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Importing Neoglory Jewelry to Finland

Bachelor’s Thesis 2013

ABSTRACT

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Importing Neoglory Jewelry to Finland

Bachelor's Thesis 69 pages + 5 pages of appendices

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The Chinese company Neoglory Jewelry has developed for nearly twenty years since it was built in 1995. At the moment, the Neoglory is one of the leaders in Chinese jewelry market and has rich experience on exporting products to overseas. However, the Nordic market is an attractive and unknown wonderland for the company Neoglory.

The thesis focuses on Finnish jewelry market, aims at exploring general situation of the Finnish non-precious jewelry market and providing relevant information for the company Neoglory entering Finland market. At last, suggestions that based on the results of research are proposed directly.

In order to reaching the main objective of research, primary and secondary data are both applied in this thesis. The primary data are come from shops visiting in Kouvola area and survey on customer buying behavior. Meanwhile, the secondary data are reviewed and used not only to describe the macro environment of Finland market, but also present the basic procedures and required documents when importing jewelries from China to Finland.

Before launching products in Finland market, the company Neoglory has to make sure the nickel content of items is up to the Finnish standard. Apart from satisfying customers' aesthetics and needs, the competitive quality and price should be kept at the same time. Cooperating with reliable and strong distributors S-Group or K-Group is another significant key to achieve success in Finland market.

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1. INTRODUCTION

The learning experience in university is very precious. It helps people to reserve the necessary professional knowledge and enlighten our future career direction as well. In our opinion, we quite appreciate that the thesis which is based on the career that people want to start in the future. Therefore, we choose to write about what we may be engaged in after graduation — jewelry importing and exporting business.

The company Neoglory is one of the jewelry market leaders in southern China. The company keeps broadening overseas market since it starts exporting business. Here, we take Neoglory as the case company, analyze and understand the non-precious jewelry market of Finland, so that provide basic information for the company before entering a new market.

1.1. Purpose of the Study

The purpose of this thesis is to explore and analyze the non-precious jewelry market of Finland, and sorting out critical information and data for the company Neoglory, so that supporting the company on the right tracks of entering Finnish jewelry market.

On the other hand, considering the different marketing environment of Finland and understanding Finns buying behavior, then propose suggestions to the company Neoglory.

1.2. Research Questions

The main research question which is to be answered in this thesis: What is the general situation of Finnish non-precious jewelry market?

In order to answer the main question, there is need to answer the sub-questions which relate to the research topic and the main research questions.

The sub-questions are the below:

1. What is the macro environment of Finnish non-precious jewelry market?
2. What are the main procedures of importing non-precious jewelry from China to Finland?
3. Who are the competitors and what are the competitors' products?
4. What is the customer buying behavior on the Finnish jewelry market?

1.3. Research Method

The importance of marketing research was highlighted in a study of the factors that were significant in the selection of an industrial goods supplier (Jobber 2010, 219). Through the marketing research, company would know what the main considerations when it decides to do business with its customers or competitors. In this study, the research is used to obtain detailed information about the Finnish market and help the Neoglory to penetrating the market. The methodology of the research is divided into two parts: secondary research and primary research.

The secondary research is that the data come to the researcher 'second-hand' (other people have compiled the data) (Jobber 2010, 227). PESTLE stands for Political, Economic, Sociological, Technological, Legal, and Environmental. It helps the managers to project strategic decision making. Through the PESTLE, organizations could understand the macroeconomic environments in which they will enter. In this case, PESTLE analysis focuses on the Political, Economic, Sociological and Legal in Finnish non-precious jewelry market in order to gain the information of local environmental.

The primary research is used to obtain specific information; it includes quantitative research, qualitative research, and benchmarking. The quantitative research focuses on numerical data. It provides the information that can be spread across the study population (Jobber 2010, 244). Even though the quantitative research results may be more superficial and researcher cannot gather in-depth information about the market in order to analyze it deeply, the researcher can be more confident that the results are applicable to a broad section of consumers (Jobber 2010, 244). Therefore, choose the questionnaire survey as a measure to collect and analyze related data is wisely in this case study.

The main forms of qualitative research are group discussions and depth interviews. It aims to establish customers' attitudes, values, behavior and beliefs (Jobber 2010, 244). Qualitative research is used to understand the 'why' and 'how' of consumer behavior (Clegg 2001, 63) in order to provide rich and in-depth insights into consumer behavior.

Effective management of projects is becoming increasingly important for any types of organizations in order to remain competitive in today's dynamic business environment due to pressure of globalization (Dey 2010, 326-356). Benchmarking is very important to compare the services or products provided by the business owner who is just starting. It is the process of identifying "best practice" in relation to both products and the processes by which those products are created and delivered (Riley 2012). Benchmarking could used to understand and evaluate the current position of a business or organization. In this case study, the benchmarking is adopted not only for obtaining the information of competitors in Finnish non-precious jewelry market, but also for self improving in the future. In this thesis, there are four brands are benchmarked which are outstanding in Finnish market. They are IBERO, CAILAP, KORUKOLMIO and Glitter in Anttila, K-City Market, Sokos, Prisma and Glitter in Kouvola. They are benchmarked in order to understand and evaluate their position in Kouvola market, which will help the Neoglory to strategic decision making and compete with these brands.

1.4. Research Focus and Limitation

The focus of this research is offering the case company Neoglory essential information and understanding on the general situation of Finnish non-precious jewelry market. The research mainly concentrates on Kouvola area in Finland.

During the process of research, communication is a barrier, language limits people how to expressing their meanings clearly. The research results are very accountable and reflect basic environment of Finnish non-precious jewelry market. However, as the limitation of researching area, the results can not represent specific conditions of other cities in Finland.

1.5. Structure of the Thesis

As we can see from Figure 1 that the thesis consists of 6 chapters:
Chapter 1: introduction. This chapter includes purpose of the study, research question, research method, research focus and limitation, and the structure of the thesis.
Chapter 2: Finland marketing environment. The PESTLE — analysis is utilized in this section, in order to scanning macro environment of Finnish non-precious jewelry market.
Chapter 3: import process. Describes the primary steps that importing non-precious jewelry from China to Finland and the risks which should be concerned.

Chapter 4: mainly introduces the case company Neoglory and existing competitors in Finnish non-precious jewelry market. The Benchmarking is used for presenting competition.

Chapter 5: focuses on the survey understanding consumer buying behaviors. In this part, quantitative research method is applied and the main procedures of data collecting are briefly introduced. Besides, the result of survey is fully analyzed.

Chapter 6: conclusion and development ideas. This is the final chapter of the whole thesis. With this chapter, not only the research summary is made, but also the suggestions are provided for the company Neoglory.

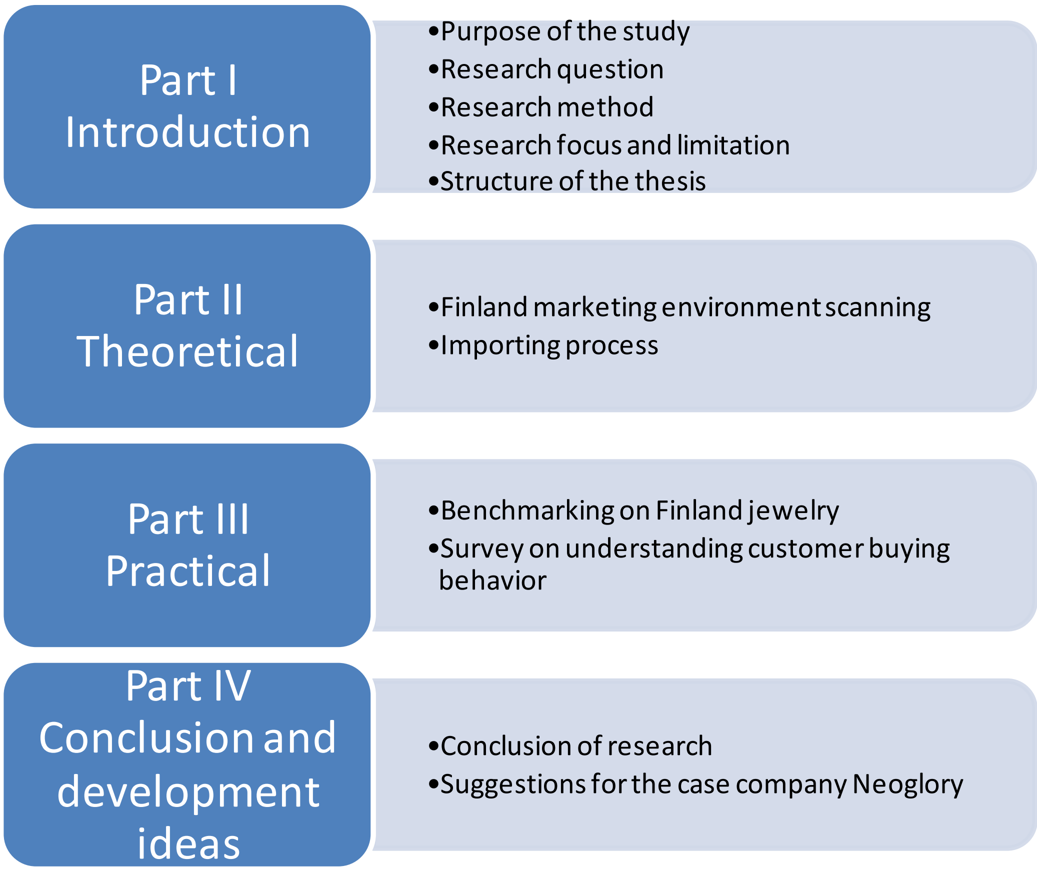

Figure 1 Research Structure

2. PESTLE ON FINLAND

PESTLE ---- analysis is an efficient approach to study the macro environment of Finnish non-precious jewelry market which contains political, legal, economic and social environments in this chapter.

2.1. Political and Legal Environment

Importing plays a significant role in Finnish economy and Finns' daily life. The growing demand for various products and services makes developing countries become close partners of Finland.

Developing countries have benefited from incentive EU arrangements and treatments for decades. Under the GSP (Generalized System of Preferences), the tariff is reduced when developing countries export products to EU market. Moreover, some industrial goods are granted to duty free access as they belong to non-sensitive category in GSP regime. (Ministry for Foreign Affairs of Finland & Finnpartnership 2008.)

Finland is a country of strict legal system. As a member of EU, exporting products to Finland means the importers have to comply with both Finnish laws and EU legislations.

Good quality and competitive price are the keys to find clients in Finland. Usually, for a smooth product sale, the product importer will explain to exporters the related legislations and required documents.

For example, S Group (Inex Partner 2013) states the general minimum requirements for product suppliers.

- Suppliers are required to enter into a written supply agreement with appendices

- Suppliers must supply product details electronically on a schedule according to assortment cycles.
- Production must fulfill the requirements of EU and/or national environmental legislation.
- In terms of social responsibility, suppliers of countries specified in the BSCI import trade initiative are committed to adhere to the principles of the Code of Conduct and to submit to auditing.
- Suppliers should be in a solid financial situation.
- Suppliers must adhere to operating practices according to HACCP (Hazard Analysis and Critical Control Points) principles in foodstuffs and to GMP or HACCP/FMEA principles in daily non-food products.
- Fruit and vegetable suppliers must comply with GAP or IP principles.
- Suppliers must have a traceability system and an own check programme.
- Inex or a third party has the right to audit suppliers.

However, there are several points that Chinese exporters should pay more attention to. The products which sold in the consumer market must be safe for customers' health and to use. Therefore, for protecting customers' rights, EU and member states have strict rules on product safety. Nowadays, it is common case that nickel is added in the jewelry manufacturing process. However, this would cause nickel allergy to Northern European people. The EU makes the limitation that the usual maximum permitted level of nickel releasing is 0.5 ug/cm2/week (Tukes 2012). This means, if the nickel releasing of the non-precious jewelry exceeds the standard, then it cannot be allowed to enter Finland market, neither in any other member states of EU (Tukes 2012).

The requirements of product packaging and labeling are different from China. Though the English is widely understood by Finns, the national languages are Finnish and Swedish (Ministry for Foreign Affairs of Finland & Finnpartnership 2008). Thus, not only the instructions of consumers' safety and proper use, but also relevant product information should only be presented in Finnish or universally known signs and symbols (Ministry for Foreign Affairs of Finland & Finnpartnership 2008). Apart from language, the labeling also requires description of the package contents, weight and measurement, information on safe use. Barcode is needed for retailing in most cases.

2.2. Social Environment

The starting point for marketing is understand customers' needs and wishes. Marketers need to understand the customers' living conditions. So as managers, they have to pay enough attention to the local social environment where company will enter, in addition, managers should make related strategies in order to attract more customers as well as get profit for company. Thus some factors should be noticed like the following ones:

2.2.1. Demographics

The number of people in a particular market provides one of the most basic indicators of market size and is, in itself, indicative of the potential demand for certain staple items that have universal appeal and generally affordable. (Czinkota & Ronkainen 2006, 88)

Table 1 The population of Finland, 1980-2006 (Statistics Finland 2007a)

Year	Total	Male	%	Female	%
1980	4,787,778	2,314,843	48.35	2,472,935	51.65
1990	4,998,478	2,426,204	48.54	2,572,274	51.46
2000	5,181,115	2,529,341	48.82	2,651,774	51.18
2006	5,276,955	2,583,742	48.96	2,693,213	51.04

According to Table 1, the population of Finland is about 5,400,000 at present. Finland has an average population density of 16 inhabitants per square kilometers. This is the third-lowest population density of any European countries, behind those of Norway and Iceland. Finland's population has always been concentrated in the southern parts of the country cause its weather. The largest cities in Finland are those of the Greater Helsinki metropolitan area—Helsinki, Espoo and Vantaa. Other cities with population over 100,000 are Tampere, Turku, Oulu, Jyväskylä and Lahti. Kouvola is a town and municipality in southeastern Finland. The city has a population of 87,331 (Population Register Centre 2012).

According to the Table 1, during the period from 1980 to 2006, the population of the male was 2,314,843--2,583,742 and the percentage was 48.35%--48.96%, it increased around the population of 100,000. On the other hand, the population of the female was 2,472,935--2,693,213 persons. The figure points out the number of population have increased around 200,000 in 26 years, but the percentage has dropped about 0.6% in this period.

Demography is important to marketers because it helps to predict the size and growth rates of markets, and the need for products (Jobber 2010, 86).

Comparing with the Kouvola, the Greater Helsinki metropolitan area (Helsinki, Espoo, and Vantaa), Tampere, Turku, Oulu, Jyväskylä and Lahti, there is no doubt that the Greater Helsinki Metropolitan area is the first choice for Neoglory as a good gangplank to enter Finnish market, otherwise, the Tampere, Turku, Jyväskylä and Lahti are also nearby the Helsinki where would be the second ones. Moreover, Oulu is in the North of Finland, it will be a good option as a potential market which would help Neoglory to enter in the north of Finland in the future.

2.2.2. Age structure

Age structure is a major demographic change that will continue to affect the demand for products (Jobber 2010, 86).

Table 2 Age Structure (Statistikcentralen 2013)

Age	**Males**	**Females**	**Total**	**%**
0– 14	454 222	434 810	888 982	16.5
15–30	515 028	491 057	1 006 085	18.6
31-45	511 985	322 967	834 952	15.5
46-64	759 674	766 562	1 526 236	28.3
65 and over	411 674	567 966	979 640	18.1
Total	**2652534**	**2748733**	**5401267**	

According to Table 2, at the end of 2011, the largest age group was 15-64 years old, as 65.4 percent of the population (1,786,688 males and 1,745,957 females) fell into this category. The age group 0-14 years old accounted for 16.5 percent of the population (454,222 males and 434,810 females). The age group 65 and over occupied 18.1 percent of the population (411,674 males and 567,966 females).

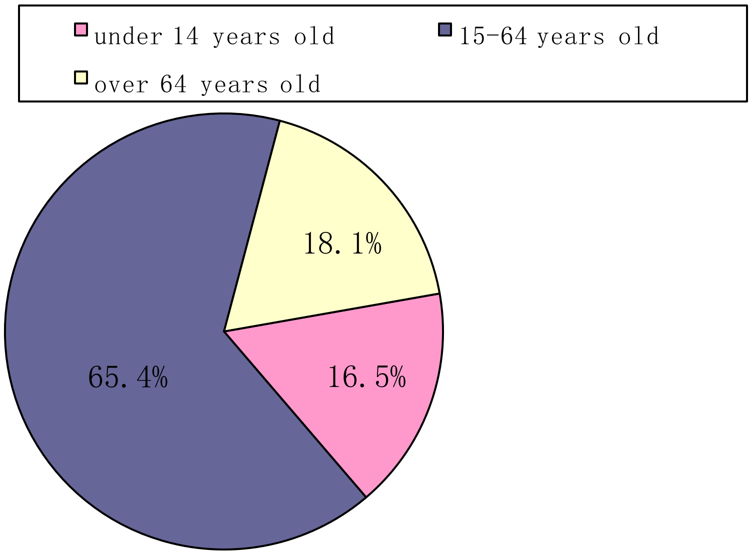

Figure 2 Percentage of age structure

According to Figure 2, the group under the age of 14 years old has occupied about 10%, which is the smallest group. The group over 64 years old has occupied 18.1% and the people who belong the age of 15--64 years old has occupied 65.4%, which is the largest one. Comparing with the three groups, it is clearly that the age stage of 15--64 years old is the target group of the Neoglory.

The number of population of male and female at the age stage of 15—64 years old is about 3,532,645. The population of male has occupied about 50.58% and the female has occupied about 49.42%.

2.2.3. Language

Language has been described as the mirror of culture. Language itself is multidimensional by nature (Czinkota & Ronkainen 2006, 57). This is true not only of the spoken word but also of what can be called the nonverbal language, like smile, wink, or wave, all of these communicates could be an important role in international business.

People understand each other through communication, so a good language capability could help to make good relationship with others and obtain information from others which is effectively in the international marketing. Language capability serves four distinct roles in international marketing (Czinkota & Ronkainen 2006, 57)

- Language aids in information gathering and evaluation efforts.
- Language provides access to local society.
- Language capability is increasingly important in company communications, whether within the corporate family or with channel members.
- Language provides more than the ability to communicate.

Table 3 Population according to language 1980–2011 (Statistics Finland 2012).

Year	Language					
	Swedish speakers	**Lappish speakers**	**Other languages total**	**Finnish speakers, per cent**	**Swedish speakers, per cent**	**Other languages total, per cent**
2000	291 657	1 734	99 227	92,4%	5,6%	1,9%
2001	290 771	1 734	109 197	92,3%	5,6%	2,1%
2002	290 251	1 720	117 013	92,1%	5,6%	2,2%
2003	289 868	1 704	124 817	92,0%	5,6%	2,4%
2004	289 751	1 732	133 183	91,9%	5,5%	2,5%
2005	289 675	1 752	144 334	91,7%	5,5%	2,7%
2006	289 609	1 772	156 827	91,5%	5,5%	3,0%
2007	289 596	1 777	172 928	91,2%	5,5%	3,3%
2008	289 951	1 778	190 538	90,9%	5,4%	3,6%
2009	290 392	1 789	207 037	90,7%	5,4%	3,9%
2010	291 153	1 832	224 388	90,4%	5,4%	4,2%
2011	291 219	1 870	244 827	90,0%	5,4%	4,5%

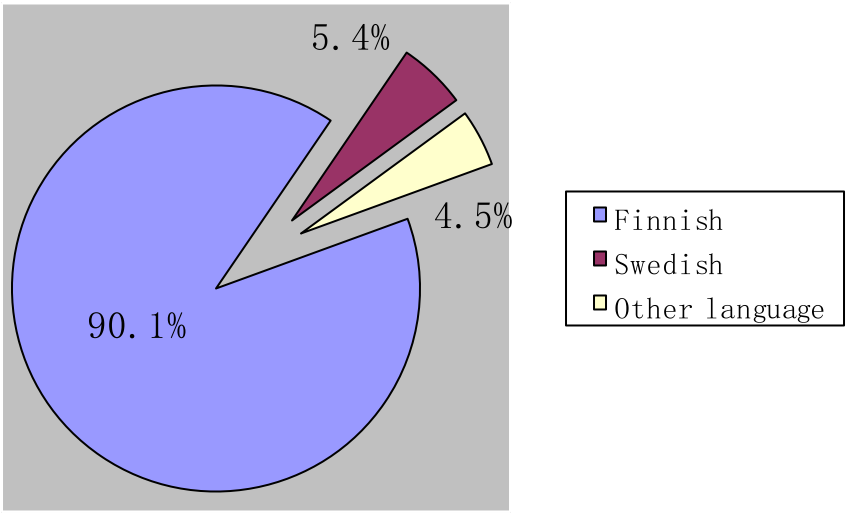

Figure 3 Percentage of Finnish, Swedish and other language

According to Figure 3, Finnish and Swedish are the official languages in Finland. Finnish is the main language and has predominated nationwide, while Swedish is just spoken in some coastal areas where in the west, south and the autonomous region of Åland.

The native language of 90% of the population is Finnish, which is part of the Finnish subgroup of the Uralic languages. The language is one of only four official EU languages not of Indo-European origin. Finnish is closely related to Karelian and Estonian and more remotely to the Sami languages and Hungarian (Statistics Finland 2012). Swedish is also the native language of 5.4% of the population in Finland (Statistics Finland 2012).

Table 4 Languages of Finland (European Commission 2006)

Languages of Finland	
Official language(s)	Finnish (1st: 92%, 2nd: 6%) Swedish (1st: 6%, 2nd: 41%)
Minority language(s)	official: Sami, Romani, Finnish Sign Language, Karelian language
Main immigrant language(s)	Russian, Estonian
Main foreign language(s)	English (63%) German (18%) French (3%)
Sign language(s)	Finnish Sign Language

According to the Table 4, there are four official minority languages in Finland: Sami Languages, Romani, Finnish Sign Languages and Karelian Languages.

In the northern Lapland, the Sami population living in Finland is about 9000 in 2012 (Yle 2012) and they are recognized as an indigenous people at the present. About a quarter of them speak Sami language as their mother tongue (Statistics Finland 2007b). There are three Sami languages that are spoken in Finland: Northern Sami, Inari Sami and Skolt Sami.

Finnish Romani is spoken by about 10,000 people in Finland (Ethnologue 2013a) who usually also speak Finnish. The Finnish Sign Language is used as a first language by about 5,000 people (Ethnologue 2013b).
The Nordic languages and Karelian are also specially treated in some contexts.

Tatar language is spoken by a Finnish Tatar minority of about 800 people who moved to Finland mainly during the Russian rule from the 1870s until 1920s (Hunturk.net 2004). The best-known foreign languages in Finland are English, German and French. And the proportional of them is 63%, 18% and 3%.

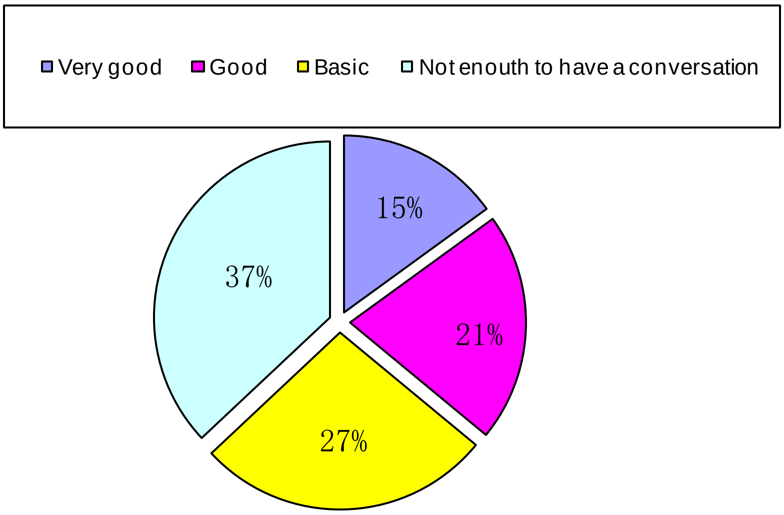

Figure 4 Knowledge of English in Finland (Aaker 2006)

According to Table 4, 63% of the respondents indicated that they know English well enough to have a conversation. According to Figure 4, 23% of (the 63 percentages) the respondents reported that they have a very good knowledge of the English, 34% of the respondents had a good knowledge and the rest of the respondents about 43% of them only control the basic English skills.

English is studied by most pupils as a compulsory subject from the third or fifth grade (at 9 or 11 years of age respectively) in the comprehensive school (in some schools other languages can be chosen instead). German, French and Russian can be studied as second foreign languages from the eighth grade (at 14 years of age; some schools may offer other options). A third foreign language may be studied in upper secondary school or university (at 16 years of age or over).

According to the European Commission (2006), the immigrant languages have more than 13 types of languages
and Russian (1.08%), Estonian (0.61%), Somali (0.26%), English (0.26%) and Arabic (0.21%) are the most four of all of the immigrant languages in Finland.

All in all, even though there are 63% of Finnish have studied English and well enough to communication in English, Finnish is the main language and has predominated nationwide. So the relevant information about the product should only be presented in Finnish or universally known signs and symbols.

2.2.4. Aesthetics

Culture is the combination of traditions, taboos, values and attitudes of the society in which an individual lives (Jobber 2010, 87). Each culture makes a clear statement concerning good taste, as expressed in the arts and in the particular symbolism of colors, form, and music (Czinkota & Ronkainen 2006, 67).

The aesthetic view of point of a nation is decided and influenced by his geographical environment, historical and cultural development, education level and the residents' living condition.

Finland is lying approximately between latitudes 60° and 70° N, and longitudes 20° and 32° E, it is one of the world's northernmost countries. The people live in the 60 degrees north latitude. Even though the environment is not very well, Finnish has designed a lot of beautiful and famous artwork by the low cost. As this reason, made from natural is their most obvious commonality in Finland. Moreover, Finnish have made major contributions to handicrafts and industrial design.

As China Business News (Chen 2012) described in the article, at the beginning of the formation, the Finnish design and construction idea is import and under the influence of other European countries. But no matter which kind of style in any times, the designers have a common characteristic: starting from the nature and life needs, attempt to seek the simple, practical and purposeful. This is a kind of tradition in Finland.

Hugo Alvar Aalto (3 February 1898 – 11 May 1976) is an architect, designer and pioneer of the modern architecture in Finland. His works could well express the Finnish aesthetic. No matter his architecture or furniture, all of his artwork is used by such as wood, brick, stone, bronze, marble and other natural resources, as well as the use of natural light for natural cohesion, style and coherent.

Works of Aalto includes architecture, furniture, textiles and glassware. Alvar Aalto helped bring functionalist architecture to Finland, is also famous for his work in furniture, textiles and glassware.

All in all, the Finnish aesthetic is

- Simple
- Practical
- Purposeful

They appear everywhere in Finland, such like the advertisement, logo, the design of clothes, etc. The products of the Neoglory are completely in conformity with Finnish aesthetic, they are simple, practical and not deliberately.

2.3. Economic Environment

The economic environment can have a critical impact on the success of companies through its effect on supply and demand (Jobber 2010, 76). The managers of companies must pay enough attention to those economic factors which will influence the relevant business and then monitor them, in order to avoid costly.

Finland has a highly industrialized, mixed economy with a per capita output equal to that of other western economies such
as France, Germany, Sweden or the United Kingdom.

According to the Statistics Finland (2013b), the gross domestic product by market n 2011, the largest sector of the economy is services at 69.3%, followed by secondary production at 27.8%, the third one is the manufacturing at 17.2%, the forth is the real estate activities at 11.9% percent and the fifth one is the wholesale and retail trade, repair of motor vehicles and motorcycles at 10.3%.

Table 5 Countries GDP: GDP annual comparison (Countryeconomy.com 2012)

GDP € Million	Annual Change	Date
€179,830	5.3%	2007
€185,670	0.3%	2008
€172,318	-8.5%	2009
€178,796	3.3%	2010
€189,489	2.8%	2011
€194,469	-0.2%	2012

According to the Table 5 shows that the GDP in 2007 was 179.830 billion euros and in 2012 was 194.469 billion euros, it has increased about 15 billion euros during 5 years.

Table 6 Finland GDP Annual Per Capita Evolution (Countryeconomy.com 2012)

GDP Per C.	Annual Change	Date
34,000€	7.9%	2007
34,900€	2.6%	2008
32,299€	-6.9%	2009
33,300€	3.4%	2010
35,200€	6.0%	2011
35,900€	2.0%	2012

According to the Table 6, in 2012, Finnish’s GDP per capita was 35,900 euros and increased about 2%. According to the Table 5 and Table 6, the financial index shows that Finland provides a stable and safety environment to Neoglory enter in Finnish market.

As the Statistics Finland (2013a) shows, the national balance of supply and demand in 2012, Finland exports about 77.3 billion euros (increased about 28.4%) and imports around 78.4 billion euros (increased about 28.7%). Comparing with the exports and imports in 2007 that the exports are 82.4 billion euros and imports are 73.2 billion euros. The exports have decreased around 5.1 billion euros and the import has increased around 5.2 billion euros.

Household income is a measure of the combined incomes of all people sharing a particular household or place of residence. It includes every form of income, e.g., salaries and wages, retirement income, near cash government transfers like food stamps, and investment gains.

Household income and consumption would influence the customers' behavior and bring several questions, such as: *what is the price of non-precious jewelry? How often to purchase non-precious jewelry?* This would be a serious problem which should to be thought about by the company Neoglory.

According to the OECD Better life Index (2013) that in Finland, the average person earns USD 24 958 a year, slightly more than the OECD average of USD 22 387 a year. In terms of employment, 68% of people aged 15 to 64 in Finland have a paid job, above the OECD employment average of 66%. In Finland, the income of the top 20% of the population is USD 43 864 a year, whereas the bottom 20% live on USD 11 609 a year.

Household financial wealth is the total value of a household's financial worth. In Finland, the average household wealth is estimated at USD 19 751, lower than the OECD average of USD 36 238.

3. IMPORTING NON-PRECIOUS JEWELRY FROM CHINA TO FINLAND

The importing process involved determining the requirements of market, selecting the resources of supply, physical allocation, preparing documents for importing and scheduling for trade or use. According to the JDtrading-Specialised Sourcing Services (2008), during the process between Chinese and Finnish, as managers of Neoglory, they need to notice:

Step 1:

In order to start the import process, Chinese need very detailed information of the product. Through the checklist below, Chinese could have a pretty good idea of the products what are the Finnish looking for.

Checklist:

- Product
- Volumes
- Price Range
- Quality
- Time Frame
- Specs
- Pictures (if possible)
- Financing
- Port of Destination
- Contact details

Step 2:

Chinese will find and observe a number of factories and then check the products in order to select a suitable one to manufacture the products.

Step 3:

Once the Chinese and Finnish have negotiated the price of products, Chinese will supply an estimate of what the expected costs to Finnish. Otherwise, during the negotiation, some factors below will affect the price: order quantities, destination port (shipping varies from port to port), airfreight or shipping, seasonality, different payment (FOB, CIF, DDP) and customs duties.

Step 4:

Once the Finnish has agreed with the price, Chinese will send samples to Finnish which is crucial for Finnish to approve the product. The cost of samples will be refunded. (For larger products, it may be more cost effective to arrange a trip from China to Finland)

Step 5:

When Finnish has approved the samples, a formal order will be placed. There are some requirements below:

- contact name and details (Cell, telephone, fax and email)
- Order Number
- Full company details
- Value Added Tax number (if in Subject to Approval)

- Delivery details
- Order quantities
- Product specifications (size, color, etc)
- Dates for delivery

Step 6:

Chinese will send a Proforma Invoice to Finnish either in Euros or in Dollars, Finnish need to decide which currency would like to pay for.

Step 7:

Chinese and Finnish will have a contract about the payment options, FOB, CIF, DDP, etc, and get detailed information on it. Payment terms will be included on the Proforma invoice.

Step 8:

Chinese have to ensure the products will be manufactured after the contract is signed and the payment is confirmed.

Step 9:

After the manufacturing, Chinese will send a representative to the factory to have a visual inspection of the products to be loaded. If possible, photos will be taken and sent to Finnish.

Step 10:

Depending on Finnish requirements, there may some additional steps of the process, but those will be discussed on an individual, such as:

- Product testing
- Container scanning
- Import verification
- Container consolidation

Intelligent risk management is at the heart of international trade. In the international marketing, risk is an element of all commercial sectors, no matter the exporters or importers, the risks have increased as the international trade multiplies and adds, so they have to understand the risks in order to try their best to avoid the risks during the process of trade (Jimenez 2008, 19-21):

- Transport-related risk.
- Credit risk or non-payment risk
- Quality of goods risk
- Exchange rate risks
- Unforeseen events
- Legal risks
- Investment risks

Documentary system developed centuries ago through transactions referred to as “documentary sales” under the classic “shipment” trade terms, FOB and CIF (Jimenez 2008, 21).

According to the Management Study Guide (2013), the documentation plays a very important role which could impact either the importer or the exporter. Especially in case of imports, the availability of right documents and correct information could submit the documents and fill the necessary applications timely in order to determines the efficiency of the Customs Clearance process.

On the other hands, any delay in filing or non availability of documents would impact the efficiency of the Customs Clearance process. As this result, the importer is not only to pay the fine for delaying payment for his imported goods but also lost the business opportunities.

Therefore, during the process of the importing from China to Finland, the manager has to rapid and accurate submitted the documents which will help their companies to have obvious advantage in the marketing competition. Customs Clearance process requires a set of documents which to be submitted by the importer, such as (Management Study Guide 2013):

1). Commercial Invoice

It is the most important document in the import process. The document certifies and describes the sale; moreover, it reflects the pricing or the value of the cargo.

2). Packing List

It is obligatory to put the shipping marks on all of the cargo which is covering each piece or parcel. Packing List is used to identify the parcels which belong to the particular consignment under the said invoice.

3). Certificate of Origin

It helps to avoid third party countries which from routing imports that through the member countries and effecting third party exports in order to avoid duty, quantity and license restrictions.

4). Bill of Lading

Bill of Lading is a negotiable multi modal transport document issued by the Shipping Line which is certifying the carriage of the cargo that under the specific invoice in order to stand for the exporter or importer which depend on the terms of sale.

5). Air way Bill

It is the negotiable transport document issued by an Airline or a Freight Forwarder who strengthen the airfreight cargo.

4. BENCHMARKING NON-PRECIOUS JEWELRY IN FINLAND

In this chapter, the outstanding competitors are benchmarked is not only for obtaining the information of competitors in Finnish non-precious jewelry market, but also for the company Neoglory improving.

4.1 Brief Introduction to the Enterprise Neoglory

Neoglory Jewelry Co. Ltd. was established in Yiwu, Zhengjiang province, China in 1995. It covers an area of 134,000 square meters and owns almost 6,000 employees. The company is holding the development and design concept of both culture and fashion, as well as the management strategy of brand and internationalization. In the past years, with the idea of “make life prettier”, the Neoglory has leaded the fashion trends and became the leading enterprise in China’s non-precious jewelry market rapidly. The sales network covers the whole China and its products are exported to over 70 countries and areas in the world. Besides, the company has established subsidiaries in UK, USA and Hong Kong. (Neoglory Jewelry 2013.)

The company Neoglory has reached great achievements and honors. For examples: in December 2007, the Neoglory Jewelry was authorized “Examination Exemption for Export”, to be the first enterprise which won the privilege in China’s jewelry market; in 2010, the company took participate in Shanghai world expo; In 2011, the Neoglory authorized as one of the retail brand partners of SWAROVSKI® ELEMENTS, and the ID is 1521325. (Neoglory Jewelry 2013.) SWAROVSKI ELEMENTS is the brand for high quality crystal elements by Swarovski. The MADE WITH SWAROVSKI ELEMENTS label on product serves as a sign authenticity and highest standards of crystal design. This label assures customers around the world that the design pieces are made with genuine SWAROVSKI ELEMENTS (Swarovski 2013).

The company owns more than 20 types and 300, 000 patterns products at the moment, such as earrings, bracelets, necklaces and rings, which are mainly made of alloy, basic metals, man-made crystal and silver. On the other hand, in order to cater to the higher requirements of customers, the company is paying more efforts on developing and launching new products that made of gold and silver. (Neoglory Jewelry 2013.)

Under the cooperation with Taobao, the company Neoglory opened its largest retailing online shop. The following table contains the product information which chosen randomly from the company retailing online shop on Taobao.

Table 7 Examples of Neoglory Products (Taobao 2013)

Product category	**Product picture**	**Normal price / piece (€)**
Necklace		7.28
Necklace		19.63

Bracelet		14.56
Bracelet		10.98
Ring		7.28
Ring		9.75
Earring		3.58

Earring		4.44

4.2 IBERO, CAILAP, KORUKOLMIO, GLITTER and NEOGLORY

Walking along the street in Kouvola town, it is quite normal that lots of shops not only sell clothing, but also sell jewelries at the same time, for examples, H&M, Lindex, Vila and Only. Usually, these jewelries are designed for females, labeled by the brand of clothing and made of non-precious material, such as, basic metals, plastics, wood, man-made crystal.

Apart from clothing stores, the similar non-precious jewelry could be purchased in supermarkets and shopping malls as well. The main and largest supermarkets and shopping malls in Kouvola are Anttila, K City Supermarket, Sokos Department Store, Prisma and Veturi.

Though there are slight differences on accessory colors and shapes, it seems that Anttila and K City Supermarket are both dominated by IBERO.

Table 8 Examples of IBERO Products

Product Category	**Product picture**	**Normal price/ piece(€)**
Necklace		15.90
Necklace		19.90
Necklace		17.90
Necklace		9.90

Bracelet		8.90
Ring		13.90
Ring		7.90
Earring		6.90
Earring		11.90

The accessories sold in Prisma are majorly supplied by CAILAP. Meanwhile, the CAILAP jewelries are also displaying in the Sokos.

Table 9 Examples of CAILAP Products

Product Category	**Product picture**	**Normal price/ piece(€)**
Necklace		14.95
Necklace		12.95
Necklace		7.95
Bracelet		7.45

Bracelet		5.95
Bracelet		4.95
Bracelet		7.95
Earring		4.95
Earring		5.95

In Kouvola area, the products of KORUKOLMIO are mainly sold in Sokos Department Store.

Table 10 Examples of KORUKOLMIO Products

Product Category	**Product picture**	**Normal price / piece (€)**
Necklace		6.90
Necklace		19.90
Necklace		17.50
Bracelet		14.90

Bracelet		4.90
Earring		3.20
Earring		17.50
Earring		14.90

Last year, the Swedish non-precious jewelry producer Glitter has opened its first specialty store in the shopping centre Veturi in Kouvola, and the store is popular among young ladies.

Table 11 Examples of Glitter Products

Product Category	**Product picture**	**Normal price/ piece (€)**
Necklace		16.90
Necklace		11.90
Necklace		8.90
Bracelet		8.90

Ring		8.90
Earring		7.90
Earring		6.90
Earring		5.90
Earring		11.90

Compared with these competitors' products, the Neoglory owns several distinguished characteristics.

- Good quality and wide product category. The metals and crystals are widely used during jewelry manufacturing for more than fifteen years; the products of the Neoglory are more durable than those jewelries that made of plastics. In order to filling up customer needs, the company keeps developing new products all the time. At present, the product category of the company Neoglory ranges from earrings to necklaces, the same with the competitors' in Finland market.

- Competitive price. Recently, the exchange rate between Euro and Chinese currency Yuan is about 1: 8. Due to the cheaper labor and rich raw material, normally, the retailing product price of the Neoglory is a little lower than these competitors'.

- Good product design. Different shapes and colors make products delicate. Apart from Chinese style, western style has also been integrated into some products. Besides, for satisfying different customer groups, considerable products have more than one color. For example, a pair of flower shape earrings has four colors, pearl pink, ruby red, ultramarine blue and jet black for consumer choosing. Thus, a seventeen years old young lady maybe like the pink one, while a twenty seven years old lady probably prefers the ultramarine blue one.

- As mentioned in the brief introduction of Neoglory, the company has been authorized as one of the retail brand partners of SWAROVSKI® ELEMENTS. This not only reflects the high quality of the product, but also contributes to a good brand image.

With these advantages, the following challenge of the Neoglory would be to make this brand name widely known and products accepted in Finland market. This requires reliable and effective advertisement platforms.

Instead of Weibo in China, more direct and efficient ways of advertising have been successfully used here. Facebook, Twitter and Youtube of course make huge contribute to advertising and enhance the bond between companies and consumers. And these social media has been widely adopted by the Neoglory's competitors in Finland market for years. However, as a Chinese enterprise, the Neoglory doesn't have such experiences on taking advantage of social media in Finland. In addition to TV, magazine and newspaper advertisement, joining in local popular stores is another reason that those competitors could firm foothold in this market in a short time, as local popular stores usually own a quite number of stable and loyal customers that could be used.

For example, in order to advertise the new products and sales event, those discounted or new arrival items are photographed, edited and made as brochures by the Sokos Department Store. Then the printed brochures are distributed to local residents' apartments and mailboxes. And at the same time, the brochures are published on the store website and shared with Facebook as well.

5. SURVEY ON UNDERSTANDING CUSTOMER BUYING BEHAVIOR

5.1 Data Collection by Survey

Each market has its own characteristics because different customer needs and consumption habits. For international marketers, understanding their target consumers is equivalent to finding the key to open the door of the target market.

Survey is defined as a detailed study of gathering data and information on attitude, impressions, opinions, satisfaction level, etc., by polling a section of the population in marketing sphere (BusinessDictionary.com 2013). In this case, for understanding the customer buying behavior of non-precious jewelry purchasing in Finland market, a survey was made and given out from 8 April 2013 to 12 April 2013. Concerning females that under 35 years old are the main target customers of the company Neoglory, students in Kymenlaakson University of Applied Sciences were chosen as main responders. This survey focused on Kouvola area, total 120 copies of the survey were distributed in two different ways, online form and printed form. The web link of the online form was shared in Facebook, and the printed forms were filled up by students in the class. By the end of deadline, total 88 valid responses received, among them, 73 valid responses come from printed forms, and online responders contributed 15 valid responses.

5.2 Results

This survey is English, contains 17 questions, 15 of them are required questions. All the questions could be divided into three patterns, one-choice question, multiple-choice question and open question. The detailed results of this survey are presented as follows.

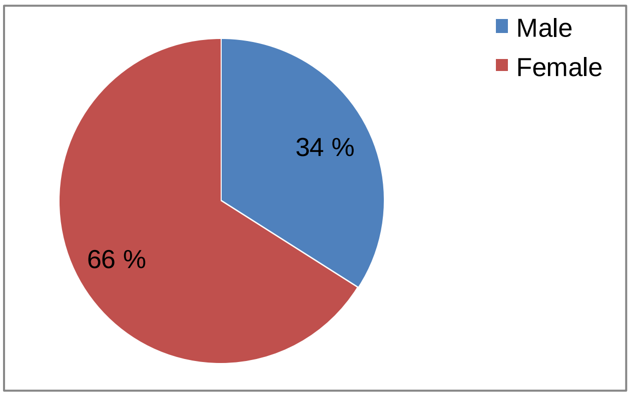

Figure 5 Sex ratios of responders

The Figure 5 above is the sex ratio of responders. The number of female is 58 and accounted for 66% of all responders. There are 30 male responders as well, which occupy 34% of the total number. On the other hand, there are 81 responders that under 35 years old, the rest 7 responders are 35 or more than 35 years old. Their ages mainly distribute in 17 — 19 years old and 20 — 24 years old.

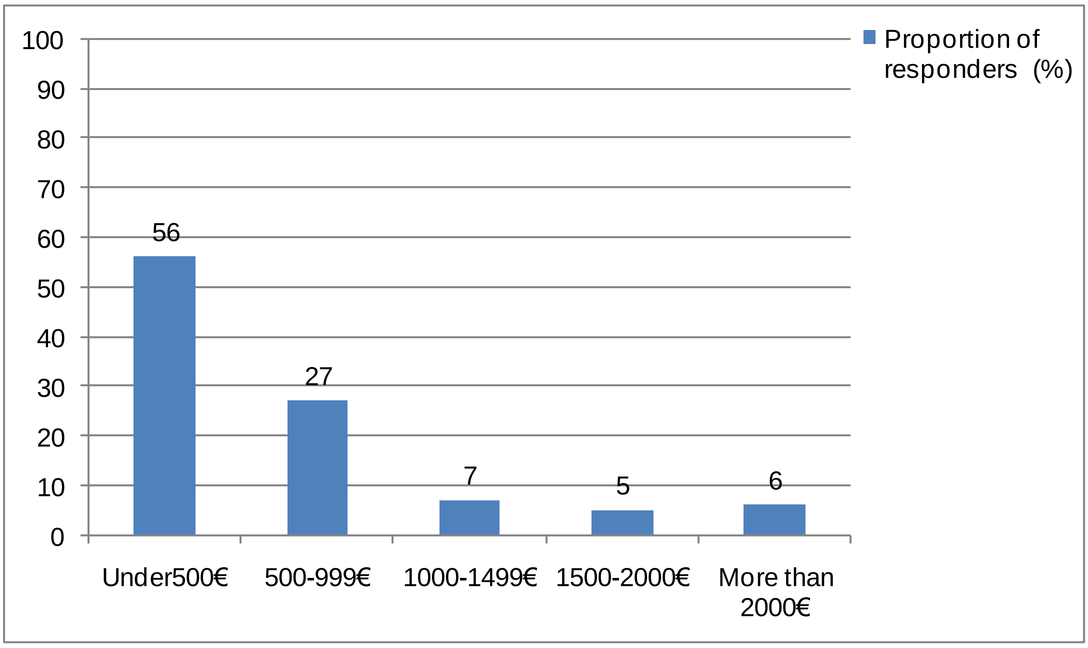

Figure 6 Monthly incomes of responders

The Figure 6 describes monthly incomes of responders. Among the all responders, 56% of them monthly incomes are under €500, 27% range from

€500 to €999, 7% in the zone of €1000 - €1499, 5% within the scope of €1500 - €2000 and only 6% are more than €2000.

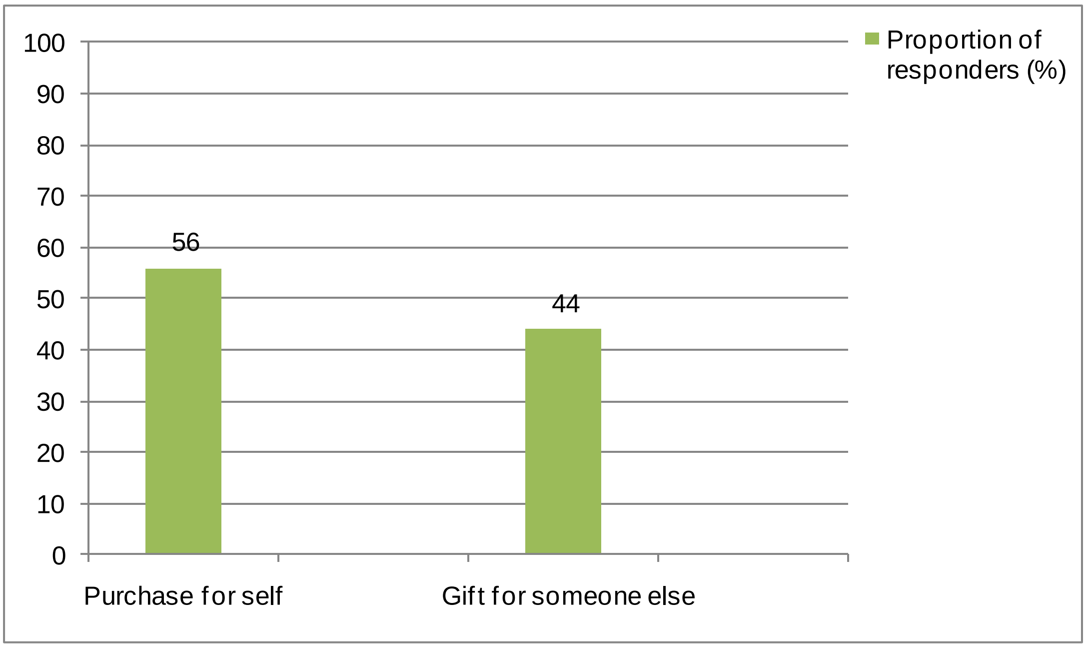

Figure 7 Purchasing purpose

The purposes of jewelry purchasing are clearly reflected through Figure 7 above. 56% of total responders usually purchase jewelry for themselves and 44% responders purchase jewelry as gift for someone else. Taking into account the main body of this survey are students, then there is no responder focuses on business purchase. Besides, after calculating, among the all responders, about 80% males purchase jewelry for someone else, and nearly 90% females purchase for themselves.

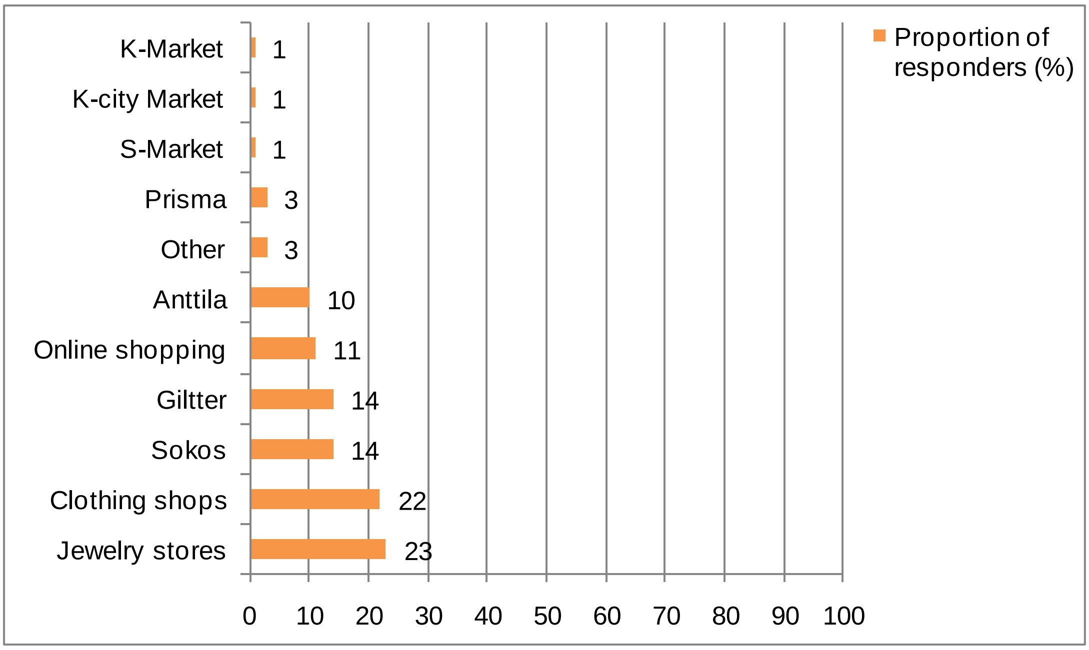

Figure 8 Purchasing location

The Figure 8 shows the specific location that responders usually purchase jewelry in Kouvola area. Apparently, more than 20% responders would like to purchase jewelry in jewelry stores or clothing shops, and only few responder purchase jewelry in S-Market, K-Market or K-City Market. Also, 14% responders think Sokos or Glitter are quite attractive to them. “Other” represents 3% responders that do not purchase jewelry in Kouvola area.

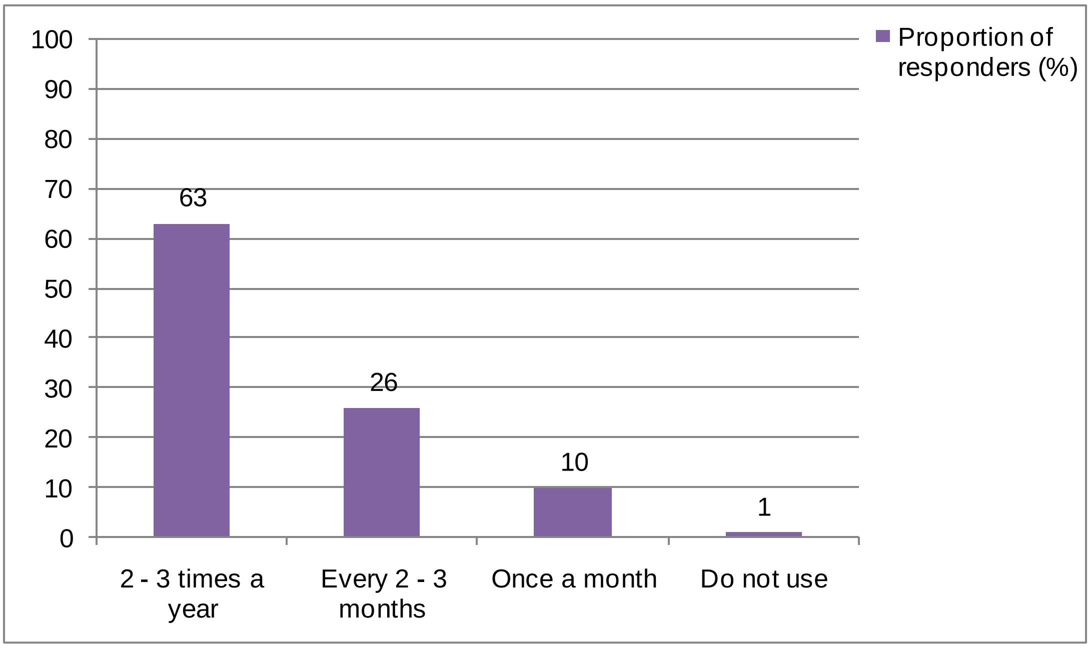

Figure 9 Frequency of jewelry purchasing

The Figure 9 presents the frequency of jewelry purchasing. Among the all responders, 63% of them purchase jewelry 2 — 3 times a year, about a quarter of responders purchase jewelry every 2 — 3 months and 10% responders who purchase jewelry once a month are all females and their preferred purchasing locations are clothing shops, Glitter and online shopping. Besides, only 1% responder choose the option ”Do not use” and express that have not purchased for a quite long time.

When purchasing jewelry, several factors are always considered by customers, such as the quality, material and price of the jewelry. During the survey, responders were asked to grade for the importance of these relevant factors. 5 is extremely important, 4 is very important, 3 is important, 2 is not very important and 1 is not important at all. The charts following show the results.

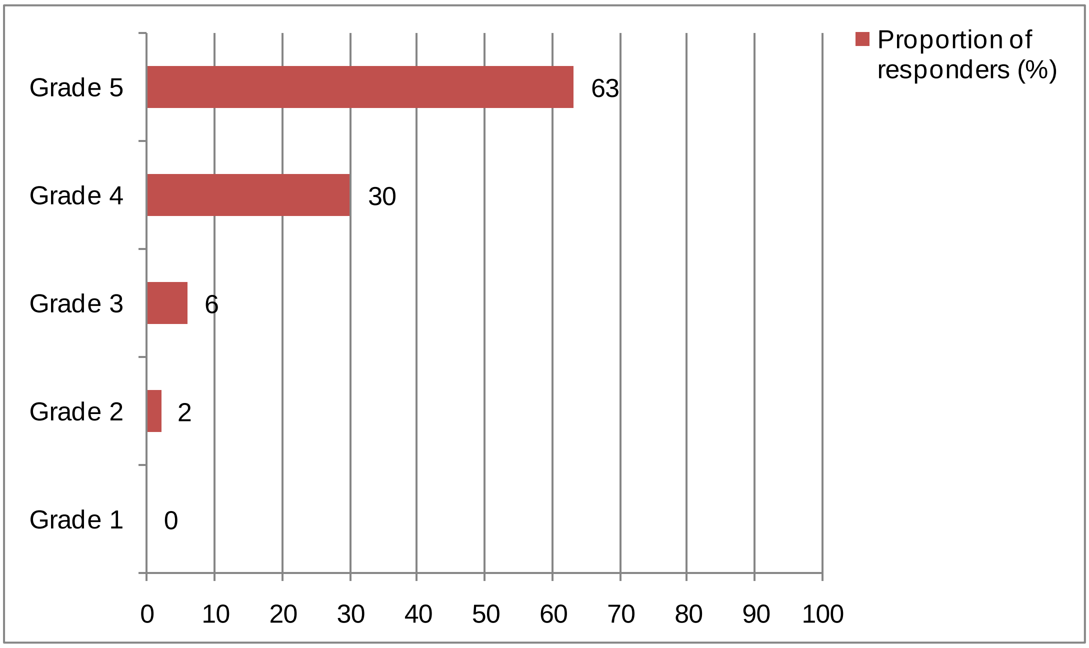

Figure 10 Design

The Figure 10 shows that more than 90% responders grade at least 4 for the design of jewelry, even 63% responders give grade 5 and regard it as one of the extremely important factors when they purchasing jewelry.

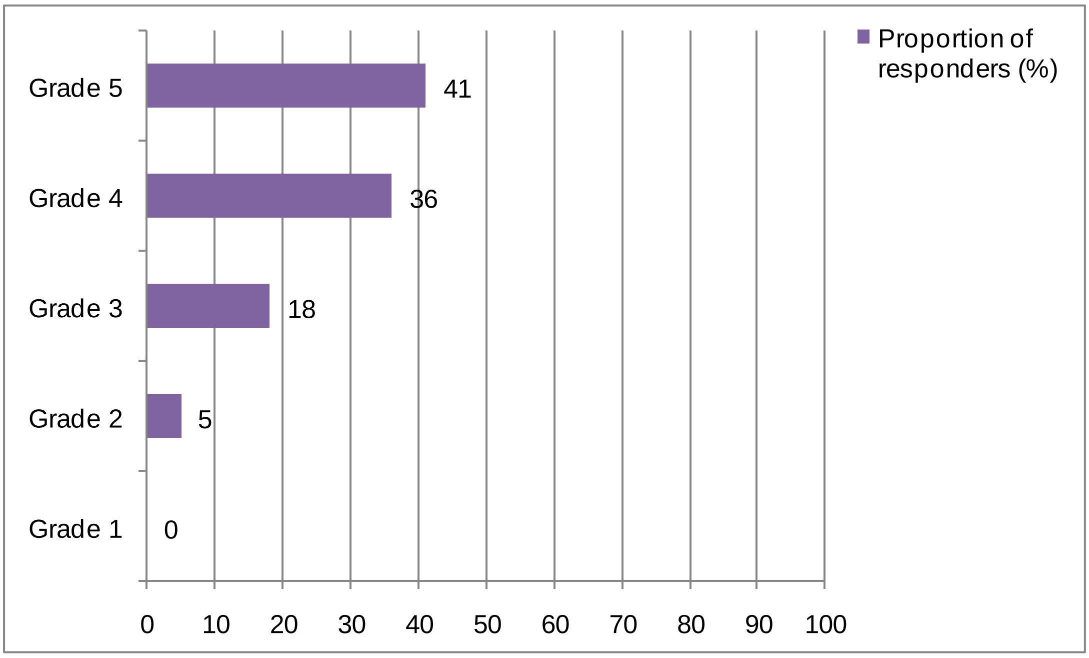

Figure 11 Quality

Figure 11 above illustrates those 95% responders think the quality of jewelry is important and grade it at least 3, besides, 41% responders even give grade 5.

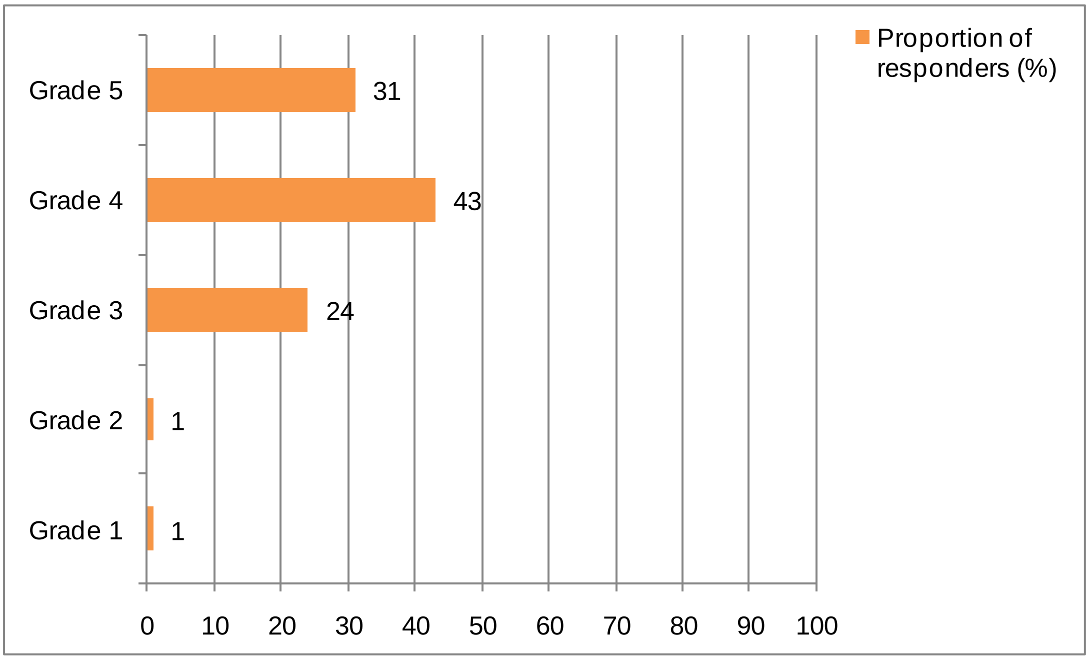

Figure 12 Price

The truth is known through Figure 12 that for 43% responders, grade 4 is the answer to how important they consider the price of jewelry. And 31% responders grade it for 5.

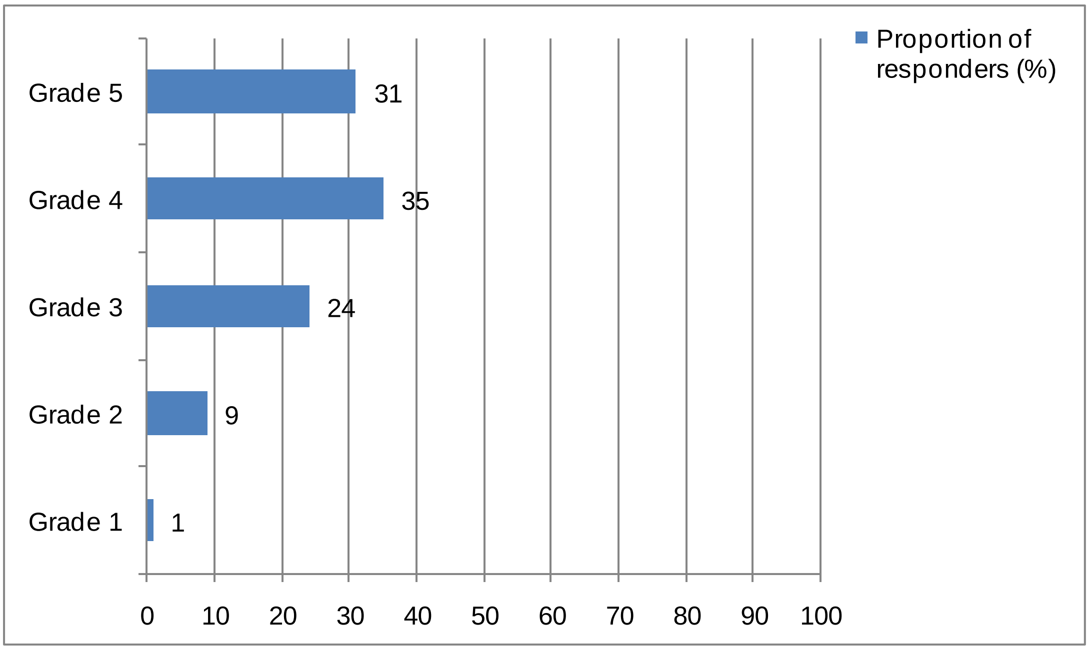

Figure 13 Material

Figure 13 above presents the fact of how responders evaluate the importance of jewelry material. Obviously, 90% responders grade at least 3 for the importance of jewelry material. However, there are 10% responders that do not care the material of jewelry so much; most of them are females and under 20 years old, clothing shops and Glitter are the most frequent sites that they purchase jewelry, besides, they do not have nickel allergy history.

Apart from the design, quality, price and material of jewelry, more than 30% responders take into account the brand, service, package and repeat purchasing experience of jewelry as important factors when they do jewelry purchasing and give grade 3.

On the other side, nearly half responders do not pay much attention on the designer, advertisement and origin of jewelry and they grade these factors less than 3.

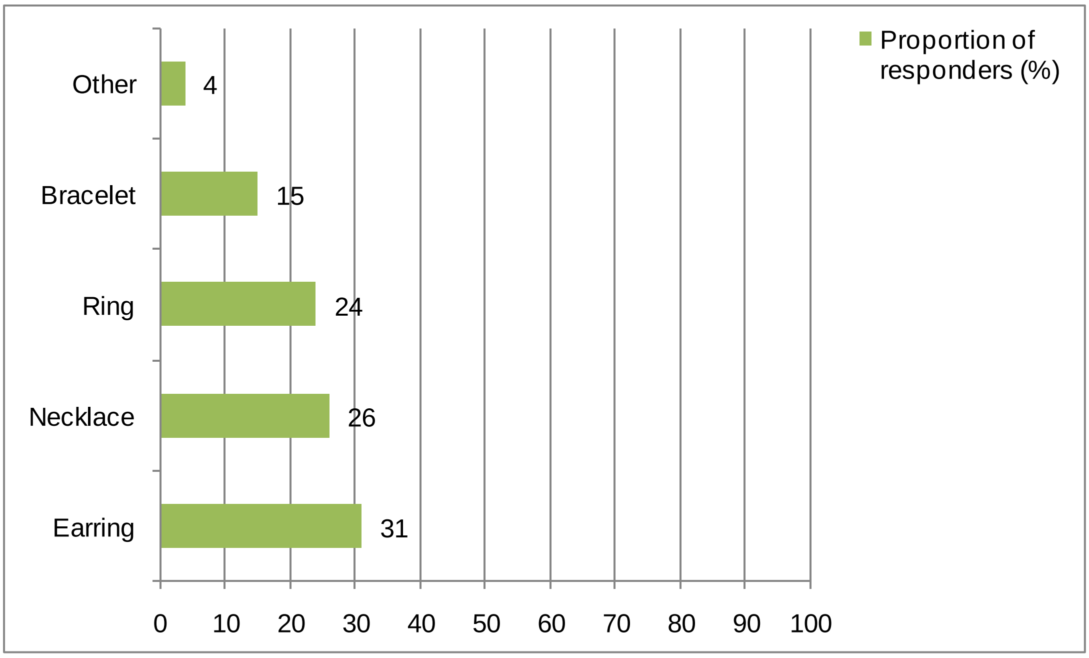

Figure 14 Most often worn jewelry

Figure 14 reflects the most often worn jewelry of responders. Earring hit the top of list; necklace and ring are also widely worn by responders. 4% responders are male and wear watch usually rather than jewelry, so they are classified in "Other".

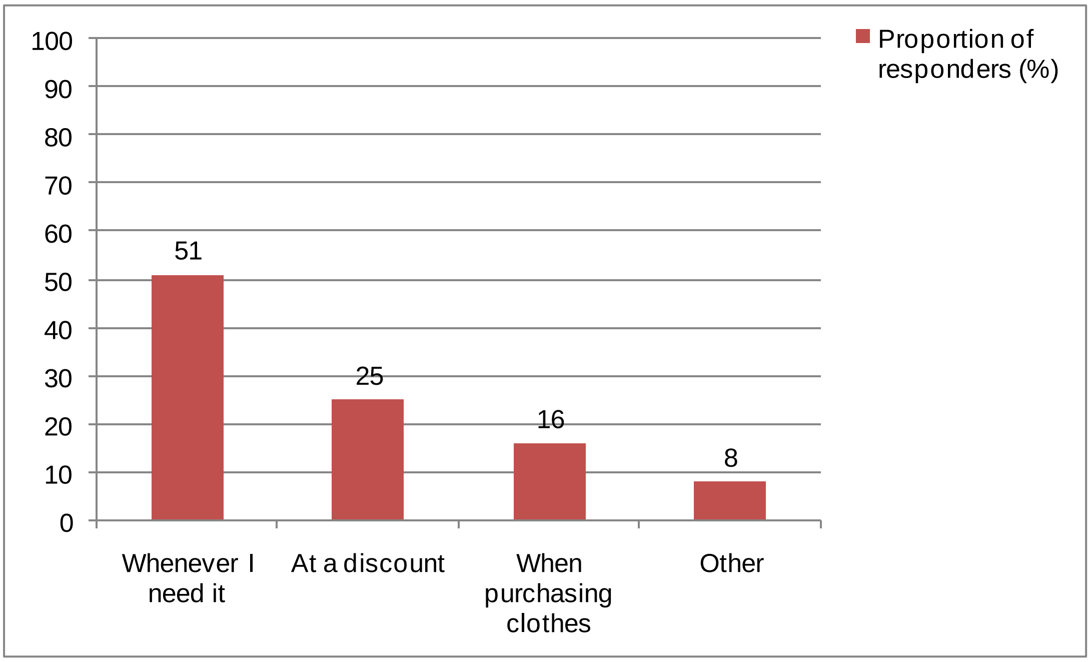

Figure 15 Purchasing occasion

When responders purchase jewelry is figured with Figure 15 above. More than half responders will purchase jewelry as long as they need. 25% responders would like to do purchase at a discount. “Other” represents 8% responders who will do purchase as long as the jewelry is attractive to them.

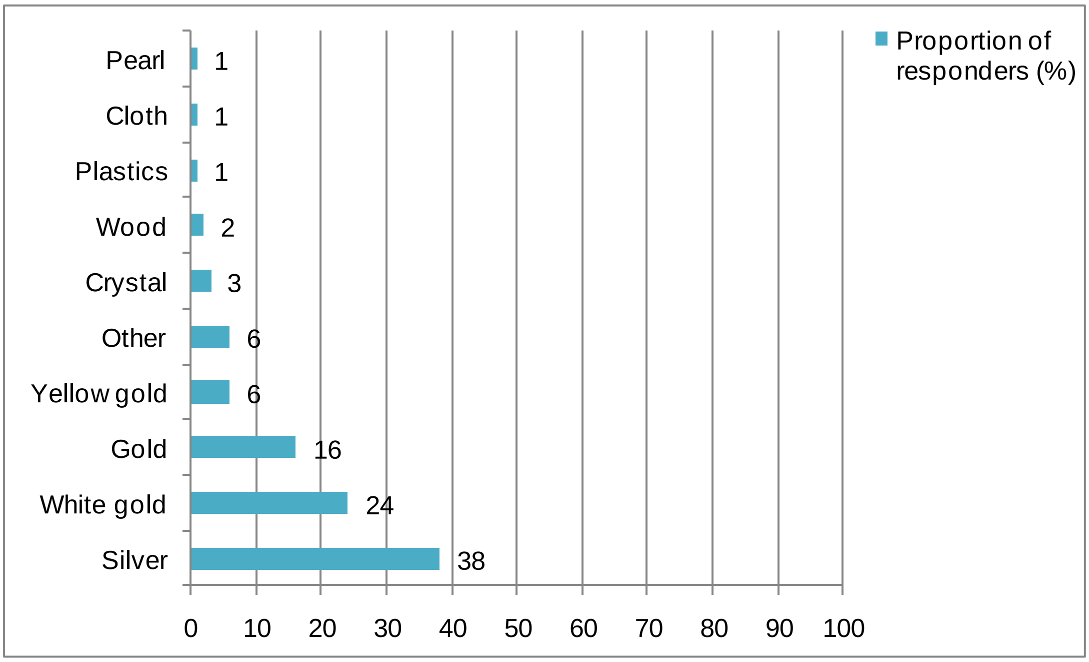

Figure 16 Popular material

Figure 16 shows the most popular jewelry material among responders. More than 60% responders vote for silver and white gold. Thus, silver and white gold are very popular material here. There are 5 responders do not have particular preference on jewelry material and they are classified in “other”. Speaking of jewelry color, golden, silver, white, black and blue are mentioned quite often by responders.

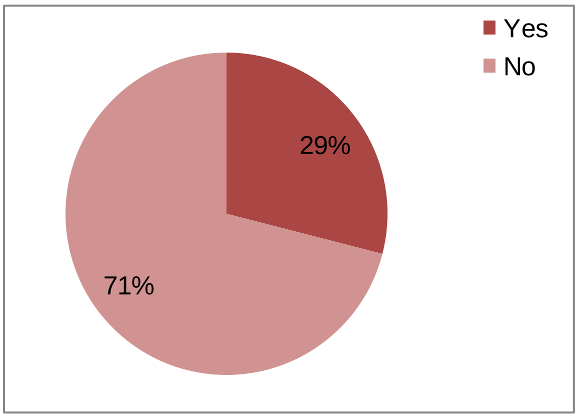

Figure 17 Preferred shapes (symbols)

Figure 17 indicates that 29% responders have preferred shape or symbol when they do jewelry purchasing. The preferred shape or symbol of responders could be generally divided into two patterns, simple shape (symbol) and fun shape (symbol). For example, simple shape (symbol) includes heart, cross, flower and clover. Moustache and skull are fun shapes (symbol). Besides, about half responders show the interests in Chinese jewelry.

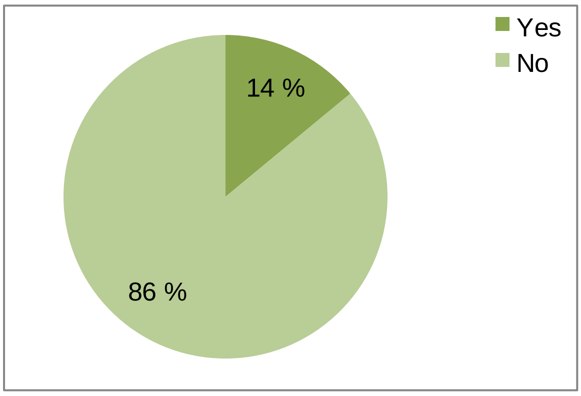

Figure 18 Preferred brands

Figure 18 illustrates that just a few responders have preferred brands of jewelry, the number of them occupies 14% of the total responders. The brand Kalevala is mentioned by responders very often, because it is Finnish brand and good quality.

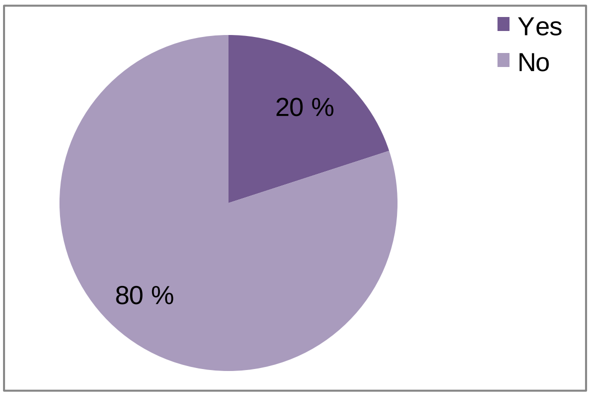

Figure 19 Nickel allergy history

Figure 19 shows that there are 20% responders have nickel allergy history. Among these responders who have nickel allergy histories, 3 of them are males, and 15 are females.

At the end of this chapter, the integral view of how customers measure the given 11 factors when purchasing jewelry is explored by calculating the mean of each factor. The factors are advertisement, designer, package, repeat purchase experience, service, origin of jewelry, brand, material, price, quality and design.

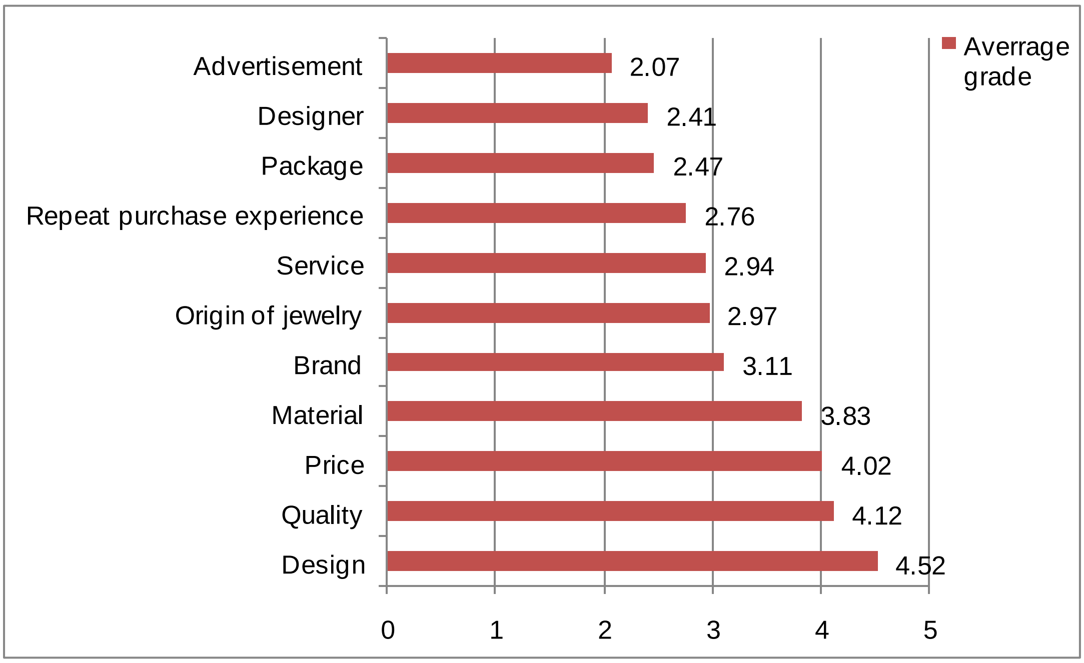

Figure 20 Average grade

Figure 20 presents the average grade of each factor. When purchasing jewelry, responders feel the design of jewelry is the most important factor; therefore, the average grade of jewelry design is about 4.52. On the contrary, the average grade of advertisement is 2.07 which is at the bottom of list. The quality and price are also paid close attention by responders, the average grades of them respectively are 4.12 and 4.02. For responders, the material and brand of jewelry occupy important positions in their minds as the average grades of these two factors exceed 3. The average grades of service and origin of jewelry are very close to 3. Responders do not emphasize the designer, package and repeat purchase experience quite much, as their average grades are less than 3.

6. CONCLUSION AND DEVELOPMENT IDEAS

This chapter is the summary of research, in addition to presenting main findings of the research, the suggestions which based on truth are proposed for the company Neoglory as well.

After literature reviewing and stores visiting, the macro environment of Finnish non-precious jewelry market is analyzed by PESTLE that includes political and legal environment, social environment and economic environment; the main procedures, risks and required documents of importing non-precious jewelry from China to Finland are stated; the competitors and their products are presented by benchmarking; and the customer buying behavior is figured by doing and analyzing the survey on jewelry purchasing. In other word, though there are limitations exist, the research questions that mentioned at the beginning of this thesis are answered reasonably. Moreover, the results and information from this research will have positive contribution for the company Neoglory entering Finland market and upgrading competitive strength in the near future.

The population is the most basis indicator of marketing demand and size. In Finnish market, the women occupied the half of total population. Especially at the age group of 15-64 years old, female has occupied about 32.3%, it fulfills the requirements of the Neoglory and can be the potential target customer. In Finland, there is variety of languages, but the Finnish is the native language and occupied 90%. Therefore, although English, German, Russian, etc., are spoken in Finland, the relevant information about products should be in Finnish. It is also fulfills the policy of Finland. According to the research, Finnish perfect products with simple, practical and purposeful, these factors throughout the history of Finnish. Finland is a highly industrialized country, the GDP and GDP per capita has increased every year. The age of 15-64 has paid job and otherwise, the price of jewelry is reasonable, so that everyone could afford it.

During the importing process, the Neoglory should take account into every step and the risks of importing. Otherwise, Finns pay attention to the principle of good faith, so the Neoglory should observe the contract and ensure the cargo can be delivered timely.

For a Chinese company who is desire to open up Finnish non-precious jewelry market, the Neoglory is facing difficulties and challenges. However, the successful activities and experiences of competitors could be taken for reference as well. With doing benchmarking in Chapter 4, the reasons of why those competitors are able to maintain good positions in Finland market could be summarized as follows:

- Understand customer needs
- Affordable price, reliable quality and good design
- Suitable product categories
- Competent distributors (e.g. Sokos Department Stores)
- Comply with Finnish standards and fulfill responsibilities (e.g. the content of nickel is within the Finnish allowed range)

The result form survey of understanding customer behaviour shows that consumers in Finland market not only attach great importance to the design, quality and price of product; but also have specific demands when they purchasing jewelry. Gold and silver are ideal material for jewelry; similar with the jewelry material, golden and silver are the popular colors that accepted and loved by Finns; consistent with the aesthetic of target customers, the shape of jewelry should be simple and classic; earrings, necklaces and rings are quite frequently worn items by customers; referring to purchasing locations, jewelry stores, Sokos and Attila are hot spots in Kouvola town; the truth is reflected by a quarter of survey responders that some customers prefer do purchasing at a discount; compared to other factors, Finns care much less on advertisements usually; nickel could easily cause allergy among Finns.

Base on the research, the following are suggestions that proposed for the company Neoglory:

- Continue to keep the advantages on quality and price.
- Strictly control the content of nickel in jewelry, and do nickel test and verification in world or Finnish acknowledged institution before importing products to Finland.
- In the aspect of design, product should be conformed to the Finns' aesthetic. Golden, silver, blue and white are widely accepted colors. Gold and silver are quite popular here. Chinese design elements could be added into some products, so that catching the eyes of those customers who are interested in Chinese style.
- Increase importing quantities appropriately on those jewelries that made of gold and silver, or colored golden and silver.
- Cooperate with Sokos Department Store (S-Group) or Anttila (K-Group). They are not only efficient and reliable platforms for distributing, but also for advertising.
- In addition to traditional ways of advertisements, emphasis more on taking advantage of social media (e.g. Facebook, Youtube)
- Entering large cities first. Kouvola is a small town with a small amount population. The Great Helsinki Metropolitan area (Helsinki, Espoo, and Vantaa), Tampere, Turku, Oulu, Jyväskylä and Lahti are big cities with large amount of population that demand for much more products.
- The instruction, information on safe use and package of product should be Finnish.

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APPENDICES

Survey on understanding customer buying behavior

1) Why do you purchase non-precious jewelry usually?

1. Purchase for self
2. Gift for someone else
3. Business purchase
4. Other ______________________________

2) In kouvola, where you purchase non-precious jewelry?

This is Multiple-choice question.

1. Clothing shops
2. S-Market
3. K-Market
4. K City Market
5. Prisma
6. Sokos
7. Anttila
8. Glitter(in Veturi)
9. Non-precious jewelry store
10. Online shopping (Please give website) ____________________
11. Other ______________________________

3) How often you purchase non-precious jewelry?

1. Once a week or more often
2. Once a month
3. Every 2 — 3 months
4. 2 — 3 times a year
5. Do not use

4) How important are the following factors when you purchasing non-precious jewelry?

Grades	5	4	3	2	1
	Extremely important	Very important	Important	Not very important	Not important at all
Quality					
Price					
Repeat purchase experience					
Advertisements					
Package					
Design					
Designer					
Material					
Service					
Brand					
Origin of the non-precious jewelry					

5) Which type of non-precious jewelry do you wear most often?

This is Multiple-choice question.

1. Earring
2. Necklace
3. Ring
4. Bracelet
5. Other ____

6) Jewelries are made of different material. Which do you like best?

1. Plastics
2. Wood
3. Cloth
4. Gold
5. White gold
6. Yellow gold
7. Pearl
8. Silver
9. Crystal
10. Other ____

7) Which color of non-precious jewelry attracts you most?

____

8) Do you have any preferred shape or symbol when purchasing non-precious jewelry?

1. Yes.
2. No.

9) If your answer is "Yes" in the question 8), please describe your preferred shape or symbol.

____

____

____

10) Are you interested in the non-precious jewelry which contains Chinese design elements?

1. Yes.

2. No.

11) Do you have preferred brand of non-precious jewelry?

1. Yes.
2. No.

12) If your answer is “Yes” in the question 11), please write the name of the brand and explain briefly the reason you like it.

____

____

____

13) When do you purchase non-precious jewelry for yourself usually?

1. At a discount
2. When Purchasing clothes
3. Whenever I need it
4. Other ____

14) What is your gender?

1. Male
2. Female

15) What is your age? ________________________________

16) Nowadays, Nickel is widely used during the process of non-precious jewelry manufacturing. Do you have Nickel allergy history?

1. Yes.
2. No.

17) Which category best describes your monthly income?

1. Under 500 €
2. 500 — 999 €

3. 1000 — 1499 €
4. 1500 — 2000 €
5. More than 2000 €