the capital area. (Yrttiaho, 2013, p.63-64).

User-friendly design and navigation were considered as imperative elements, especially for women (Yrttiaho, 2013, p.64). Yrttiaho also mentioned that the older the consumers are, the more important privacy control becomes (2013, p.61).

Traditional contact methods, by phone and e-mail, to customer service were still the most popular ones (Yrttiaho, 2013, p.62).

4.3.2.3 Expectations for advertisements

Finns have such a practical mind that they consider a good advertising as informative, relevant to the product advertised, humorous and transparent. Finns think that the degree and quality of advertising have been increased that advertising is, at a certain level, perceived as entertaining (Kinturi & Uusitalo, 2001, p.67).

Even though ads in English and of foreign origin are increasingly accepted, especially among young people (15-24 years old); still, Finns favor advertising in their own language and of Finnish origin. Making use of children in advertisement draws negative attitude unless the product is supposed to use by children (Kinturi & Uusitalo, 2001, p.68).

4.4 Technological Environment

Personal and mobile devices are widely used and in Finland. While 24% of individuals used the internet with a tablet, 65% of that used with a smartphone (Statistic Finland, 2016). As the use of personal and mobile devices increases so does the use of the internet. The internet is used to communicate, follow the media, search for information and deal with everyday issues.

The most common web media was online newspapers and news of TV channels, which had been read daily by 74% (2016). Online banking was equivalently popular (81%, 2016).

Table 1 Prevalence of Internet usage and certain purposes of use in 2016, source: Statistics Finland, 2017

	Used the Internet ¹⁾	Uses the Internet usually several times a day	Used the Internet with a mobile phone outside home and workplace ¹⁾	Used the Internet with a tablet outside home and workplace ¹⁾	Reserved a doctor's appointment online ¹⁾	Followed a social media service ¹⁾	Rented private accommodation online for own use ²⁾
	percentage of population						
16-24	100	97	93	23	22	89	8
25-34	99	96	93	27	38	88	18
35-44	100	94	92	38	46	79	23
45-54	99	83	75	34	40	59	16
55-64	92	64	53	24	36	39	10
65-74	74	38	27	14	23	21	2
75-89	31	16	6	3	8	5	0
Men	89	73	68	26	28	54	11
Women	87	71	62	23	36	58	12

1) During the past 3 months

2) During the past 12 months

Data of Internet usage and purposes for use in 2015 is shown above. Following figure shows the usage of social media platform in Finland in 2015 provided by Statista.

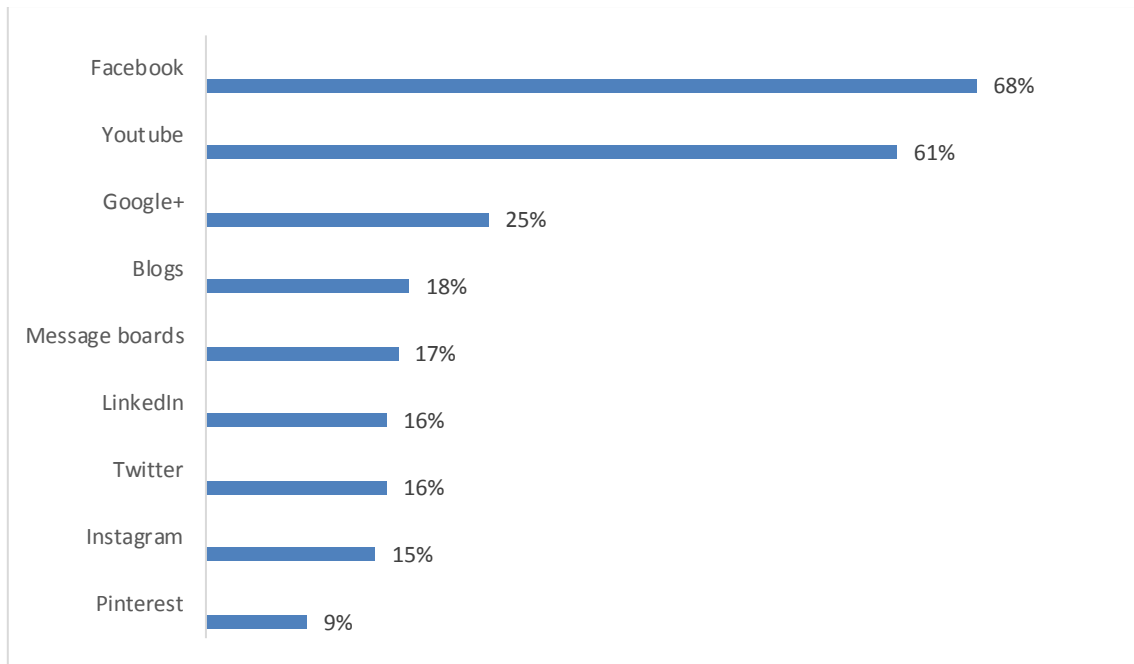


Figure 6 Share of social media users in Finland in 2015, by platform, source: Statista, nd

4.5 Ecological Environment

Finns are sophisticated and well-educated consumers who are concerned about the ecological environment and social ethnics. They favor products which are non-harmful to the environment. Conformity with European norms (CE-label) and ecological label stimulates buying. When it comes to the products which are of good quality, technologically advanced and environmental-friendly, the price becomes less important when Finnish customers making a buying decision (Santander trade, 2016).

4.6 Legal Environment

4.6.1 VAT regulations for distance selling to Finland

VAT regulations for distance selling to Finland are clearly explained and written on Tax Administration Website. VAT is levied on goods if the sale from a distance seller to Finland is higher than €35,000 in a calendar year.

4.6.1.1 If the value of distance selling to Finland does not exceed EUR 35,000

If the total sales in the same calendar year as well as in the year before are lower than EUR 35,000 (excluding VAT), distance selling is not taxed in Finland. However, a seller may choose to be taxed in Finland instead of the country of departure by applying to the authorities of the country of departure and registering for a VAT-liable person (mentioned in section 4.6.1.3) to Tax Administration in Finland.

4.6.1.2 If the value of distance selling to Finland exceeds EUR 35,000

If during one calendar year, the total sales in Finland are higher than EUR 35,000 (excluding VAT), the sales of the following year will be taxed, albeit irrespectively of their value. Moreover, the vendor must submit the following documents to the Tax Administration of Finland:

- a) A basic start-up proclamation and, perhaps, a power of lawyer issued for signing it.
- b) “The foreign equivalent of a trade register extract and a Finnish or Swedish translation thereof indicating the name, domicile, line of business, accounting period and the names of persons entitled to sign documents on behalf of the foreigner” (Tax Administration, n.d).
- c) “The articles of association, partnership agreement or other similar regulations or a certified copy of the regulations in question and a Finnish or Swedish translation thereof. If the foreign equivalent of the trade register extract mentioned in item 2 above has been submitted to the regional tax office, the documents mentioned in this subparagraph need not be provided” (Tax Administration, n.d).

4.6.1.3 Registration for a VAT-liable person

If the total value acquisitions does not exceed EUR 35,000 (excluding VAT), the vendor must submit the documents listed in the section above along with “a copy of application sent to the tax authorities of his country of origin or a decision issued by the tax authorities of his country of origin to tax the distance selling in

Finland, rather than in the country of departure” (Tax Administration, n.d). It is obligated to “keep records of business operation in Finland and to submit periodic tax returns according to his reporting frequency monthly, quarterly or yearly” (Tax Administration, n.d).

In case the total sales of the following year do not reach the threshold or the supplier wants to be taxed by the country of departure instead of by Finland, a written Notice of Termination of Business using the amendment and termination notification form must be submitted to the Tax Administration before the time expires. It is suggested to notify at least 30 days in advance of introducing the new practice.

4.6.2 Advertising

Marketing and advertising conducted in Finland must act accordance with the consolidated *ICC Code of Advertising and Marketing Communication Practice*, the instructions of the *Consumer Agency* and the *Consumer Ombudsman* as well as the guidelines of the *Data Protection Ombudsman*. The following rules apply to ordinary marketing as well as digital media and social media advertising.

4.6.2.1 Deceptive or Misleading Advertising

The act of deceptive or misleading advertising is prohibited by Consumer Protection Act. For instance, untruthful information involves the product’s qualities and attributions; its origin and manufacturing process; its use and expected results of use, maintenance, the existence of spare parts; information about the vendor, such as vendor’s trade name, contact details, or awards and prizes received by the vendor. Besides, companies are not allowed to hide away crucial information which may affects the buyer’s decision to purchase the product or other decision correlated with the product (MK Law, nd).

4.6.2.2 Use of children in advertising

The use of children in advertising is allowed in Finland. However, a child shown in the ads should be in a situation that does no harm if imitated by children. Moreover, an advertisement must not show children behaving abnormally or opposite to behavioral norms or generally accepted educational and social principles. No child's feelings such as loneliness, fear or being abandoned can be exploited in advertising. Last but not least, a child in an advertisement must never ask or tell anyone to buy something (MK Law, nd).

5 AN ANALYSIS OF THE MARKET FOR LULLA DOLL IN FINLAND

5.1 Potential market size

The upper limit of a potential market size significantly depends on the number of children born. Therefore, it makes sense to look at the number of births in Finland. According to Statistics Finland, the birthrate has been declining in recent years, albeit with less drop each year.

Table 2 Birth rate in Finland, 2006 - 2015. Source: stat.fi, 2016

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of live births	58 840	58 729	59 530	60 430	60 980	59 961	59 493	58 134	57 232	55 472
Total fertility rate	1,84	1,83	1,85	1,86	1,87	1,83	1,80	1,75	1,71	1,65
Mother's mean age by all live births	30,0	30,0	30,1	30,1	30,1	30,3	30,3	30,4	30,5	30,6
Mother's mean age by first live birth	28,0	28,1	28,2	28,2	28,3	28,4	28,5	28,6	28,6	28,8

The mean number of live births between 2006 and 2015 is 52,781.84, which means that there are approximately 52,500 babies born every year in Finland. Statistics Finland has mentioned Population Projection which concludes based on past development in fertility, mortality, and migration. The Projection points

out that the number of children will increase dramatically in the near future (Statistics Finland, 2009). This is a positive sign as the potential market size for Lulla Doll goes up together with the increasing number of baby born.

5.2 Market profitability

Porter's Five Forces model will be used to assess market profitability. But the emphasis is put on analyzing both direct and indirect competitors, their characteristics as well as strategies.

5.2.1 Existing competitors

There has been no trace of any similar psychological doll as Lulla Doll in Finland. However, there is one company known as Familings (<http://familings.fi/en/>) offers product also solves sleep problem of a baby. Beside that direct competitors, there are several substitutes and indirect competitors need to be considered.

5.2.2 Direct competitors (<http://www.familings.fi/>)

The main product of Familings is a baby mattress which automatically produces the light swinging movement as in the womb and in mother's arms, therefore helps baby fall asleep naturally. The movement is as quiet as if in a private library. The mattress size is 120 x 60 cm, which fits in a normal cot (see Appendix 7). It has soft up and down rocking surface made of breathable fabric to calm the baby in his or her sleep.

5.2.2.1 Size, Growth, and Profitability

Familings is a 2-year-old startup who won Special Award of EUWIIN in 2015 and The Most Innovative Children's Product Award of Kind + Jugend in 2016. The company belongs to small-sized business sector which employs 1 - 10 people.

Familings has gained somewhat success in Finland market. The startup has grown 40% and been listed in top 100 trending startups by Startup100 in November 2016 (see Appendix 8). “A profitable business will generally have access to capital for investment” (Aaker and McLoughlin, 2010, p.48).

5.2.2.2 Objectives and Commitment

Familings has the same sale point aiming at baby sleep as Lulla Doll. Its objective is to calm baby to sleep naturally using the gentle motion just like in the mother's womb. The best age to use the mattress the best is newborn to 3-month-old infants, which is similar to that of Lulla Doll. However, it should be noticed that Familings has not built a strong brand personality. Therefore, this is a weakness to Familings yet become an opportunity for RoRo Care.

Familings has been presented in several channels. Using query such as “vauvan patja” or “patja vauvalle”, which means mattress for baby, one can easily find Familings come on top of the search result. This means that Familings has been doing a good job on SEO. Its website recently has been renovated with new design and content. Besides, along with its main marketing channels, website, Facebook page and Instagram, Familings was mentioned in an article of Iltalehti, one of the most common newspapers in Finland (see Appendix 8). Familings also appeared in Independent e-newspapers (see Appendix 8). Both articles are written this year. All of this concludes that Familings is putting great effort on earning more market share using digital marketing.

5.2.2.3 Current and Past Strategies

The main activity of Familings is to sell the mattress at the price of €490 which is about eight times more than the average price (€60) of baby mattress sold by IKEA, Lastenturva and Verkkokauppa (see Appendix 9). The current price is €200 less than that in 2015. Familings also offers rent service at the price of €35 per week, €26 more than that in 2015. Delivery time takes up to 4-5 weeks.

5.2.2.4 Organization and Culture

The CEO Hanna Sissala has a strong background of business development and consultant, which is considered as a competitive advantage. Other employees possess relevant business knowledge and experience.

Following is the SWOT analysis of Familings in Finland market.

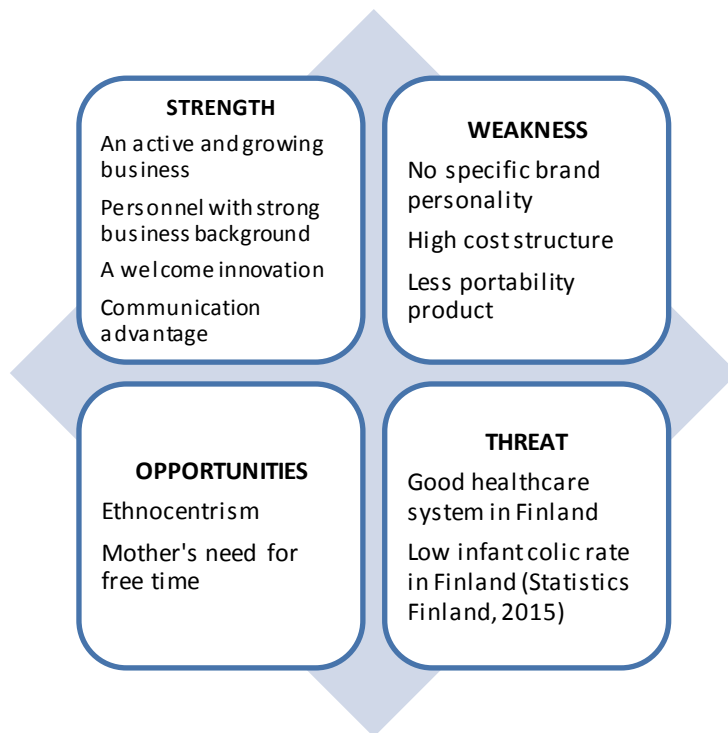


Figure 7 SWOT analysis of Familings

Familings owns its home advantage of being made by the Finns and for Finnish babies. Therefore, it is easier to communicate within Finnish market as well as using word-of-mouth. However, Familings is vulnerable in competition with RoRo Care as it has the following disadvantages. While Familings product is a big mattress taking up space, Lulla Doll is smaller with baby-friendly design and convenient portability. More details of ethnocentrism, mother's need for free time, healthcare system and infant colic rate in Finland come later in the following chapters.

5.2.3 Threat of Substitutes Products

It is of tremendous importance to understand that without marketing effort to emphasize its psychological effects, Lulla Doll appears to customers as a soft toy for few-months-old baby. According to this school of thought, main competing product of Lulla Doll rather be small and medium size teddy bear and soft doll.

Generally speaking, small and medium size teddy bear are sold starting from €13 up to €20. They can easily be found in toy shops locating in shopping malls. Having a similar idea of a cover doll outside of an electronic device yet with a different purpose, night light product sold by Verkkokauppa might become an unpredictable substitute product. The products have various designs captured cute animals stuffed with soft filling. Price ranges from approximately €35 to €60. These are new products. Pictures of a few products as well as link are attached in Appendix 11.

5.3 Distribution system

Conventional marketing distributors comprise of marketing agencies, advertising companies, and resellers. The emerging channels in recent years are social media and blogs. This chapter provides details about conventional and emerging marketing channels in Finland.

5.3.1 Marketing agencies

Target on startup companies, San Francisco Oy (sanfrancisco.fi) offers marketing services targeting startup. There are also other dynamic and creative agencies listed here: [Accessed on 16th November 2016) <http://www.topinteractiveagencies.com/digital-directory/europe/northern-europe/finland/>. Listed as market leaders by Santander (2016) are Dagmar (dagmar.fi), Carat Finland (carat.com/fi/fi), lum (lum.fi).

5.3.2 Advertising companies

Several advertising companies exist under the umbrella association, called Outdoor Finland (outdoorfinland.fi). Among those, Clear Channel Finland (clearchannel.fi) and JCDecaux (jcdecaux.fi) control most of the important advertising points in Finland such as bus stations, public transportations, shopping malls and so on. In terms of initial stage and current financial situation of the company, those are appropriate considerations. Information about offers and packages can be found on their website.

Newspapers account for a significant proportion of advertising. It could be expensive but is an effective way to approach customers because most Finnish households are subscribed to at least one newspaper (Santander, 2016). To list a few well-known newspapers in Helsinki, there are Helsingin Sanomat (hs.fi), Iltalehti (iltalehti.fi), Aamulehti (aamulehti.fi), Kaleva (kaleva.fi), Keskisuomalainen (ksml.fi), Savon Sanomat (savonsanomat.fi), Turun Sanomat (ts.fi) and Swedish daily Hufvudstadsbladet (hbl.fi).

In addition to newspaper, advertising on TV is a traditional way which can massively reach consumers. Several TV stations that could be contacted are Yle (<http://areena.yle.fi/tv>), MTV (mtv.fi), Nelonen (nelonen.fi), Sanoma WSOY (sanoma.com) and Bonnier (bonnier.com). Having low effectiveness, radio will not be mentioned.

5.3.3 Bloggers

As content marketing becomes an increasingly practical concept, blogging emerges as a new kind of channel. A company can send a product to bloggers so they can try it and write a review on their blog post. Blogging offers significant competitive advantages of credibility (from blogger) and possible reach to a particular segment. Following is a list of popular bloggers who write about babies and parenthood.

Bloggers	Links	Description
Vauva	http://www.vauva.fi/	This is an online and paper magazine belongs to Sanoma Media Oy, whose niche focus is about babies and the family.
Havaintoja parisuhteesta	http://www.vauva.fi/blogit/havaintoja-parisuhteesta	A 4-year male blogger, whose average blog's shares on Facebook are > 1000. He blogs about family, parenthoods, children, and babies.
Tiitukatriina	http://www.vauva.fi/blogit/tiitukatriina	Another 4-year blogger who has more than averagely 100 shares on Facebook per post. She writes about pregnancy, motherhood, and babies.
Ihanasti Sopiva	http://www.vauva.fi/blogit/ihanasti-sopiva	Similar to the mention above, albeit with recent start in 2016.
Bebe au lait	http://www.ideal-ista.fi/bebeaulait/	Topics relate to health care, motherhood, family and so on. On average, each post has up to 10 comments.

5.3.4 Resellers

A short list of resellers, who can make Lulla Doll tangible availability less problematic and costly, will be revealed in this section.

There is several brick-and-mortar as well as e-retailer that can become a partner with RoRo Care. Their names and websites can be found below. The list does not include all business, only those that are potential. Comment is made based on the product lists and the level of active and popular, based on activities on social medias.

Name	Type	Website	Location	Note
------	------	---------	----------	------

BeBe	Shop and webstore	http://www.bebes.fi/	Kamppi, Helsinki	Located in one of the most crowded shopping malls; owner is opened and friendly
Lastentarvike	Shop and webstore	https://www.lastentarvike.fi/	Vantaa	One of the biggest malls for babies and mothers.
Verkkokauppa	Shop and webstore	https://www.verkkokauppa.com/	Helsinki, Vantaa, Oulu, Pirkkala	A mall with various range of products, so no focus. However, it has stores in big cities of Finland.
OZBABY	Shop and webstore	https://www.ozbaby.fi/	Turku	Having more than 17000 likes on Facebook and receiving good feedbacks.
Lauranlastentarvike	Shop and webstore	http://www.lauranlastentarvike.fi/	Pori	More than 2000 likes on Facebook, an active business gaining positive attitude from customers
SKIDI	Shop and webstore	http://www.skidi.fi/	Porvoo	Having more than 8000 likes
Lastenturva	Webstore	https://www.lastenturva.fi/		Having more than 11000 likes and 68 reviews, an active business
Pikku Vanilja	Webstore	http://pikkuvanilja.fi/		

5.4 Market trends and development

As mentioned by Booth, it should be noted that Finland, similarly to its Nordic neighbors, is a homogenous country and thus a high-context country. According to US anthropologist Edward T. Hall, a “high context” society is one in which the members “share the same kind of expectations, experiences, background, and even genes”. (Booth M., 2014, p.237 -238).

After the Continuation War – or the Second World War to the world, Finland had to start everything from scratch with human capita in the main (Chaker, 2011, p.141-143). Finns knew their future rely heavily on the country's human resource so well that they paid plenty of attention to people's well-being (Chaker, 2011, p.141-143). According to Statistics Finland (2015), the Finnish government spent approximately 43% of total expenditure on social protection in 2013. Staying fit or being active in sports is considered a common habit of the Finns (This is Finland, 2011). In short, health-conscious is a deep-rooted cultural trend of Finland.

Well-being comes first; education comes second. A brilliant way to invest in and make use of human capita is to educate the people well. The literacy rate in Finland is not far from 100% (KPKONSA, nd). 14% of Finns holds a higher education degree and one of every two Finns has finished upper comprehensive school (KPKONSA, nd). Speaking of fluency of English, Finland holds the 4th place among countries whose mother tongue is not English (Öhberg, 2015). To sum up, Finland is a highly-educated nation.

According to Chaker, the downside of high education is a heavy reliance on facts and data. The outcome of initiatives and processes must be measurable and regularly evaluated. Rationality becomes a basis for decision-making. Subjective factors originating from gut feelings, experience or personal intuition have less effect on the decision-making process. Finnish consumers do their homework before clicking any pay button. However, "the legacy of the quick decision making [...] is still seen as a valuable Finnish way of doing things". (Chaker, 2011, p.183).

6 RESULT FROM OBSERVATION AND QUESTIONNAIRE

6.1 Shop screening

The researcher visited four shops in the center shopping mall Bebes, Kids Avenue, Name it and Polarn o Pyret. All shops have a website. While Bebes, Name it and Polarn o Pyret sell only clothes, only Kids Avenue offers accessories and stuffed toys in additionally. The stuffed toys price ranges from €15 to €30.

6.2 Questionnaire

There were 14 answers collected online and 10 from customers who visit shops. As the number of responses was not sufficient for quantitative analysis, the answers would be analyzed using a qualitative approach.

More than half of cases suffered from sleep problems while seven cases rarely face these issues. This suggests that sleep problems exist and quite common to babies in Finland. Following is the frequency of sleep problems occur to respondents' children.

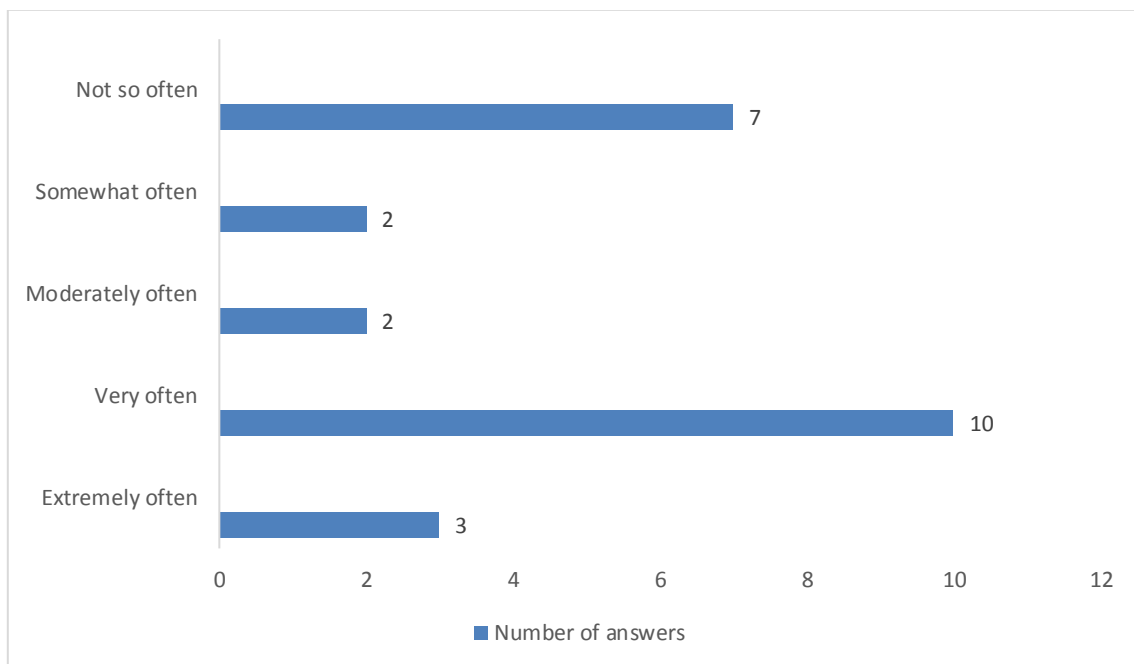


Figure 8 Frequency of sleep problem faced by babies

There were 10 respondents do not shop online for similar reasons. They preferred to buy at the store to see with their own eyes and touch with their own hands. Moreover, buying at the store takes away the burden of returning the product if something goes wrong. The rest of responses listed Amazon, Tori, Polarn o Pyret, Huuto, Zalando and Lastentarvikke as their destination for buying baby clothes and equipment online.

When being asked where to find information of childcare equipment, top answers were friends recommendation and nurse or doctor's suggestion (15 answers). Coming next on the list was social media such as Facebook, Bloggers.

Efficiency was rated either important or very important by all respondents. Similarity takes place for Ease of use, albeit with one “Slightly important” answer. Next on the top priority was Durability, following by Price. Original country and Guarantee Time played a less important role when parents look for childcare equipment.

Only 2 out of 24 people have heard of Lulla Doll. In their assumption, people thought Lulla Doll would not likely help baby with his/her sleep problems. Respondents reckoned that baby needs human closeness with his/her parents, especially in their early days. Most of them would not likely to suggest Lulla Doll to friends or relatives, who is expecting or having a baby.

7 DISCUSSION

After analyzing the external environment of Finnish market, combining with survey result, SWOT analysis of Lulla Doll in Finnish market is conducted and the result is mentioned below.

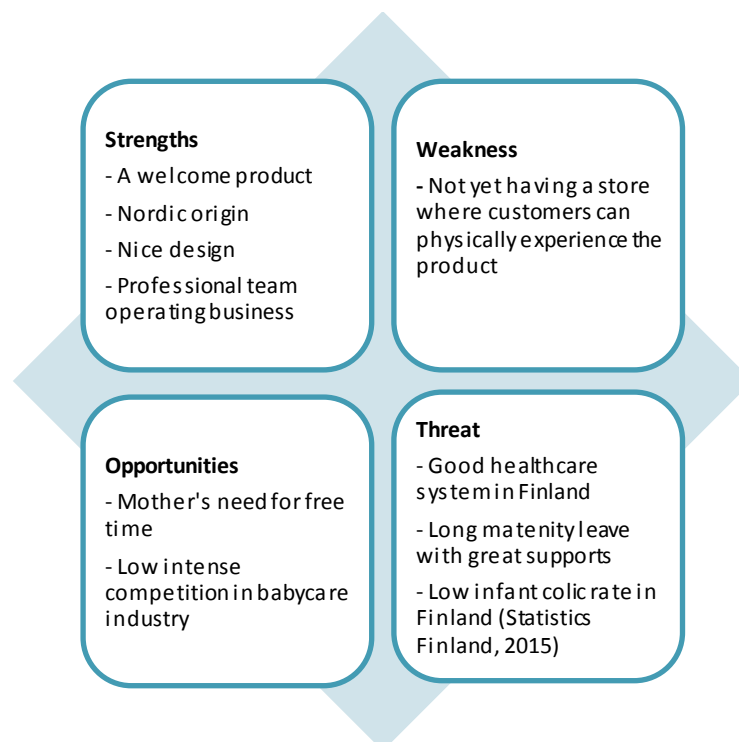


Figure 96 SWOT analysis of Lulla Doll in Finland

Lulla Doll has been considered as an innovative product by prestige organizations around the world such as Vogue and US weekly of the United States, The Huffington Post of Australia, The New Zealand Herald of New Zealand and Chinese' magazine (Lulla Doll, 2016). This fact strengthens Lulla Doll's brand image in other countries. Since Finland and Iceland belong to the same group of Nordic countries, Nordic origin becomes a strength. Moreover, as simplicity is a core personality of Finnish people, the simple and minimal design in which Lulla Doll appears seems appealing.

Not having a brick-and-mortar store becomes a disadvantage for Lulla Doll. Some Finns prefer to be able to examine the product before deciding to buy it. Though RoRo Care focuses on online selling, the company may consider a trial campaign from which Finns mothers have a chance to experience the product.

In Finland, the health care system is so good and the infant colic rate is so low that baby's health is at relatively high level. Moreover, parents have long maternity leave with maternity support, both financially and mentally. These facts may lower chances for Lulla Doll.

However, Lulla Doll can count on the opportunity that mothers in Finland would need more time. Since fitness is an important daily routine of Finnish people, mothers would be pleased to have some free time when they can go to the gym to gain their pre-maternity body. To mothers who work, maternity leave holds a risk of being out-updated. Consequently, having time to update their knowledge and trends beside taking care of their baby may trigger demand for Lulla Doll.

Plus, there is currently only one direct competitor, Familings Oy with its moving mattress, competing with Lulla Doll of RoRo Care. In such low intense competition in Finland, RoRo Care can enter the market with lower amount of resources needed than that of high intense competition market.

7.1 Summary of the findings and conclusions

This chapter addresses to research questions asked from the beginning. Subsequently, a conclusion about the Finnish market and suggestions for Lulla Doll to enter the latter will be revealed.

<i>Research question</i>	Findings
<i>1. What is the business environment like in Finland?</i>	<ul style="list-style-type: none">- Favorable business environment due to transparency, low-corruption, and growing economy.- High-context, high living standard society- Various marketing channels possibility
<i>2. What kind of challenges awaiting the company in Finland?</i>	<ul style="list-style-type: none">- The practical and risk-averse Finnish mind- Finnish languages
<i>3. What are the opportunities for Lulla Doll in Finland?</i>	<ul style="list-style-type: none">- Mothers need free time- Not an intensive rival in this industry
<i>4. What are potential target segments and their characteristics in Finland?</i>	<ul style="list-style-type: none">- Mothers from 28 – 34 years old- Employed mothers/ parents- Consumers in the urban area such as Uusimaa, Oulu, Turku.
<i>How could Lulla Doll find its way into the Finnish market?</i>	<ul style="list-style-type: none">- Not only mention effects to baby but emphasize augmented benefits to mothers and parents- Focus on right segments- Utilize social networks and WOM

Doing business in Finland receives much support from the government from transparent information (in English) on webpages to free business advisory services. It is a low corruption yet a high-context nation with a growing economy and

high living standard. With a high rate of internet users, e-commerce outside Finland is able to break through the geographical barriers and reach to Finnish customers. More importantly, Finnish people are familiar with a wide range of popular social networks, so companies can reach Finnish customers using variety marketing channels.

Understanding the fact that Finns are realistic and risk-adverse, the company should tap into the concrete benefits, both non-augmented and augmented values, of Lulla Doll. Besides, emphasizing the fact that Lulla Doll has been welcome by mothers in a wide range of countries would strengthen its branding. Although not being a major problem since more and more people speak English now, the language still plays a vital role in marketing towards Finnish people, especially in advertising.

It should be noted that Finnish mothers have the need for some spare time when taking care of their babies. This fact stands as an opportunity for Lulla Doll to enter Finland. The company may want to highlight the advantages of having more free time offered by using Lulla Doll to mothers.

Potential targets are mothers at the age of 28 to 34 because this is the average age range of mothers who have a high rate of live births (Appendix 6). Moreover, mothers as this age range are likely to be employed (Appendix 12). Targeting at employed mothers results in a higher chance of success because these mothers are educated, more health-conscious, and have more money as well as the need for free time. Especially, mothers in the central area such as Helsinki, Espoo, Vantaa and in big cities such as Turku, Oulu or Tampere have much of these mentioned above characteristics.

To enter the Finnish market, RoRo Care needs to apply game-changing strategies. Besides emphasizing the effects to baby's health, marketing executive can tap into mother's needs and send a different marketing message to mother and, possibly, father. With the right message to the right segmentation, RoRo Care can eventually catch the potential needs. To expand the scale of reach, the company can use various marketing channels such as Facebook, Google Adwords,

Instagram, and Bloggers. A trial campaign may strike a hit to Finnish low-risk tendency and leverage the strongest marketing channel: Word of Mouth. To conduct a market survey with big scale may help in orientating the marketing campaign.

7.2 Trustworthiness of the research

Trustworthiness, proposed by Bryman and Bell (2011, p.395) is built on four criteria: credibility, transferability, dependability, and confirmability. In short, credibility implies how believable a research is. Transferability is the level of possibility to apply the findings to other contexts. Dependability is the level of appropriate to apply the findings at other times. Confirmability is the likelihood of high objectivity when the researcher is doing his or her work (Bryman and Bell, 2011, p.43).

To ensure credibility, the researcher has been using data from creditable sources such as Statistics Finland, Kela, Infopankki, Tax Administration – all of which are Finnish public authority pages. Besides, economic index and information are retrieved from reliable online databases such as OECD, World Economic Forum, BBC News, Trading Economics, and so on. Along with online database, information and theories used base on trustworthy books and previous studies.

Apart from The empirical research (chapter 6) and a portion of Discussion (chapter 7) which prefer specifically to Lulla Doll, most of the findings can be applied to other contexts. All the information and index used are that of the latest within 5 years from now. Some figures indicate future trends outlook until 2020. Most of the legal regulations have not changed significantly in the last 5 years. Considering Finnish is a high-context society with a low rate of immigration, the researcher believes that consumer behavior and market trend will not change much in the near future.

Before studying the market, the researcher has no prejudgment or prediction about the demand for Lulla Doll. Along the way, no conclusion is drawn before starting of the analysis process. Therefore, from the researcher's point of view, the findings have a relatively lowest level of subjectivity. However, at a certain

level, a view of a marketer might affect the whole process, especially the analysis stage.

In addition, it should be noted that the researcher is not a native-born Finn. Therefore, at a certain level, the researcher may have a pre-understanding of Finnish culture which is attributable to the researcher's different cultural perception.

Finally, the research has followed all the ethical principles of doing no harm to participants nor invasion to their privacy, providing informed consent, and letting no deception happen. All data used in the research are non-confidential data and are cited in the References section.

7.3 Suggestions for future research

In the near future research, it is suggested that a market survey should be conducted in more cities instead of only the central area. The future researchers may want to have more research subjects such as fathers, relatives besides mothers. And he or she may want to tap into the gifting culture in Finland to spot potential demand and marketing advantages for Lulla Doll. As the use of mobile and internet is increasing dramatically in Finland, mobile shopping as well as Internet of Things needs more consideration.

REFERENCES

- Aaker D. and McLoughlin D. (2010). *Strategic Market Management*. 1st Ed. United Kingdom: John Wiley & Son Ltd.
- Albaum, G. and Duerr E. (2008). *International marketing and export management*. 6th Ed. Hampshire: Ashford Colour Press Ltd.
- Baines P., Fill C. and Page K. (2008). *Marketing*. New York: Oxford University Press Inc.
- Booth M. (2014). *The almost nearly perfect people : The truth about the Nordic miracle*. London: The Random House Group Limited.
- Boyse K., (no date) *Sleep Problems* [Online] Available from: <http://www.med.umich.edu/yourchild/topics/sleep.htm> [Accessed : 13th October 2016]
- Bryman A., Bell E. (2011). *Business research methods*. 3rd Ed. New York: Oxford University Press Inc.
- Business Dictionary. (no date) *Desk research* [Online] Available from: <http://www.businessdictionary.com/definition/desk-research.html> [Accessed : 20th March 2017]
- Business Insider. (22 August 2016) *These 10 countries have the best parental leave policies in the world* [Online] Available from: <http://nordic.businessinsider.com/countries-with-best-parental-leave-2016-8?r=US&IR=T> [Accessed : 22th March 2017]
- Callahan A. (13th February, 2012). *Why Sleep Matters to Babies and Parents*. [Online] Available from : <https://scienceofmom.com/2012/02/13/why-sleep-matters-to-babies-and-parents/> [Accessed : 13th October 2016]
- Chaker, N. A. (2011). *The Finnish Miracle*. 3rd Ed. Finland: Talentum Media Oy.
- Infopankki. (2016). *Children's health* [Online] Available from: <http://www.infopankki.fi/en/living-in-finland/health/children-s-health> [Accessed : 14th December 2016]
- Infopankki. (2014). *When you are expecting a baby*. [Online] Available from: <http://www.infopankki.fi/en/living-in-finland/health/when-you-ares-expecting-a-baby> [Accessed : 14th December 2016]
- Kela. (no date) *Benefits provided by Kela: Number of recipients and benefits paid out*. [Online] Available from: <http://raportit.kela.fi/linkki/77203094> [Accessed : 22th March 2017]

- Kela. (2017) *Maternity package*. [Online] Available from: <http://www.kela.fi/web/en/maternitypackage?inheritRedirect=true> [Accessed : 22th March 2017]
- Kinturi M., Uusitalo L. (2001). *Advertising Worldwide*. Online ISBN: 978-3-642-56811-4. German: Springer Berlin Heidelberg.
- Kotler, P. et al. (2008). *Principle of Marketing*. 5th European Ed. England: Pearson Education Limited.
- Kozlova, N. (2014). *Market Analysis. Case: The Opportunities for the Company Finweddings to Enter into the Russian Wedding Market*. .
- KPKONSA. (no date). *Finnish education system*. [Online] Available from: <http://www.kpkonsa.fi/index.php/information-for-visitors/finnish-education-system> [Accessed : 19th February 2016]
- Lee, H. (2013) Why Finnish babies sleep in cardboard boxes. *BBC News*. [Online] Available from: www.bbc.com/news/magazine-22751415 [Accessed : 14th October 2016]
- Lulla Doll (28 July 2016) Media Craze. [Online] Available from: <https://lulladoll.com/blogs/news/media-craze> [Accessed : 21th March 2017]
- Lulla Doll (nd) Stockists. [Online] Available from: <https://lulladoll.com/pages/store-locator> [Accessed : 22th March 2017]
- MK Law. (no date). *Finland: Advertising and Marketing Advertising Law*. [Online] Available from: http://www.mklaw.fi/files/Finland_Advertisement_Law.pdf [Accessed : 14th December 2016]
- Mundi, L. (2012). *Finland : Guide to Doing Business*. Roschier : Attorneys Ltd.
- OECD Better Life Index. (2015). *Finland*. [Online] Available from: <http://www.oecdbetterlifeindex.org/countries/finland/> [Accessed : 22th March 2017]
- Öhberg, T. (2015) Finland Places Among the Top Four English-Speaking Countries in the World. *Finland Today*. [Online] Available from: <http://finlandtoday.fi/finland-places-among-the-top-four-english-speaking-countries-in-the-world/> [Accessed : 21th February 2016]
- Ombrellino. (2015). *Ombrellino's dolls*. [Online] Available from: <http://www.ombrellino.fi/catalogsearch/result/?q=nukke> [Accessed : 14th December 2016]

- Rusinova, G. (2014). *Market Analysis of Finnish Market and Part of Russian Market (Moscow and Saint Petersburg)*. Case company: Sans Digita.
- Santander Trade. (2016). Finland : reaching the consumer. [Online] Available from: <https://en.portal.santandertrade.com/analyse-markets/finland/reaching-the-consumers> [Accessed : 1th December 2016]
- Saunders M., Lewis P. & Thornhill A., (2009). *Research methods for business students*. 5th Ed. England: Pearson Education Limited.
- Solomon, et al. (2009). *Marketing, Real People, Real Decisions*. England: Pearson Education Limited.
- Statista. (no date). *Share of social media users in Finland in 2015, by platform*. Access method: <https://www.statista.com/statistics/540705/social-media-usage-in-finland-by-platform/> [Accessed: 17th November 2016].
- Statistics of Finland. (2016). *Gross domestic product (GDP) at market prices 1975 - 2016* [e-publication]. Access method: http://www.stat.fi/til/vtp/2016/vtp_2016_2017-03-16_tau_001_en.html [Accessed: 4th May 2017].
- Statistics Finland. (2016). *Births* [e-publication]. Available from: http://www.stat.fi/til/synt/2015/synt_2015_2016-04-14_tie_001_en.html [Accessed: 23th March 2017].
- Statistics Finland. (2009). *Population projection* [e-publication]. Available from: http://www.stat.fi/til/vaenn/2009/vaenn_2009_2009-09-30_tie_001_en.html [Accessed : 6th November 2016]
- Statistics Finland. (2016): *Consumer survey* [e-publication]. Available from: http://www.stat.fi/til/kbar/2015/11/kbar_2015_11_2015-11-27_tie_001_en.html [Accessed : 13th December 2016]
- Statistics Finland. (2015). *General government expenditure by function* .[e-publication] Available from: http://www.stat.fi/til/jmete/2013/jmete_2013_2015-01-30_tie_001_en.html [Accessed : 13th December 2016]
- Statistics Finland. (2015). *Mortality during infant and perinatal period 1987–2014*. [e-publication] Available from: http://www.stat.fi/til/ksyyt/2014/ksyyt_2014_2015-12-30_tau_005_en.html [Accessed : 14th December 2016]
- Statistics Finland. (9 December 2016). *Prevalence of Internet usage and certain purposes of use in 2016*. [e-publication] Available from: http://www.stat.fi/til/sutivi/2016/sutivi_2016_2016-12-09_tie_001_en.html [Accessed : 23th March 2017]

- Tax Administration (no date). *VAT regulations concerning distance selling to Finland*. [Online] Available from: [https://www.vero.fi/en-US/Precise_information/Value_added_tax/VAT_regulations_concerning_distance_sell\(15653\)](https://www.vero.fi/en-US/Precise_information/Value_added_tax/VAT_regulations_concerning_distance_sell(15653)) [Accessed : 14th November 2016]
- The Global Economy. (no date). *Corruption Perceptions Index -country rankings*. [Online] Available from: http://www.theglobaleconomy.com/rankings/transparency_corruption/ [Accessed : 12th December 2016]
- The Global Economy. (no date). *Political Stability -country rankings*. [Online] Available from: http://www.theglobaleconomy.com/rankings/wb_regulatory_quality/ [Accessed : 12th December 2016]
- The World Bank. (no date). *Ease of Doing Business in Finland* [Online] Available from: <http://www.doingbusiness.org/data/exploreeconomies/finland> [Accessed : 12th December 2016]
- This is Finland. (July 2011). *Finland: The frontrunner in sports and fitness* [Online] Available from: <https://finland.fi/life-society/finland-the-frontrunner-in-sports-and-fitness/> [Accessed : 6th April 2017]
- Trading Economics. (2016). *Finland | Economic Forecasts | 2016 -2020 Outlook*. [Online] Available from: <http://www.tradingeconomics.com/finland/forecast> [Accessed : 13th December 2016]
- Turnbull K, Reid GJ, Morton JB (2013). Behavioral Sleep Problems and their Potential Impact on Developing Executive Function in Children. *Sleep*. [Online] Available from: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3669074/> [Accessed : 13th October 2016]
- Yle.(2016). Central bank: Finland has pulled out of recession [Online] Available from: http://yle.fi/uutiset/osasto/news/central_bank_finland_has_pulled_out_of_recession/9350881 [Accessed : 6th April 2017]
- Yrttiaho, P. (2013). E-commerce in Finland – Consumer expectations in online shopping.

APPENDICES

Appendix 1

Questionnaire for Mothers

We would appreciate your taking the time to complete the following survey. It is a survey designed for a market analysis of a baby care product known as Lulla Doll. It is important to know if there is a demand for this product. Let your need be heard!

It should take less than five minutes of your time. Your responses will not be identified by individual. All responses will be compiled together and analyzed as a group. Let's start with general questions.

1. How many children do you have?

2. How old are your babies?

3. How often does your baby have sleep problems (*not enough sleep, wake up at night, need to be rocked or suck a pacifier to sleep, refuse to sleep, irregular sleep routine, etc.*)?

- ☐ Extremely often
☐ Very often
☐ Moderately often
☐ Somewhat often
☐ Not so often

4. How often do you use the following method to find information of a childcare equipment?

	Never	Rarely	Usually	Al-ways
Newspapers Advertisement (Metro, HS, Ilta-sanomat, etc)				
Retailer's Advertisement				

Social media (Facebook, Youtube, Bloggers, etc)				
At clinic (neuvola) brochure place				
Friends recommendation				
Nurse or doctor's suggestion				

5. Which product qualities do you look for in a childcare equipment?

	Not important	Slightly important	Important	Very important
Durability				
Efficiency				
Acceptable price				
Ease of use				
Original country				
Guarantee time				

6. Do you shop **online** for baby clothes and equipment?

☐ Yes, I do. Please give shop name and or site

☐ No, I don't.

Because

Now, let's talk about this product: the Lulla Doll.

The Lulla doll is a sleep companion for babies and toddlers. It imitates closeness of the caregiver using its soft feel of natural cotton and soothing sounds of real-life breathing and heartbeat. Lulla's unique design is based on scientific research that shows how closeness improves sleep, wellbeing and safety. More information can be found at www.lulladoll.com

7. Have you heard of this product or a similar product?

☐ Yes, I have. Please give product's name

☐ No, I have not.

8. Have you used a similar product with similar effects?

☐ Yes, I have. Please give product's name

☐ No, I have not.

9. How likely, in your assumption, Lulla Doll will help your baby with his/her sleep problems?



10. How likely do you think that you will suggest Lulla Doll to your friends?



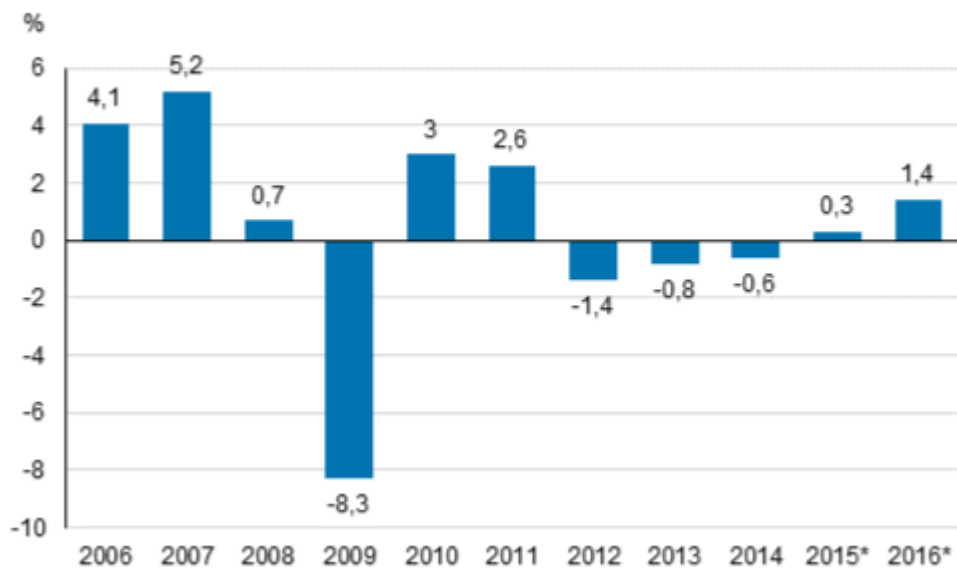
11. What do you in general think of the product now when you have seen it?
-

12. Would you like to add something?
-

Thank you for your time! Take care!

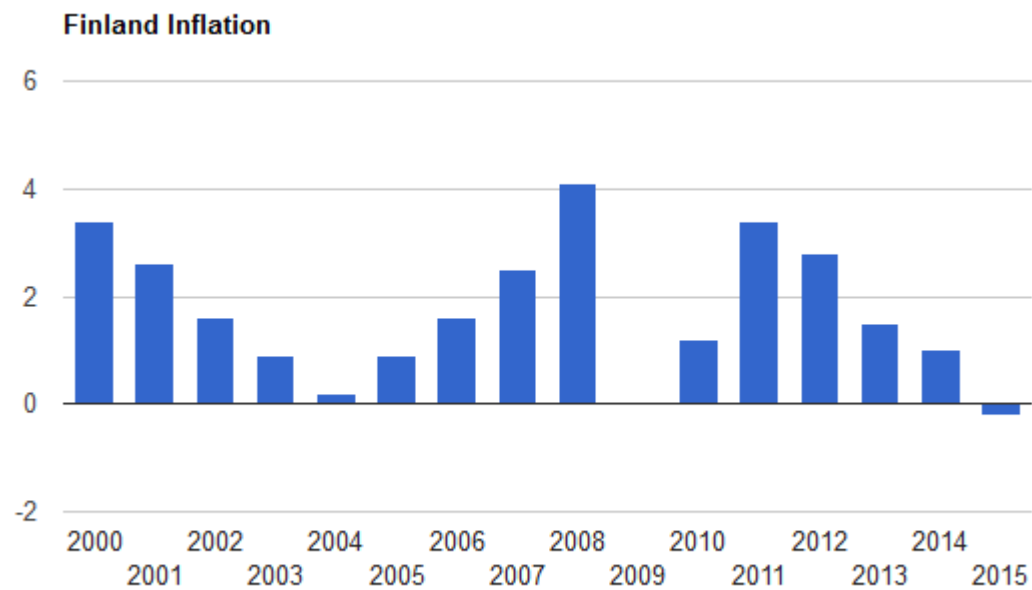
Appendix 2

Annual change in the volume of gross domestic product, per cent



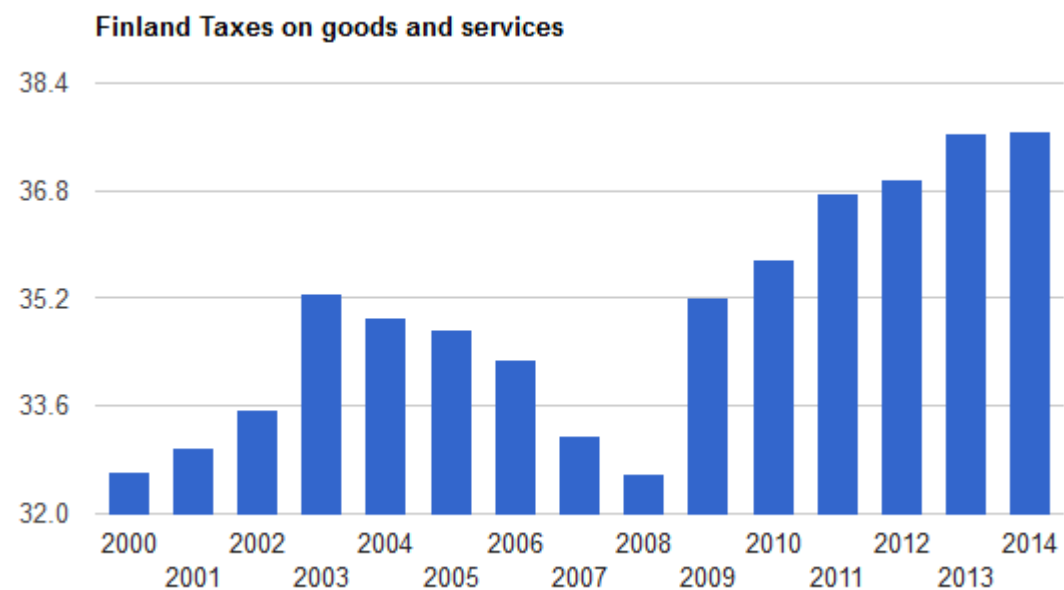
Appendix 2 Annual change in the volume of GDP (%), source : Statistics Finland, 2017

Appendix 3



Appendix 3 Inflation rate of Finland, source : Statistics Finland, 2016

Appendix 4



Appendix 4 Taxes on goods and services in Finland, source : Statistics Finland, 2016

Appendix 5

Dataset: Better Life Index - Edition 2015

Measure		Value			
Inequality		Total			
Indicator		Income		Jobs	
		<u>Household net adjusted disposable income</u>	<u>Household net financial wealth</u>	<u>Employment rate</u>	<u>Personal earnings</u>
Unit		US Dollar	US Dollar	Percentage	US Dollar
Country					
Iceland		23965	43045	82	55716
Finland		27927	18761	69	40060

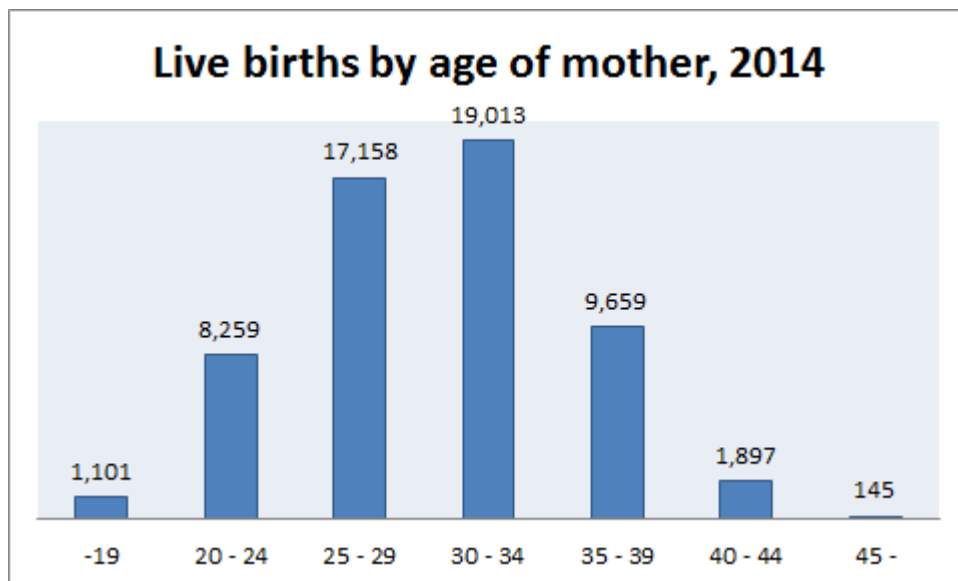
Data extracted on 18 Feb 2016 18:37 UTC (GMT) from OECD.Stat

Legend:

E: Estimated value

Appendix 5 Household income and employment status of Finland, 2015, source : oecd.stat

Appendix 6



Appendix 6 Live births by age of mother, 2014, source : Statistics Finland

Appendix 7



Appendix 7a Familings mattress, source : familings.fi



Appendix 7b Familings mattress in a cot, source : familings.fi

Appendix 8 : Articles that mentioned Familings

Hawkins S., (2016). *Suomalaisäidin keksintö - patja, joka saa itkuisen vauvan nukahtamaan.* [Online] Available from: http://www.iltalehti.fi/asuminen/2016090622270737_an.shtml . [Accessed : 7th November 2016]

Pells R., (2016). *Finland solves sleeplessness for new parents by inventing.* [Online] Available from: <http://www.independent.co.uk/life-style/health-and-families/finland-solves-sleeplessness-baby-box-mattress-new-parents-self-rocking-a7321306.html> . [Accessed : 7th November 2016]

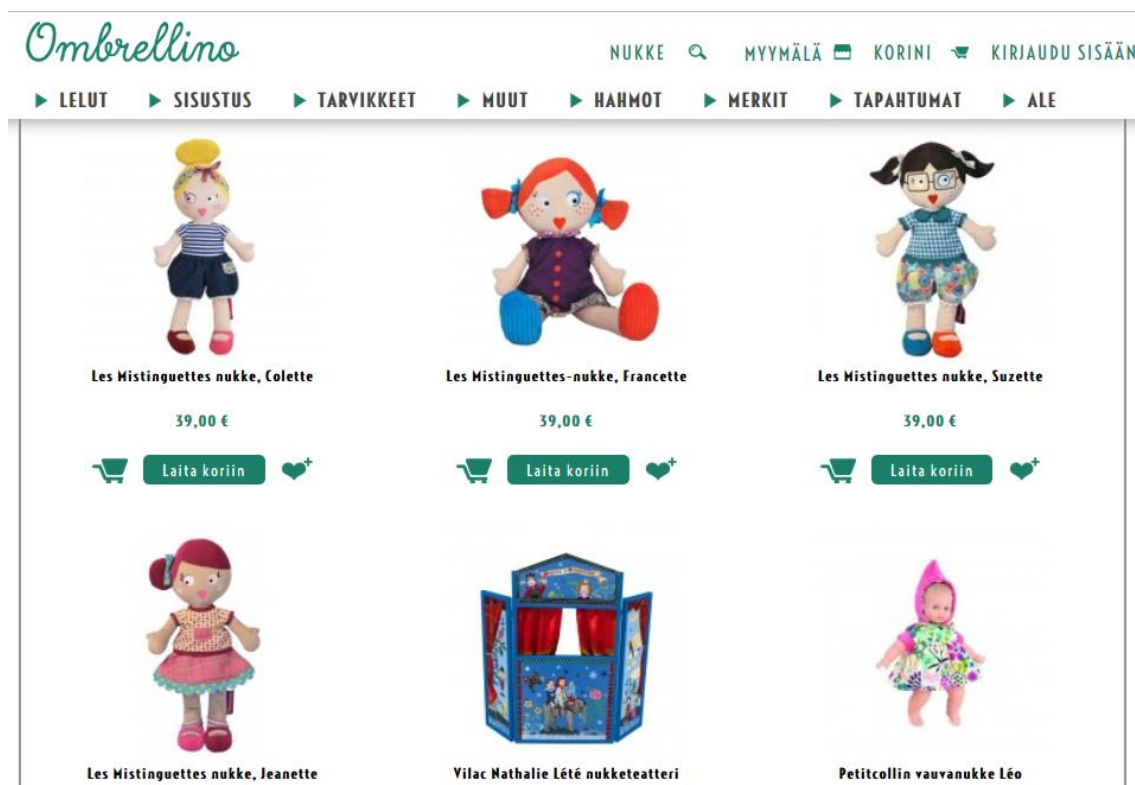
Startup100 (nd). The hottest startups from Finland in November. [Online] Available from: <http://www.startup100.net/> . [Accessed : 24th March 2017]

Appendix 9

No.	Product	Vendor	Price
1	Vyssa skönt 120 x 60 x 9 cm	IKEA	39.95
2	Vyssa vackert 120 x 60 x 10 cm		69
3	Vyssa snosa 120 x 60 x 8 cm		24.95
4	Vyssa slappna 120 x 60 x 5 cm		14.99
5	Vyssa vinka 120 x 60 x 10 cm		49.95
6	Familon Hiphop mattress 120 x 60 cm	Lastenturva	109
7	Little Footprint mattress Deluxe 120 x 60 x 8 cm		59
8	Little Footprint mattress 120 x 60 x 8 cm		39
9	Fiki Miki Gryko Lux Prestige Line 120 x 60 x 11,5 cm	Verkkokauppa	49.9
10	Rätt Start Basic 60 x 120 x 8 cm		34.9
11	Fiki Miki Gryko Lux Comfort Line 120 x 60 x 8 cm		39.9
12	Rätt Start Exklusiv 60 x 120 x 8 cm		49.9
13	Hauck Sleeper 60 x 120 cm		39.9
14	Rätt Start Diamond 60 x 120 x 8 cm		59.9
15	Familon Hiphop -vauvanpatja, 120 x 60 x 8 cm		134.9
	Mean		54.3
	Standard Deviation		29.5

Appendix 9 The average mattress price of IKEA, Lastenturva and Verkkokauppa

Appendix 10



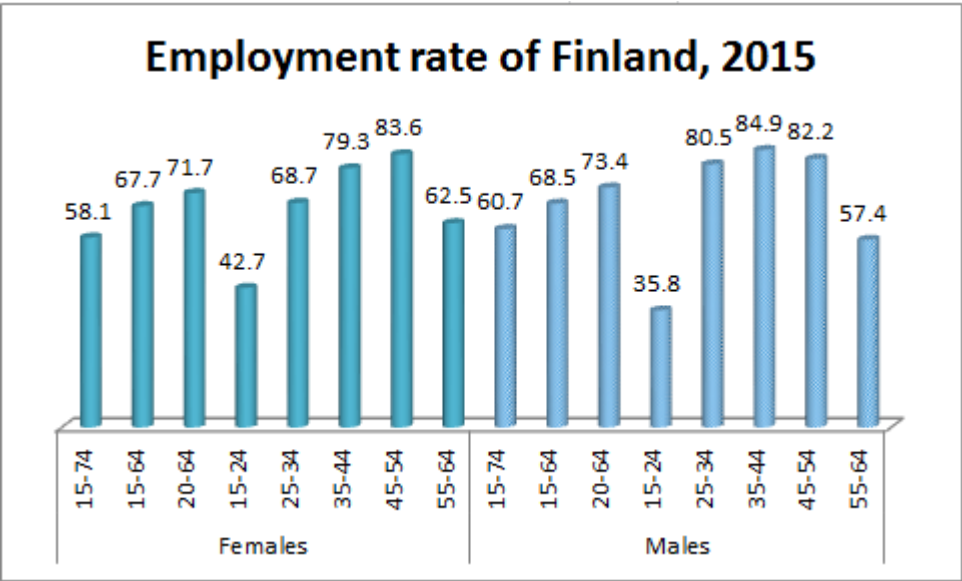
Appendix 10 Dolls of Ombrellino, source : ombrellino.fi

Appendix 11



Appendix 11 Night light products of Verkkokauppa, source: Verkkokauppa, access from <https://www.verkko-kauppa.com/fi/search/?brand=cloud%20b>

Appendix 12



Appendix 12 Employment rate of Finland, 2015, source : Statistics Finland, Labour Force Survey