

Bachelor's Programme in International Business

Assessing the Market Potential of Finnish Dried and Freeze-dried Wild Berries in Vietnamese Food Market

A Case Study of Arctic Natural Products

Linh Ha

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Author Linh Ha

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Abstract

Despite the vast research by scholars focusing on consumer behaviour within emerging markets like Vietnam, there is a significant gap in understanding the dynamics of retailer buying decisions and market entry strategies, particularly in niche product categories of Finnish dried fruit products. This research aims to address this gap by investigating the opportunities and challenges involved in introducing dried fruits to Vietnam's retail sector. Employing a multifaceted approach, the study utilizes Porter's Five Forces framework alongside market-focused and product-focused criteria to assess the market potential of Finnish dried fruits. For the empirical data, a qualitative approach through interviews with senior retailers and supply chain specialists from major retail chains was conducted to determine their buying decisions and perceptions. The findings reveal promising but niche market potential for Finnish dried fruits in Vietnam, reflecting a relatively small market size compared to broader consumer goods sectors. The limited market scope for these products poses scalability and revenue potential challenges for suppliers seeking mass-market penetration. Moreover, the complex Vietnamese consumer behaviour is influenced by various factors such as cultural preferences, price sensitivity, and product awareness. Vietnamese consumers exhibit diverse tastes and purchasing habits, making it challenging for foreign products like Finnish dried fruits to gain widespread acceptance.

Keywords dried fruits, internationalization, market entry, market analysis, retailer buying decision.

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Preface and Acknowledgements

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Mikkeli, 15 April 2024

Linh Ha

Symbols and abbreviations

Abbreviations

FFF	Food For Finland
NCD	Noncommunicable diseases
FMCG	Fast-Moving Consumer Goods
HORECA	Hotel, Restaurant, Café/Caterings
P5F	Porter's Five Forces

1 Introduction

1.1 Background

In today's globalization economy, businesses are increasingly adopting internationalization strategies to reach new markets and diverse customer groups. This strategic approach allows companies to expand their presence beyond domestic borders and capitalize on emerging opportunities in various regions. Alongside internationalization strategies, thorough market analysis and a comprehensive market entry plan are essential components that necessitate thorough research into the target market and a deep understanding of key decision-makers in the business landscape.

Vietnam, with its rapidly growing economy and flourishing food and beverage industry, stands out as a promising market for both domestic investors and foreign corporations. The country's favourable business environment, coupled with a rising demand for quality food products, presents an attractive proposition for companies seeking to expand their operations. Besides the growing number of foreign businesses, Vietnam's growing lifestyle changes, consumer spending, and urbanization have the country recognized as one of most attractive retail markets in the world (Finland Abroad, 2023).

Amidst the global trend towards healthier food options, Finnish food companies have a compelling opportunity to enter the Vietnamese market. As consumers prioritize natural, nutrient-rich products, there is a growing demand for healthy food items that offer both quality and nutritional value. The convergence of Vietnam's dynamic market landscape and the surging popularity of healthy food products creates a conducive environment for Finnish food companies to explore new opportunities and establish a foothold in the Vietnamese market. By leveraging their expertise in producing high-quality food products and aligning with consumer preferences in Vietnam, Finnish companies can strategically position themselves to capitalize on this market.

This thesis is a collaborative effort with Arctic Natural Products Company to assess the market potential for Finnish dried fruits as well as explore the decision-making processes of retailers. Strategies for effective engagement with retailers in the Vietnamese retail sector will be further discussed to facilitate a smooth entry into this new region. The study begins with a comprehensive analysis of established theories and frameworks concerning the expanding trend towards healthy eating and the company's global expansion strategy. In addition, qualitative data derived from semi-structured interviews will be analysed corresponding with the theoretical literature.

1.2 Research Problem

Capitalizing on healthy food trends, Arctic Natural Products has observed the increasing demand for natural, health-oriented products. After researching to introduce their products to Hong Kong and South Korea, they underscore expanding market reach in the Asian region, potentially in the Vietnamese market. They have engaged in export missions and initial market penetration via the Food For Finland (FFF) program and online sales, indicating an acknowledgement of the growing trend. However, there is a need for a strategic market analysis to navigate and approach emerging markets in Asia effectively.

There exists a notable gap in scholarly research regarding the retailer decision-making process, especially in niche product categories. This gap is particularly evident in the case of Finnish dried fruit products, where limited data and scholarly attention hinder a thorough understanding of the product's growth potential in emerging markets. While available studies often emphasize consumer behaviour, there is a scarcity of research on the retailer perspective and its role in shaping market dynamics. Furthermore, existing studies frequently focus on the export dynamics of Vietnamese products entering the European or Finnish market rather than the examination of Finnish exports to Vietnam. This skewed emphasis highlights a gap in understanding the bilateral trade dynamics between Finland and Vietnam, particularly in the context of Finnish dried fruit products. Thus, the identified problem extends beyond the mere absence of Finnish products in the Vietnamese market. This leads to the formulation of the two research problems: 'What is the market potential for Finnish dried fruits in Vietnam' and 'How can Arctic Natural Products effectively enter the Vietnamese market?'

1.3 Research Questions

The study aims to answer the following research questions:

1. What is the market potential for Finnish dried fruits in the Vietnamese market?
2. What factors influence the decision-making process of Vietnamese retailers regarding the introduction of dried fruits?
3. What strategies can Arctic Natural Products implement to effectively engage and persuade Vietnamese retailers to facilitate their entry into the Vietnamese market?

2 Literature Review

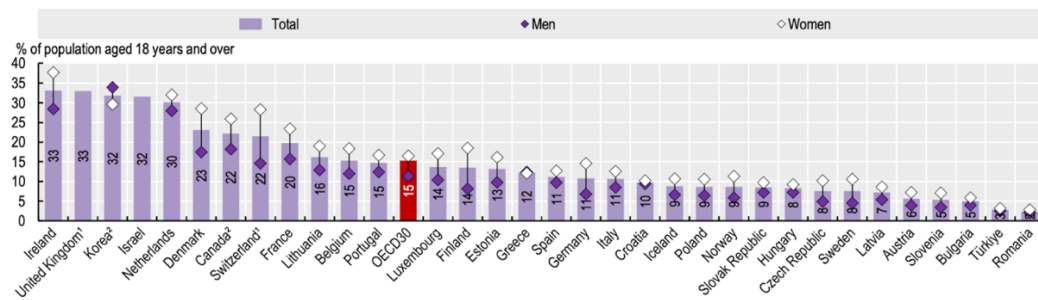
2.1 Global Changes in Healthy Dietary Choices

In recent years, the world has witnessed a shift towards healthy and functionally enriched food consumption (Nunes et al., 2020; Wong et al., 2020). Evidence of this healthy lifestyle lies in the consumption pattern in organic food production and functional foods. “You are what you eat” - this motto has shaped the perception of numerous healthy eating advocates that their food intake directly affects their health condition (Norman et al., 2000). Consequently, consumers are opting for products that not only satisfy hunger or offer great taste but also focus on their nutritional value.

The preferences of consumers towards a healthy diet are justifiable since diets and nutritional status are important determinants of non-communicable diseases (NCDs) (Dolui et al., 2023). Specifically, dietary choices contribute to mitigating the risk of NCDs, such as obesity, cardiovascular disease, and cancer (Cordain et al., 2005). Plant-based diets that are high in vegetables and fruits, wholegrains, nuts and seeds, and a modest intake of meat and dairy are the recommended dietary choices in NCDs prevention (Dolui et al., 2023). It can be concluded that the global shift toward healthier dietary choices is evident in the increasing consumption of organic and functional foods.

2.1.1 Changes in Fruit Intake

Many studies underscore the positive correlation between high fruit and vegetable consumption and health benefits (Boeing et al., 2012; Slavin & Lloyd, 2012; Wang et al., 2014). Within the European Union, low fruit and vegetable intake accounts for 3.5% of the burden of disease (Begg, 2007). Fruit is a crucial source of essential vitamins, minerals, and antioxidants crucial for maintaining overall health and preventing chronic diseases (Slavin & Lloyd, 2012; Chang et al., 2016). Despite well-documented research on the health benefits of fruits, the global scenario reveals an alarming trend. In 2019, a mere 15% of adults reported eating five or more portions of fruit and vegetables daily across 30 OECD countries (OECD, 2023). These data emphasise the necessity for health promotion interventions such as dietary change strategies and nutrition education in instilling healthier eating habits. Acknowledging this concerning situation, health experts specifically promote incorporating a diversified and abundant intake of fruits and vegetables as part of a balanced and healthy diet (Willett & Stampfer, 2013; World Health Organization, 2022).



1. 2016-19 data; 2. 2021 data.
 Source: Eurostat, EHIS, complemented with national sources for non-EU/EEA countries.

Figure 1: Daily consumption of five or more portions of fruit and vegetables among adults, by sex, 2019 or nearest year) (OCED, 2023)

However, several challenges remain in altering fruit consumption patterns, requiring in-depth research on the driving forces behind this prevalent deficit. According to Southgate (1991), there are 4 determinants of food selection: availability, sensory preferences, satiety, and social transmission. The study by Briz (2008) demonstrates that most participants exhibit positive perceptions towards including fruits in their diet, acknowledging the health-related benefits it offers. Another driving force for this favourable attitude is the hedonic benefit of pleasure, meaning respondents enjoy and enjoy consuming fruits (Briz et al., 2008). This aligns with the sensory preferences and experiential aspects in Southgate findings, emphasizing the leading role of primary senses in food choice.

Regarding accessibility, the fruit supply is inconsistent throughout the year due to limited seasonal availability, even in tropical regions (Southgate, 1991). This reflects the natural cycle of crop production and could influence dietary choices and consumption patterns among consumers. Several researches also suggest a strong association between the accessibility and convenience of fruit and fruit intake (Briz et al., 2008; Andreyeva and Luedicke, 2015, DeCosta et al., 2017). When it comes to food consumption, convenience can be regarded from different aspects such as purchase, the impact of food processing on health and the environment, and convenience in preparation and consumption. Limited access to fresh and affordable fruits can contribute to food insecurity, where individuals face barriers to consuming a nutritious diet. It is evident that convenience is a crucial factor in the food selection process, and it frequently causes consumers to opt for less healthy options. However, such choices may not always align with the recommended nutritional needs. Therefore, to increase fruit intake, one effective strategy is the provision of diverse convenient fruit products, such as pre-cut fruit packs, dried fruits, or ready-to-eat fruit snacks. These options not only cater to the demand for convenience in food choices but also contribute to a well-balanced diet.

2.1.2 Changes in Dried Product Consumption

As the demand for healthy eating habits and lifestyles grows, there is a corresponding shift in purchasing patterns and consumer preference for healthy products. Consumers are increasingly opting for nutritious snacks to replace unhealthy options that are rich in sodium, saturated fat, and refined sugar, but provide low nutrient content (Testa, R. et al., 2023). This evolving consumer preference has not only prompted food companies to develop novel products to cater to health-conscious consumers but has also accelerated advancements in food technology. These technological developments signify a changing landscape in the food processing industry, driven by both health awareness and market demands for healthier snacking alternatives. As a result, dried fruits have emerged as an enticing option, offering immediate consumption, distinct nutritional value, and minimal additives (Cieurzyńska, 2019).

A primary characteristic of fruits is their short shelf life. To be specific, fruits are perishable items, so without preservatives, they are available for a limited time and tend to spoil relatively quickly compared to other food categories (Southgate, 1991). The deterioration can involve changes in texture, flavour, and lower nutritional content. An attempt to address this challenge involves the use of innovative drying technologies to extend the shelf life of fruits while preserving their essential qualities. Compared to fresh fruit with more than 80% water content, dried fruits can be easily produced, stored, and transported since their low water content reduces microbial growth (Petikirige, J. et al., 2022). This transformation in processing technology not only addresses the issue of perishability but also provides practical advantages in terms of logistics and convenience. Prior research suggests that the costs associated with production, packaging, and shipping are significantly reduced (Santos, P. H. S. & Silva, M. A., 2008). As a result, dried fruits are regarded as a more economically viable option for both producers and consumers (Testa, R. et al., 2023).

Along with the growth of consumer demand for convenient food choices is the desire for products that succeed in retaining their original characteristics (Nijhuis, H. H. et al., 1998). However, while beneficial for preservation, dried fruits' low water content presents specific production-related issues. A number of researchers have recognized the phenomena caused by the low water content of dried fruits occurring during drying such as case hardening, shrinkage, and stress cracking (Nijhuis, H. H. et al., 1998). Consequently, manufacturers now face the challenge of developing processing methods that minimize the changing effects on the inherent qualities regarding colour, flavour, and texture of the raw materials.

One solution for this issue is the implementation of freeze-drying technology. Albeit incurring higher costs, a series of studies on dried fruit technology have indicated that freeze-drying produces the highest-quality dried food product (Nijhuis, H. H. et al., 1998; Jiang, H. et al., 2013). This statement can

be explained through the ability of freeze-drying technology to preserve the structure of the food without causing severe damage. Unlike traditional drying methods, freeze-drying, or lyophilization, is a process in which fruit is first frozen and then subjected to a vacuum environment (Nowak, D. & Jakubczyk, E., 2020). Although the freeze-drying method comes with higher production costs, its ability to retain the original quality of the fruit makes it an optimal choice for manufacturers producing premium dried food products.

2.1.3 Production and Consumption of Dried Fruits

The global market for dried fruits has witnessed steady growth over the past decade, exceeding the three million metric ton milestone for six consecutive seasons (INC International Nut and Dried Fruit Council, 2023). Specifically, the latest data for the 2022/23 season demonstrates a total production surpassing 3.1 million metric tons, highlighting a continued positive trend in the industry (INC International Nut and Dried Fruit Council, 2023). A substantial contributor to this market is Europe, the world's largest consumer of preserved fruit and vegetables, representing almost half of the global supplies (CBI, 2023). This strong dominance can be attributed to the advancements in processing and drying technology in European dried fruit products, as well as the rising consumer preferences for sustainable products.

Regarding Finland, the market for dried fruits is significantly affected by the country's distinct topography and organic agricultural practices. Characterised by large certified wild areas of 12 million hectares, Finland accounts for one-third of the world's organic wild collecting regions (Pekala, 2020). The primary products from these areas include bilberries and lingonberries, which are essential to Finland's organic food sector. In addition, Finland's low population density and distance from major pollution sources in Europe contribute to the forests' cleanliness. This makes Finnish forests some of the most pristine in Europe. However, due to the short cultivation period, Finland necessitates large imports of fruit and vegetables throughout the year (OECD, 2015).

To address this situation, throughout the summer, Finland emphasizes producing vegetables and berries for the national market and exportation. According to Luke (2022), the Natural Resources Institute Finland, the agriculture sector in Finland predominantly exports to countries such as Sweden, Estonia, China, Germany, and Russia. The consumption patterns from 2012 indicate that Finnish fresh fruit consumption was recorded at 62.6 kilograms, while dried fruit and fruit preserves stood at 6.4 kilograms (Luke, 2022). Lingonberries and bilberries, growing in wild forests, along with cultivated blueberries, are integral to Finland's wild berry offerings, available in various forms, including fresh, powdered, and dried. The main application of dried fruits lies in versatile culinary products, including smoothies, bars, and chocolates. To conclude, the natural abundance of different berry types in

Finland's organic forest regions illustrates the country's dedication to sustainable and clean cultivation techniques.

2.2 Market Entry

2.2.1 Internationalization

The globalization of businesses has transformed the way corporations operate in the modern economy. Despite being a significant aspect of economic globalization, internationalization in retailing has remained largely unnoticed in existing literature (Coe & Hess, 2005; Dawson, 2007). Welch and Luostarinen (1988) defined internationalization as the growing involvement of a company in international operations beyond its domestic market. Indeed, the concept of internationalization in business refers to how companies adjust their operations, strategies, structures, and resources to suit international environments (Calof and Beamish, 1995). As highlighted by Calof and Beamish (1995), this adaptation can take various forms when approaching foreign markets, such as establishing new sales branches or developing products that incorporate local nuances and preferences. Unlike a uniform approach, internationalization strategies necessitate thorough research and consideration of factors, such as cultural differences, regulatory systems, and competitive landscapes. As a result, the selection of international markets and the choice of entry modes are two fundamental strategic decisions intertwined with a company's internationalization efforts (Bradley, 1995). To succeed in international markets, firms should strategically blend adaptation and innovation to navigate global opportunities while remaining responsive to local market conditions and evolving consumer preferences.

2.2.2 Market Entry Modes

In the field of international business, market entry mode is a critical component of the internationalization concept (Andersen, 1997; Anderson & Matignon, 1986). It is central to navigating new markets for firms and understanding how businesses establish their presence in new markets. In accordance with Bradley's statement (1995) regarding firms' internationalization strategies, the success or failure of a firm's international enlargement is fundamentally influenced by the strategic decisions regarding the choice and implementation of entry mode into foreign markets (Schellenberg et al., 2018). Terpstra and Saratha (1991) support this viewpoint and highlight the choice of the correct entry mode as "one of the most critical decisions in international marketing".

The field of market entry mode is characterized by its eclectic nature, combining a diverse range of theories and conceptual models (Hill, 1990). Thereby, varying interpretations of what defines entry mode have been proposed, contributing to a landscape where multiple, sometimes conflicting,

definitions coexist (Cannable & White, 2008; Merchet et al., 2010). Entry mode is viewed by Anderson and Gatignon (1986) as a governance system that allows a company to exert control over its foreign operations. On the other hand, Johanson and Wiedersheim-Paul (1975) consider this concept the development of business activities in different countries. Similarly, Root (1987) further elaborates by defining market entry mode as a structured system that facilitates and organizes the introduction of a firm's management, products, and business transactions in a new market.

Since the beginning of the 1980s, the global accelerated globalization process has prompted companies to expand abroad instead of confining to localized functions (Glowik, 2016). At the same time, business operations have undergone significant transformation, resulting in a highly integrated and interconnected process (Glowik, 2016). Capturing these opportunities, businesses have increasingly participated in the movement to gain access to potential foreign markets. Navigating new markets demands strategic decisions on market entry, representing a fundamental yet complicated aspect for a company embarking on international growth. Once an organization has decided to enter a foreign market, the next phase involves determining the countries where transactions will take place and the suitable entry mode for its foreign business operations (Hill, 1990; Erramilli, 1993; Andersen, 1997). This business decision is of major importance since it often involves a strategy shift and changes in operations or business models to adapt to a new foreign market (Markman & Waldron, 2014).

2.2.3 Market Entry Conceptual Framework

It is important to note that there is no one-size-fits-all approach or framework for choosing an entry strategy; therefore, market-entry strategies need to be tailored according to a firm's target market. Nevertheless, extensive research has outlined the core considerations that influence market entry strategies. Andersen, O. (1997) "Internationalization and Market Entry Mode" is arguably one of the most prevalently used models in this field. The conceptual frameworks and constructs in this study (Figure 2) can be divided into four main conceptual modes: 1) Entry mode as a chain of establishment, 2) The transaction cost approach, 3) The eclectic framework, and 4) The organizational capability perspective. Appropriate application of these frameworks can help alleviate the challenges of international operations, reducing the burden and unfamiliarity associated with operating internationally.

	Entry mode as a chain of establishment	Transaction cost approach	The eclectic framework	The organizational capability perspective
Basic theory	Resource-based theory	Transaction cost theory	Transaction cost theory, international trade theory, resource-based theory	Resource-based theory
Unit of analysis	Firm	Transaction	Firm	Firm
Explanatory variables	Firm's knowledge (i.e., experiential knowledge)	Transaction characteristics (e.g., asset specificity, uncertainty)	Ownership, locational, and internalizational advantages	Firm's capabilities (in particular, know-how)
Behavioral assumptions	Bounded rationality	Bounded rationality and opportunism	Bounded rationality (and opportunism)	Bounded rationality
Decision criteria	Trade-offs between growth and risk	Transaction cost minimization	Trade-offs between return, risk, control, and resources	Trade-offs between value and cost
Modes of entry	Entry mode according to an establishment chain: a) No export, b) Export via independent representative, c) Sales subsidiary, d) Manufacturing abroad	Several classifications; e.g., Contractual transfer, Joint Venture, Wholly owned operation	Several classifications; e.g., Independent mode, Co-operative mode, Integrated mode	Internalization vs. collaboration

Figure 2: Comparison of Different Frameworks for Studying Foreign Entry Mode. Sources: Adapted from: Andersen, O. (1997)

Entry Mode as a Chain of Establishment

Most early studies on internationalization indicate that firms typically undergo a gradual process of global expansion, progressing through distinct phases of development (Johanson & Vahlne, 1977, 1990). This framework, popularly known as the Uppsala Model, comprises four stages: “a) no regular export; b) export via independent representatives or agents; c) sales subsidiaries; and d) production/manufacturing plants” (Figure 2). Additionally, the Uppsala Model is underpinned by the Resource-based theory, in which firms develop unique capabilities and knowledge over time through their activities and experiences in international markets (Andersen, 1997). In other words, companies enter foreign markets gradually and incrementally, starting with markets that are geographically and culturally close (Johanson & Vahlne, 1977). After firms acquire a more differentiated and wide market experience, they expand to more distant and dissimilar markets. Secondly, when companies enter a new market, companies often start with low-commitment entry modes, such as using a middleman or distributor to reach customers and mitigate risks associated with large resource investments. Subsequently, once firms gain more experience and aim for greater control over their operations, they may transition to more committed modes, such as wholly owned subsidiaries (Johanson & Vahlne, 2009).

However, Andersen (1997) has criticized this model for its deterministic nature and lack of consideration for cooperative entry modes of the mode, such as alliances or joint ventures. The author argues that the establishment chain model overlooks the fact that firms can enter international markets

through cooperative arrangements with local firms, rather than relying solely on their resources. Implications of cooperative entry modes include access to local knowledge, expertise, and resources, as well as reduced risk and cost. Despite criticism, the Uppsala Internationalization Model remains significant in internationalization theory due to their evolved and adapted insights to changing economic and regulatory environments presented in later editions (Wach, 2021).

2.3 Market Analysis

2.3.1 Theories of Competitive Advantages

In strategic management, the industry or task environment constitutes geographical aspects that directly shape a firm's competitive standing in a foreign market (Glowik, 2016). For instance, the proximity to suppliers and customers, transportation networks, and regional regulations can significantly impact a company's market entry and penetration strategy abroad. In the concept of competitive advantage, Resource-based views (RBV) and Market-based views (MBV) are the two prevalent theoretical perspectives explaining the superior performance of certain firms against competitors. The Market-Based View of strategy contends that firm performance is attributed to external factors such as market structure and industry influences (Caves & Porter 1977; Peteraf & Bergen 2003; Porter, 1980). From a market perspective, the most dominant and mentioned are Porter's (1980) early research on the Five Forces Model and Bain's (1968) Structure-Conduct-Performance (SCP) framework. In contrast, instead of focusing on an external market oriented, the Resource-based view underscores internal resources and capabilities in achieving a higher current firm value (Penrose, 1959; Peteraf, 1993; Wernerfelt, 1984).

Both the resource perspective and the market perspective facilitate a comprehensive understanding of competitive dynamics. However, in the context of literature review, this paper will predominantly adopt a Market-Based View, placing a strategic emphasis on assessing the market potential for Finnish dried fruits in the Vietnamese market. This approach supports the analysis of an industry and aligns with the purpose of Porter's Competitive Forces Model in assessing external market forces to assess industry attractiveness.

2.3.2 Introduction to Porter's Five-Forces of Competition

Understanding the competitor landscape and the rivals' products and strategies is the key to navigating and thriving in the modern competitive market. Michael Porter's Five Forces (P5F), as stated in his earlier work (Porter, 2008), is a critical tool for comprehending industry attractiveness and determining profitability. This strategy has transformed the former approach companies implement to assess the industry's competitive environment.

Even though each industry's five forces configuration varies, the underlying principles of the Five Forces framework remain consistent.

The framework is built up of the following determinants (Figure 2): threat of new entrants, threat of substitutes, bargaining power of suppliers, bargaining power of buyers and rivalry among competitors (Porter, 1985). These five factors can be further divided into two sections: horizontal competition and vertical competition. Horizontal competition includes the threat of substitutes, rivalry among competitors, and threat of new entrants. These sources of competition refer to interactions between firms that are at a similar stage of a supply chain. On the contrary, the bargaining power of suppliers and the bargaining power of buyers are part of vertical competition, reflecting an industry's power dynamics at successive stages of a supply chain (Steiner, 2008). Porter's findings underscore examining an industry's fundamental structure to acquire insights into its dynamics and formulate the optimal strategies.

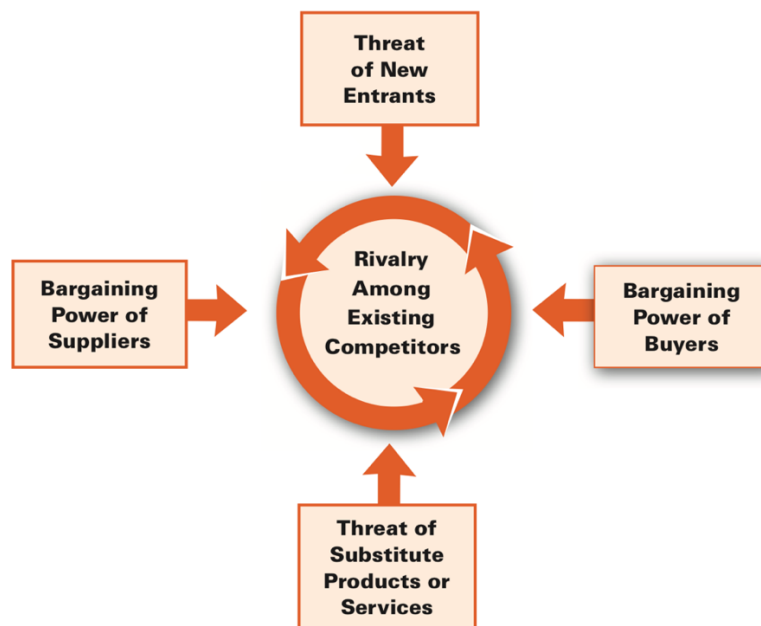


Figure 3: Porter's Five-Forces Framework for Industry Analysis (Porter, 2008)

Threats of New Entrants

Entering a new market can be a challenging decision, considering the various entry barriers faced by the existing market. Assessing the height of entry barriers can help determine the market's potential profit threshold (Porter, 1979). If the entry barriers are high, it indicates strong competition in the industry and possibly hinders the entry of new players. In contrast, the entry barriers are typically low when the threat of entry is high. New entrants may introduce price competition or other factors that drive down profit margins. The industry will become more saturated, consequently reducing the overall

profitability of existing firms (Porter, 2008). In this situation, new firms tend to face little retaliation from incumbents since established firms might find it challenging to boost investment quickly to hinder new competitors. To defend against the threat posed by new competitors, companies depend on barriers of entry to secure their market position and sustain profitability. Shepherd (1979) clarifies the role of barriers to entry in lowering the likelihood of new companies entering a market. Even if they manage to penetrate the market, the scope and speed of their business can be negatively affected. Similarly, Porter's (1980) research emphasizes that these barriers are the advantages established firms have over potential entrants.

Regarding the major sources behind barriers to entry, Bain (1956) pioneered the research with a study on the cost advantages of incumbents (Karakaya, 1989). These advantages usually result from economies of scale and learning curve effects and are widely recognized as one of the most significant entry barriers. Bain proposed three sources serving as market entry barriers: absolute cost advantages, product differentiation, and economies of scale. Following this foundational study, Porter (1980) has established an extensive compilation of barriers to entry, presenting seven major sources. These sources include:

1. Supply-side economies of scale
2. Demand-side benefits of scale
3. Customer switching costs
4. Capital requirements
5. Incumbency advantages independent of size
6. Unequal access to distribution channels
7. Restrictive government policy

Overall, the sources include the most crucial entry barriers discussed in previous studies (Karakaya, 1989).

Bargaining Power of Suppliers

Since corporations rely on varied supply groups for input, powerful suppliers can take advantage of their significant role to maximize their profitability (Porter, 2008). Suppliers may increase competition by charging higher prices or limiting the quality of goods and services. According to Porter, a powerful supplier group is characterized by high concentration, low revenue dependency, high switching cost, product differentiation, low substitution, and threat of integration. Among these factors, suppliers are deemed most powerful when they influence the company's bottom line and when switching to other suppliers is challenging due to high switching costs or the limited number of suitable suppliers.

Finnish dried fruit producers hold a moderate level of bargaining power owing to their offering of premium-quality products. The distinctive quality of Finnish dried fruits makes them appealing and potentially sought-after among consumers in Vietnam. However, the influence of local distributors

and suppliers in the Vietnamese market cannot be understated. In the context of targeting a more distant market that is both geographically and culturally separated, the role of intermediaries becomes crucial (Lehtinen et al., 2016). Intermediaries, defined as specialized service firms whose mission is to bridge the gap between domestic manufacturers, such as Finnish dried fruit producers, and foreign customers (Peng et al., 2000), play a pivotal role in new market access.

Bargaining Power of Buyers

Alongside the bargaining power of suppliers in Porter's framework is the power of buyers. The concept of powerful customers refers to consumers who hold negotiating power over industry participants. Powerful buyers may demand price reductions or improved quality for products or services and leverage price sensitivity to negotiate. Similar to supplier power, this influence allows them to extract more value from industry participants, often at the expense of industry profitability (Porter, 2008). The determinants behind buyer power could be divided into two main forces: bargaining leverage and price sensitivity. High switching cost in changing vendors is a deterrent for buyers against seeking alternative options (Porter, 2008). Taking advantage of switching costs, vendors can deliberately design products and services that hamper customers from switching (Shapiro and Varian, 1999), such as establishing compatibility among their products. Overall, switching costs remain a fundamental element that impacts bargaining leverage among customers. In terms of price sensitivity, the rise of e-commerce platforms in retailing and internet-based reservation systems has provided customers with instant access to pricing information. This allows buyers to easily compare prices and capture additional value for themselves.

Vietnamese consumers, especially the young and affluent demographic, demonstrate a fairly good brand awareness. Nevertheless, there remains a notable disparity between rural and urban consumer segments. With rising incomes and evolving lives in urban areas, more Vietnamese consumers are willing to invest in higher-quality foods, even at premium prices, when shopping at modern stores. This purchasing behaviour can be attributed to consumers' perception that a high price signals superior quality and safety (Bell et al., 2021). While this presents an opportunity for premium-quality Finnish products, health-conscious consumers in Vietnam have the choice between various snack options, locally produced and imported (Bairagi et al., 2020). The diverse preferences of consumers, coupled with an increasing awareness of healthy choices, create a moderate to high bargaining power among buyers.

Threat of Substitutes

Substitution occurs when a product or service can handle an identical or similar function as another existing product or service (Porter, 1980). Likewise,

Ghemawat (1998) defines substitutes as a comparable solution that serves a similar purpose and consumers with alternatives. As mentioned by Porter (1980), substitutes are always present, imposing a constant threat to companies. As a result, companies are concerned that new service providers may displace their own when the high availability of substitutes allows customers to switch from one product to another. This scenario highlights the significance of the switching costs concept, demonstrating that a high threat of substitutes is often associated with a low buyer's cost of switching. The threat of substitutes is also high when companies outside the industry provide a more attractive balance between price and performance compared to existing products (Porter, 1980).

The threat of substitutes is quite high in the diverse food market of Vietnam, presumably due to the strong inclination toward fresh and preserved fruits. These food categories are the fastest-growing category in Vietnam with an annual growth rate of 16.1% (Finland Abroad, 2023). Despite the abundance of domestically produced fruits, there is a noteworthy shift among Vietnamese consumers towards imported products (Finland Abroad, 2023). To mitigate the threat of substitutes, Finnish dried fruit products should be strategically positioned as a premium, healthy snack option with nutritional benefits and unique flavours. By establishing a unique character that appeals to customers, this approach facilitates standing out among the various alternatives offered in the competitive Vietnamese market.

Rivalry among Existing Competitors

The rivalry among existing players is influenced by the scope distribution of competitors in the market. More competition appears when there are a large number of small competitors rather than a few equally balanced competitors. As Porter (1980) suggests in his framework, high rivalry constrains the overall profitability of an industry. To assess the diminishment in an industry's profit potential caused by rivalry, two aspects should be considered: the intensity of competition among companies and the basis on which they compete.

2.3.3 Critique of Five-Forces Framework

The Five Forces framework is widely utilized for developing strategies across various industries. However, in recent years, scholars have raised several concerns regarding the relevancy of the framework after 40 years since its introduction. The primary controversy revolves around Porter's neglect in encompassing shifts in the competitive environment (Thurlby, 1998; Grundy, 2006). In numerous avenues, industry structure does not represent the only element determining a firm's profitability. Critics argue that the Five Forces model, designed for a classic perfect market, is too static and unlikely to apply in rapidly changing market dynamics (Thurlby, 1998; Grundy,

2006). Porter (2008) himself acknowledges the limitations of adopting the framework in the contemporary landscape. In later works, Porter clarified common misunderstandings and provided a more in-depth viewpoint of the framework's present implications for strategy. He contends that each component of the framework examines changing conditions, such as industry analysis, competitor analysis, and competitive positioning.

In assessing market potential in Vietnam, Porter's Five Forces remains a valuable preliminary tool. The model analysis provides a comprehensive evaluation of the scale and degree of competition in the Vietnamese dried fruit industry. What makes Porter's model suitable for this thesis is its emphasis on aligning a company's capabilities with market potential. Furthermore, the approach helps decision-makers navigate the intricacies and dynamics of the Vietnamese market by identifying possible impediments and possibilities. To conclude, Five Forces framework is still widely applied in business strategies as well as educational training. Nonetheless, acknowledging its limitations and modifying it to the present business landscape is crucial in ensuring its continued relevance in the contemporary environment.

2.3.4 Retail Buying Process

According to Manjeshwar (2013), retail buyers resemble consumers in their product selections, opting for finished goods rather than raw materials or components, yet they resemble industrial purchasers in their procurement practices, prioritizing cost control and profit maximization. A comprehensive understanding of the tasks buyers involve necessitates the observance of retailing functions they perform. The roles comprise merchandising, marketing, inventory control, financial planning, and supplier managements (Swindley, 1992). Previous researches on international retail buying in Asia stated that there were three factors affecting buying decisions: country-specific, institutional, and social factors (Sternquist and Chen, 2006).

2.4 Conceptual Framework

In this paper, the author evaluates the Vietnamese market's potential for Finnish dried fruits using theoretical frameworks on market entry strategy and market potential analysis. The primary concepts explored include market potential, retailers' decision-making processes, and market entry engagement strategies. In alignment with the essence of Porter's Five Forces Model, this study predominantly adopts a Market-Based View. The competitive dynamics depicted by Porter's framework will be tightly connected with the tactics for market entrance that have been examined. This connection underscores the close relationship between competitive dynamics and market entry strategies.

However, even though Porter's Five Forces Model provides a useful framework, the framework alone may not comprehensively assess the

viability and potential of the market. Therefore, in addition to Porter's framework, the study evaluates Finnish dried fruits' market potential using Market-focused and Product-focused Criteria. These two criteria are adapted from Anupam's product viability framework for assessing potential and market fit (2023). While Porter's model highlights the intensity of competition within an industry, Anupam's framework provides a deeper analysis of consumer demand trends that could influence the success of a product in the market. Under the Market-focused Criteria, the research explores four key constructs to evaluate the Vietnamese dried fruits market landscape comprehensively. These constructs include Market size, Segmentation, Value Chain, and Competition Landscape. Transitioning to the Product-focused Criteria set, the examination extends to aspects related to the characteristics and positioning of Finnish dried fruits within the Vietnamese market, such as Demand, Pricing, Regulatory Compliance, and Timeline Scalability.

The empirical data from this study will be structured around four core themes, aligning with the conceptual framework and research questions outlined previously. Each theme consolidates detailed explanations of market phenomena and addresses key aspects concerning the decision-making processes of Vietnamese retailers. The first theme, titled 'Market Potential and Decision Context for New Products,' centralizes the prospective analysis for Finnish dried fruits in Vietnam. It seeks to uncover the level of familiarity and demand among Vietnamese consumers for these products. Moving on to the second theme, 'Decision-Making Factors for Importing Finnish Dried Berries,' the study examines the various factors that shape the judgement of Vietnamese retailers when considering the introduction of new products. This includes an analysis of supplier evaluation criteria and the economic influences impacting such decisions. The third theme 'Risk Assessment and Mitigation Strategies for New Products' focuses on the barriers to entry and the regulatory compliance aspects of exporting Finnish dried fruits into the Vietnamese market. Transitioning to the fourth theme 'Strategic Alignment and Differentiation in New Products', the section explores the strategic fit as well as the customer behaviour and preferences towards this product category. The third and fourth theme synthesizes insights on market trends, regulatory requirements, and retailers' buying behaviour. These themes inform strategic initiatives aimed at facilitating the effective engagement of Arctic Natural Products within the Vietnamese market landscape.

By synthesizing these two frameworks, the study provides a robust analytical approach that examines both the broader market dynamics and the specific product-related aspects influencing the potential for Finnish dried fruits in the Vietnamese market. This thorough evaluation offers a deeper understanding of the market landscape and, therefore, addresses concerns from exporters, retailers, and potential investors about the practicality and profitability of entering a new market.

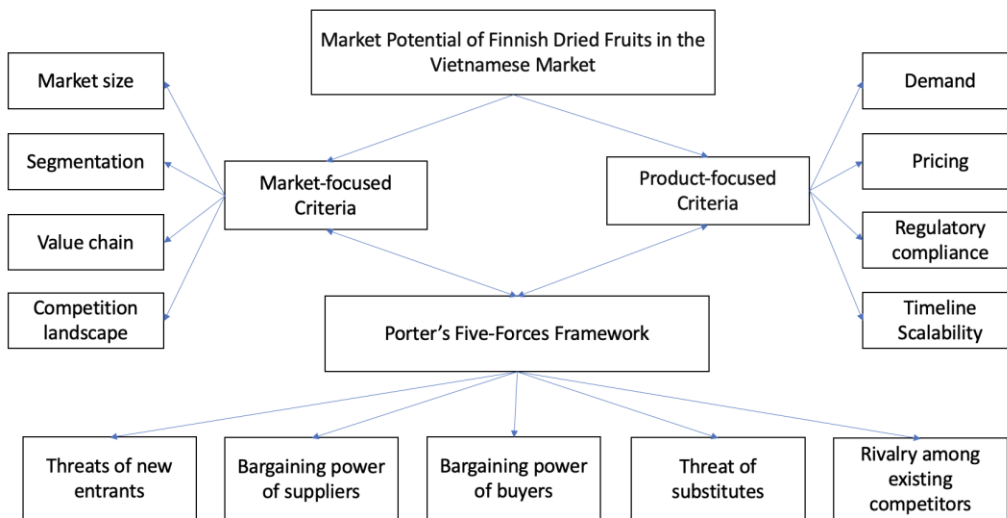


Figure 4: Conceptual Framework

3 Methodology

3.1 Research method

The primary goal of this study is to outline the common decision-making processes encountered by retailers within the retail sector. To identify strategic approaches for effective engagement with Vietnamese retailers, a qualitative study has been conducted. Qualitative research methodologies allow researchers to work closely with participants and capture qualitative data that resonates with the intention and objectives of qualitative research (Baxter & Jack, 2008). As Sofaer (1999) highlights, qualitative methods offer a platform for richly illustrating phenomena. Therefore, this approach is particularly beneficial when the aim is to understand intricate phenomena that cannot be easily quantified, facilitating a comprehensive exploration of the complexities involved in the retailers' decision-making experiences.

Interviews, a widely employed methodology in qualitative research (Moriarty, 2011; Young et al., 2018), were utilised in this study to gather the perceptions, experiences, and behaviours of retailers. Interview techniques vary greatly according to the purpose of the research, such as group discussions, face-to-face meetings, and mobile surveys (Mason, 2012). Furthermore, interviews may be conducted in different styles, including structured, semi-structured, and unstructured formats (Mason, 2012). In each of these styles, a different degree of control and flexibility is exerted over the interview process. Structured interviews ensure consistency and standardization across interviews based on a fixed set of pre-determined questions, while unstructured interviews allow for more flexibility and open-ended exploration of topics due to the absence of a rigid interview script (Bryman, 2004; Mason, 2012).

3.2 Choice of Method

This qualitative study employed a semi-structured approach as the primary data collection method to maintain a certain control level over the interview's direction while exploring the topics in greater depth than a structured interview would permit. Prior to data collection, a pre-conceived interview guide was developed, comprising standard questions for interviewees. This ensured consistency across interviews and facilitated the comparison of responses, thereby maintaining the quality and reliability of the data gathered (Young et al., 2018). Additionally, studies can include unanticipated topics or follow-up questions developed during the interview process, allowing the interviewer to explore relevant aspects that might have been overlooked earlier.

Potential interviewees were initially contacted through professional networking platforms such as LinkedIn and via email. Upon establishing contact, the purpose and scope of the study were communicated, along with a request for their participation in the interview process. Before the interview, tentative interview questions were shared with the potential interviewees. This provides participants with an overview of the study's topic and objectives, allowing them to familiarize themselves with the themes to be discussed and ensuring that the interviewees were willing to engage with the proposed topics. The preliminary questions sharing also facilitated transparency and clarity in communication, enabling the interviewees to make an informed decision regarding their participation. The interviews in this study were conducted remotely, utilising both audio and video recording formats through Microsoft Teams, and were recorded for future reference. The duration of the interviews ranged from 30 minutes to 1 hour. The author employed active listening techniques to ensure that the interviewees' perspectives were accurately captured, while follow-up questions were posed to clarify and delve deeper into specific topics as necessary.

3.2.1 Sampling

Sampling for this study involved selecting a diverse group of retailers from different segments of the Vietnamese retail sector, including supermarket chains, convenience stores, and retail chain. The interviewees were mainly supply chain specialists and senior managers who were typically involved in their firms' operations in Vietnam regarding sales and sourcing strategy. A total of six in-depth interviews were conducted to gather insights into their decision-making processes regarding importing Finnish dried fruits. The selected participants were chosen purposively based on their expertise and experience in retail operations, particularly in the procurement and marketing of food products. By including representatives from different segments of the retail sector, this study aimed to capture a comprehensive range of perspectives and insights relevant to the introduction of Finnish dried fruits in the Vietnamese market.

Table 1: Profile of the sample

Name of interviewees	Interviewees' Profession	Company name	Company's field
Thuy Ha	Sourcing Merchandiser, Confectionery	Emart	Hypermarket
Hoang Bach	Category Manager	MM Mega Market	Hypermarket
Dung Nguyen	Mall manager	Central Retail Vietnam	Retail Chain
Ha Tran	Sourcing & Purchasing Manager	Sói Biển stores	Mini supermarkets / Convenience stores
Eckart Dutz	Supply Chain & FMCG Specialist	Pacific Partners VN	Retail Chain
David Young	Past: Chief Operating Officer	Circle K Vietnam	Convenience Store

Emart is one of the leading discount store chains in Korea and a subsidiary of the Shinsegae Group. With over 80 years of history, Shinsegae Group, the Seoul distribution conglomerate, operates two businesses: the Emart discount store business and the department store business. Emart opened its first hypermarket in Ho Chi Minh City in 2015, with a total investment of \$60 million. Following its acquisition by Thaco Group in late 2021, Emart quickly accelerated its expansion efforts in Vietnam. The hypermarket chain opened a second store in Ho Chi Minh City (HCMC) in October 2022, intending to open 20 more chains by 2026 (Dong, 2022).

MM Mega Market, formerly known as Metro Cash & Carry Vietnam, is a member of Thailand's BJC/TCC group and has been operating since 2002 in Ho Chi Minh city (www.mmvietnam.com). In 2016, the TCC Group, the parent company of Mega Market, acquired the hypermarket chain from Metro Cash & Carry Vietnam Company, subsequently renaming it to MM Mega Market Vietnam. After over two decades in business, MM Mega Market Vietnam has grown to operate 21 Wholesale and Supermarket centers across the country. Additionally, it manages five supply stations and two transit warehouses, collaborating with over 2,000 product supply partners (www.mmvietnam.com). MM Mega Market was first known among customers as a wholesale supermarket system but has now evolved to become a leading wholesale retail giant, offering both wholesale and retail services.

Central Retail Vietnam, which is part of the Central Group, is one of the leading Foreign Direct Investment (FDI) retailers in Vietnam. Their diverse portfolio of retail brands includes GO! Mall, GO! Hypermarket, Tops Market, Big C, go!, Lan Chi Mart, Nguyen Kim, etc. With a focus on three key growth drivers - Property, Food, and Non-Food, the company is committed to

providing customers with exceptional service. By 2028, Central Retail Vietnam aims to become the first ranked Omnichannel platform in food and property, doubling omnichannel sales penetration and expanding its presence across over 50 provinces in Vietnam (www.centralretail.com.vn).

Sói Biển was established in 2013 with the opening of its first retail store in Hanoi and has quickly become a growing high-quality fresh food retail store. With a mission to promote healthier eating habits among Vietnamese consumers and protect human health and the environment through sustainable cultivation practices, Sói Biển is dedicated to building a chain of retail stores that enhance the value of Vietnamese agricultural products (www.soi-bien.vn). Their strategically located stores offer a spacious shopping environment and a wide variety of products, including organic fruits and vegetables certified by VietGAP, regional specialties, natural products, processed foods, fresh foods, dried foods, beverages, household items, and more.

Pacific Partners is a Fast-Moving Consumer Goods (FMCG) trading company that specializes in sourcing and distributing products across the Pacific Islands and Oceania regions. With a global presence, the company caters to the market demands from various APEC and non-APEC countries. Additionally, Pacific Partners is the exclusive partner for the Uncle Bills brand, a China export warehouse offering over 1,700 low-cost and high-volume China products. The target customer base of Pacific Partners includes retailers, wholesalers, and distributors. Thanks to its extensive network, the company efficiently sources, markets, and distributes products throughout the Pacific region.

Circle K is the premier international convenience store chain in Vietnam. The chain operates under a master license granted by Circle K US and has opened over 400 chain stores in major cities across Vietnam (www.circlek.com.vn). Circle K is dedicated to delivering the 4Fs: Fresh, Friendly, Fast, and Full. In a highly competitive market that presents other leading convenience stores such as GS25 (South Korea), Ministop (Japan), and 7-Eleven (Thailand), Circle K has emerged as the market leader with an impressive 48% market share.

4 Findings

In this section, the qualitative data from the interview will be summarized and explored in detail based on the established literature. The findings are structured around four central themes, guided by the conceptual framework and research questions outlined in the previous chapters. Each theme consolidates detailed explanations of market phenomena and addresses key aspects concerning the decision-making processes of Vietnamese retailers. The first theme presents the market potential for Finnish dried fruits in the Vietnamese market, followed by a comprehensive analysis of the factors that influence the decision of Vietnamese retailers concerning new product introduction. Finally, the insights on market trends and retailers' buying behaviour are synthesized to inform strategic initiatives and facilitate the effective engagement of Arctic Natural Products in the Vietnamese market landscape.

4.1 Market Potential

In the highly competitive business environment, assessing the potential and market fit of products is crucial for companies to successfully navigate the ideal market landscape. The first theme of the findings concentrates on the market potential and the decision context regarding new products. Therefore, this section serves as an overarching guide to explore Vietnamese market conditions and contextual factors influencing retailers' perceptions and readiness for embracing new offerings. When interviewees are asked about the assessment process for new food products, perspectives on evaluating market potential vary among interviewees. However, their answers could be categorized into two primary fields: Market-focused criteria and Product-focused criteria.

4.1.1 Market-focused Criteria

Market-focused criteria were emphasized by most interviewees, highlighting the importance of understanding market size, segmentation, competition landscape, and value chain dynamics when evaluating products.

Market Size

Ha Tran, the Sourcing Manager from the Soi Bien convenience store chain, emphasized the necessity of market data and trends among retailers and suppliers. Specifically, Ha explained that many supermarkets utilize data provided by distributors during product introductions and negotiations to gain insights into market trends. David Young, the former Chief Operating Officer of Circle K, also shared his opinion on the topic, citing market size as a key

factor that influences his decision to explore new products for import. David provided insights into the challenges associated with niche product categories such as Finnish dried fruits. David Young and Eckart Dutz, the Supply Chain Specialist at Pacific Partners VN, both pointed out that dried fruit occupies a small market segment, which makes it difficult to penetrate due to limited market capacity and high costs associated with hand-picked Finnish fruits. Dung Nguyen, the Mall manager at Central Retail Vietnam, shared a similar opinion that market size should be a primary consideration in evaluating new products for import. While the current market for dried fruits in Vietnam is relatively small compared to the mass market, it is growing, especially in major cities like Hanoi, HCM City, and Danang (Dung, 2024). Once market research data is collected, retailers can determine the product's feasibility and decide whether to introduce that product into Vietnam.

Value Chain

Once the market size and data trends have been established, the next critical step is to explore the value chain. In this context, the term "value chain" encompasses the entire journey of products from their manufacturing or sourcing to their consumption by end-users (Donovan et al., 2015). It involves understanding the distribution channels, supply chains, and the relationship between retailers and suppliers (Dung, 2024). By comprehensively analysing the value chain, businesses can strategically navigate the complexities of bringing products to market, thus enhancing their chances of success. The relationship between suppliers and retailers will be discussed further in the following section - 4.2 - which focuses on the decision-making process of retailers.

Segmentation

From Thuy Ha's viewpoint, the Sourcing Merchandiser of Emart, the first criterion that she considers when evaluating market potential is segmenting customers. For instance, in the case of Artic Natural Products, their Finnish dried berries would be considered a premium or luxury product. Hoang Bach, the Category Manager at MM Mega Market, supported this approach and emphasised the importance of identifying the target customer base. Foreign suppliers must also compete with local companies based on international standards, such as drying standards that preserve vitamins better, or by offering novelty products that appeal to either local consumers or foreign buyers (Hoang, 2024). Hoang mentioned her past experience managing the dried fruit product sales at Circle K. According to Hoang, the ongoing COVID-19 pandemic at the time has caused many local suppliers to shift their focus towards the domestic market as a result of lockdowns and export

limitations. This has led to challenges for dried fruit manufacturers due to decreased consumption and tourist activity (Hoang, 2024).

Additionally, Dung discussed that the retail market in Vietnam is quite mixed and more complex compared to Europe. Therefore, one of the first aspects companies should determine is which segment their products will target and the positioning of their products (Dung, 2024). Will it be positioned in the mass market, the affordable segment, or the premium and high-end segment? This needs to be clearly defined because it is challenging to evaluate a product from all segments (Dung, 2024). In agreement with David, Dung mentioned that the limitations in logistical capabilities and market reach pose substantial barriers to entry for Finnish retailers seeking to enter the mass market segment in Vietnam.

Regarding market segmentation, Thuy introduced two primary approaches: segmentation by price and segmentation by fruit types. Thuy highlighted that the segmentation of the dried fruit market is primarily driven by price, aligning with Dung's position. However, an alternative approach to segmentation involves classifying products according to the specific fruits they contain (Thuy, 2024). This approach focuses on the specific types of fruits, such as dried bananas, dried apricots, dried mangoes, etc. Additionally, there may be a category for mixed varieties, offering consumers a selection of different fruits in one package.

Competitive Landscape

According to Ha, major retail chains like MM Mega Market, AEON, and BigC have begun working directly with foreign importers, but only for product lines with significant potential and a large market share. For instance, previously, only 'Tú Phuong' brand was permitted to distribute Envi apples, but now BigC has also signed a contract with the brand, relinquishing Tú Phuong's exclusive rights (Ha, 2024). However, these retail chains only opt to import products directly if their market data indicates that the product sells well (Ha, 2024; Thuy, 2024; Hoang, 2024). When importing products directly, major retail stores must ensure an adequate quantity of the product. Therefore, chains like AEON and BigC source directly imported products and local suppliers simultaneously to ensure a smooth supply chain, as importation is dependent on numerous factors.

The competitive landscape for dried fruit products is further demonstrated when interviewees were asked to assess the availability of dried fruits in domestic and international markets. Eckart highlighted the diverse availability of dried fruits in both the local and the global markets, while Ha mentioned some well-known dried fruit brands manufactured in Vietnam such as Vinamit, Nafoods, Quynh Anh, and Luong Gia. Vietnam and Thailand both offer a wide range of dried fruits, but there is a distinction between products from the two countries. Eckart and Ha contended that Vietnamese products

tend to have less sugar, which reflects current health trends. In Europe, geographical differences mean that dried fruits produced there may differ from those in tropical regions, which could potentially lead to unique variations in Finnish products (Eckart, 2024).

4.1.2 Product-focused Criteria

If market-focused criteria assess the external market dynamics and conditions, product-focused criteria examine the internal aspects of the product, such as demand, pricing, and regulatory compliance. While market-focused criteria provide insights into the external environment in which the product will operate, product-focused criteria focus on the specific attributes and characteristics of the product to ensure its viability and smooth entry into a new market.

Demand

During the inquiry into the demand for dried fruits, diverse perspectives emerged. Ha highlighted insights from customer surveys conducted at the Soi Bien store, revealing that while customers express concerns about health and quality, their purchasing decisions are heavily influenced by factors like taste and affordability. Despite the growing awareness of health-oriented food products, such as organic and nutritious options, Vietnamese consumers still prioritize familiar and affordable choices, especially among the younger generation (David, 2024; Dung, 2024; Ha, 2024). For instance, although products like seeds and oats are very healthy, Vietnamese consumers, especially the younger generation, still prefer noodles, meat, and fried foods (Ha, 2024). Ha's observations underscore the importance of considering consumer preferences and habits when evaluating demand for new products. Both Ha and Dung stated that shifting consumer habits towards healthier options requires time and sustained efforts in education and awareness-building. "Changing habits is challenging unless they have high discipline or health issues forcing them to eat differently", Ha said. However, there are positive trends regarding healthy diet intake in Vietnamese consumers. Particularly, consumers actively seek to control their diet to be fresh and healthy by reducing fried dishes (52%), adding more vegetables or fibre (47%), and reducing sugar in dishes (41%) (www.cimigo.com).

Dung shares the same opinion with Ha, adding that organic farming in Vietnam is still in its early stages. Startups can operate on a small scale and primarily target affluent neighbourhoods in Hanoi and Ho Chi Minh City, but they cannot effectively target the mass market due to the high costs associated with organic products and their limited shelf life (Dung, 2024). One of the contributing reasons for the premium pricing is the packaging of these products. Organic products are often wrapped in environmentally friendly

packaging, which leads to higher costs and affects margins. The strategy for packaging is also a worth-noticing aspect of product positioning and differentiation that will be discussed in section 4.3.

In general, dry fruits are considered a healthy product category. However, Eckart had concerns about the taste of Finnish dried fruits due to inability to fully assess the products without sampling. Furthermore, only one out of six interviewees had knowledge and experience with Finnish dried fruits, as they used to live in Finland. The remaining interviewees had no familiarity with Finnish food or exported products from Finland in the Vietnamese market. These findings suggest that there is a need to increase awareness among consumers for Finnish products, which poses a challenge for marketing Finnish dried fruits in Vietnam.

Pricing

Besides taste uncertainties, the willingness to pay is repeatedly mentioned as the main barrier for Finnish dried fruits. David opined, “I didn't even need to look at the prices, I just knew it would be expensive since it is all handpicked and goes through the process of freeze-drying.” David's anticipation of the high cost of Finnish dried fruits stressed the significance of price sensitivity within the Vietnamese market landscape. However, he also proposed that if the products offer special qualities, such as solving cancer or chronic conditions, then the prices might be justified. David's assessment reflects a pragmatic understanding of consumer behaviour, emphasizing the importance of perceived benefits in relation to price. Similarly, Ha contended that the health benefits aspects of Finnish dried fruits are enticing, but it is not a life-saving product that would warrant a premium price.

Moreover, consumer willingness to pay for certified products indicates a potential market segment interested in quality and safety standards. According to Cimgo's report (2022) on Healthy food and beverage Vietnam, 72% of those aware of standards claim that they will pay up to 10% more for products certified by food standards. However, a 10% difference for food standards would not be sufficient to cover the difference in price between local dried fruits and Finnish dried fruits. This highlights the challenge Arctic Natural Products faces in justifying the premium price of its products in a market where affordability is a key concern for consumers.

Thuy's insights further indicate the complex association between pricing and consumer segmentation within supermarkets. According to Thuy, economic factors such as pricing and profitability are indeed significant considerations, but their impact varies across different customer segments. For example, while retail giants like BigC prioritize affordability and may hesitate to import high-priced products, speciality stores catering to expatriates like Annam Gourmet may serve as a more receptive market for premium offerings.

Regulatory Compliance

Regulatory requirements associated with importing dried fruits are identified as a significant challenge by David, particularly regarding the registration process and associated costs in Vietnam. David perceived the stringent registration procedures and high costs as a potential barrier for dried fruit products since they may compete with local agriculture alternatives. He speculated that these regulatory measures might aim at safeguarding the local market for dried fruits, indicating the protective stance of the Vietnamese regulatory environment.

Despite the challenges posed by regulatory requirements, David notes the existence of free trade agreements for exported products. He mentioned the example of Australia's free trade agreement with Vietnam, which exempts Australian imported products from import duties. In fact, a free trade agreement between Vietnam and the European Union entered into force on 1 August 2020 (www.um.fi), opening opportunities for similar favourable trade conditions for Finnish products.

4.2 Retail Buying Decision

Building upon the foundation laid by the first section, the second theme examines more thoroughly the intricate factors in the decision of retailers to import Finnish dried berries, particularly involving supplier evaluation criteria. Section 4.2 aims to answer the second question by outlining the factors that took place in the decision of Vietnamese retailers towards product importing. Even though the criteria for supplier evaluation may vary among retailers based on their position and fields, the findings indicate a similarity in the answers provided by the participants, indicating a standardized approach to working with suppliers.

4.2.1 Brand Reputation

According to Thuy, a wide range of criteria is considered by retailers to effectively evaluate and choose suppliers for imported products. Firstly, she emphasized the significance of brand reputation and factory certifications, which serve as both physical and intangible indicators of product quality and compliance. For collaborations on a large scale, visiting the supplier's factory beforehand is common practice to ensure compatibility and establish a strong working relationship (Thuy, 2024). Secondly, Thuy highlighted the role of service quality in supplier selection, including suppliers' timely provision of samples and updates. This highlights the reliability and responsiveness of suppliers to any issues or queries. Interestingly, the absence of a factory in Vietnam does not significantly impact the decision-making process. For instance, BigC deals directly with the factory for large purchases;

however, for smaller quantities or expensive items, retailers would work with trusted intermediaries or distributors to collect items and consolidate them in one container (Thuy, 2024). Another consideration for Thuy is whether the supplier has an exclusive distributor in Vietnam. In such cases, she prefers not to work with them directly but rather through their distributor to avoid potential conflicts.

Eckart shares similar criteria with Thuy when selecting suppliers for imported products, including the size, reputation, and quality of the suppliers or manufacturers. An aspect Eckart considered that is not clearly mentioned in Thuy's answer is "How long the suppliers have been in the market". He explained his tendency to avoid starting with random small suppliers and instead prioritize those with a supportive range of products.

4.2.2 Financial Model

David's perspective added depth to the discussion on supplier evaluation, focusing on aspects like market size, target customers, costs, and marketing channels. He emphasized that regardless of the product, the evaluation process remains consistent. When considering the costs associated with Finnish dried fruits, economic factors such as pricing and margin present significant challenges (David, 2024; Ha, 2024; Hoang, 2024). David points out that the pricing of Finnish dried fruits is high, thereby requiring a corresponding high margin to be viable. Additionally, substantial investment in marketing is necessary to capture the attention of retailers or consumers. Therefore, for distributors, importers, or retailers to consider Finnish dried fruits, the product must offer a considerable margin to justify the investment. Lastly, he stated an interesting piece of advice for supplier evaluation: 'It is always about what that company does in their home market and what else they have done in their export markets'. David illustrates his point by drawing parallels with Holland and Barrett, a global vitamin supplement healthcare company from the UK. He highlights their success in exporting and developing markets, emphasizing their strong product and brand presence. David suggests that working with companies like Holland and Barrett, who have demonstrated success in both domestic and export markets, can be an easier decision due to their established track record and expertise.

4.2.3 Logistics Operations

Hoang demonstrated in more detail the challenges associated with importing products, particularly during the trial sales phase. She highlighted the complexities involved in entering contracts and listing products for trial sales, emphasizing the importance of supermarkets' assessments of product performance. Hoang explained that if a product sells slowly after a 3-month review, supermarkets may request the supplier to allocate a budget for product

clearance or discontinue sales. Conversely, if the product sells well, sales targets are set to maintain its presence in the market. Furthermore, Hoang expressed concerns regarding the logistics of importing the first shipment, including warehouse space requirements and the need for a sales team to distribute products to smaller retail points. In agreement with Thuy and David, Hoang emphasized the significance of brand recognition in approaching retailers. She noted that branded products like those offered by Annam Gourmet or Farma Market have an advantage in direct importation without relying on distribution channels. Lastly, Hoang underscored the importance of profitability and margin considerations in the decision-making process. She emphasized the need to evaluate the purchase price from the distributor and determine whether there is potential to build the product into a brand in the Vietnamese market. Hoang stressed the necessity of strategic planning for marketing campaigns, sampling, and promotional programs, while also accounting for the costs of unsold inventory and warehousing expenses in case of slow sales.

4.3 Market Entry Strategies

In Section 4.3, the focus shifts to strategic aspects concerning the establishment of relationships with retailers and the introduction of new products in the Vietnamese market. This theme focuses on risk assessment and mitigation strategies as retailers navigate uncertainties and challenges linked to new product introductions. The aim is to address the third research question: What strategies can Arctic Natural Products employ to effectively engage and persuade Vietnamese retailers, thus facilitating their entry into the Vietnamese market?

4.3.1 Barriers to Entry

A major obstacle to bringing Finnish dried fruits into the Vietnamese market, besides the ones mentioned in section 4.2, is the products' origin (Dung, 2024). Ha explains that origin is a crucial factor for customers, who rank it highly in the convenience store surveys. Eckart and David also note that customers prefer products with a clear origin, particularly for premium items. According to Eckart, Finland has a positive reputation, with its products often associated with good heritage, despite not being well-known to everyone.

While consumers generally prioritize products with clear origins, there is a notable trend where high-end and premium items might face challenges in the Vietnamese market due to competition from Chinese products (Dung, 2024). He stressed the capabilities of factories in Guangzhou, which specialize in outsourcing and can replicate products according to required price levels. Moreover, Dung stated that these Chinese products, despite being

unbranded, are of good quality and are often imported and relabelled by Vietnamese companies. This practice indicates that a segment of Vietnamese consumers may not place significant emphasis on the source of products, as they are comfortable consuming replicated items or those without clear origin. Therefore, while product origin is a consideration, it may not be a decisive factor in the decision-making process.

In addition, Ha highlighted a significant challenge related to the direct introduction of products into the market without an established consumer base. For instance, the estimated listing fee for a single stock-keeping unit (SKU) to enter Winmart, supermarket and convince store chain, would be around 200 million VND (excluding marketing fees). However, if the product fails to generate sales within six months, it will be promptly delisted. This stringent requirement underscores the high financial stakes and risk associated with entering the Vietnamese retail market, particularly for new or unproven products.

4.3.2 Differentiation

After segmenting the market and customer base, the next step in Arctic Natural Products' market strategy involves differentiation to stand out in the Vietnamese market and tackle entry barriers. Dung highlighted the challenge of low consumer awareness and understanding, particularly regarding Arctic fruit products like Lingonberries. In Vietnam, consumers often base their differentiation on factors such as size, visual appearance, and taste rather than distinguishing based on origin (Dung, 2024). Dung suggested that educating consumers about the unique qualities of Finnish berries, such as Lingonberries, could be essential in establishing differentiation. Ha advised a strategy to raise customers' awareness of the benefits of Finnish dried fruits. For instance, the company could consider coordinating with chronic patient research programs and provide conclusive evidence that this product has a beneficial effect on patients, along with accompanying scientific proof (Ha, 2024). Moreover, given the limited awareness, determining the appropriate product selection and volume for export presents a significant challenge, requiring careful market analysis and strategic planning.

In the context of differentiation, Muji's approach to the Vietnamese retail market offers valuable insights (Dung, 2024). Muji is a minimalist Japanese retailer that offers a wide range of home goods, apparel products, and foods. Dung claimed that, unlike certain European or American companies, Muji strategically adapted its product offerings to align with local preferences and affordability levels. Recognizing the importance of catering to Vietnamese tastes, Muji conducted thorough research into customer behaviour, leading to the development of products specifically tailored to the local market (Dung, 2024). For instance, Dung mentioned the case of Muji's selection, which includes items priced around 99k VND or less, reflecting the average

income level and ensuring accessibility to a broader consumer base. Thorough research on the average income level of Vietnamese consumers was also recommended by Thuy and Ha, aligning with Muji's approach to market differentiation through a deep understanding of local consumers. Moreover, Muji's food products in the Vietnamese market are also sourced from local retailers that share the same brand identity, fostering a sense of familiarity and trust among Vietnamese consumers (Dung, 2024).

A noteworthy aspect of Muji's differentiation strategy is the brand's utilization of pricing to create a 'pseudo-scarcity' effect (Dung, 2024). By releasing certain products at higher prices, Muji leveraged consumer psychology to generate excitement and anticipation, effectively positioning these items as coveted and exclusive (Dung, 2024). This strategic pricing approach underscores Muji's ability to differentiate itself in a competitive market landscape by leveraging consumer perceptions and behaviours to its advantage.

4.3.3 Positioning

To establish a strong presence in the minds of customers, Arctic Natural Products should create distinct market positions for its products. As Dung stated, price and size are two key factors that customers consider when making purchases. When it comes to market segmentation, European items may be challenging to target in the mass market due to their premium price (Dung, 2024). Therefore, understanding customer behaviour is essential to determine suitable packaging for the product, including label, size, and shelf life. For instance, consumers may hesitate to purchase large boxes with high price tags, especially if the product is perceived as non-essential.

The localization of products extends beyond packaging and is influenced by their intended purpose, whether for consumption or gifting (Dung, 2024). For example, in the Tet market, which is known for its demand for dried food items, products like Danisa cookies are often purchased not for consumption but as gifts due to their luxurious packaging (Dung, 2024). However, simply exporting European products to Vietnam without adaptation and filtration is insufficient (Dung, 2024). The method of packaging and selling products in Vietnam, whether through direct importation or local repackaging, significantly affects their success. Moreover, supplementary tags and labels tailored to local preferences are essential for market acceptance.

Dung advised Arctic Natural Products to consider trialling their products through the HORECA channel, acronym for Hotels, Restaurants and Café/Catering, or gift market rather than mass supermarket shelves. According to Ha, to successfully introduce the product through these two sectors, the company will need to conduct thorough market research by gathering information from importers, retail data, and customer profiles to identify target demographics and purchasing habits. While some Japanese and Korean companies might be willing to sustain losses for a few years to establish

themselves in the market, Thai companies typically prioritize immediate success (Dung, 2024). This could explain their hesitancy to enter the Vietnamese market.

Within the retail chain, the assortment should be categorized into signature items, destination products, preferences, and seasonal items (Ha, 2024). Dried fruit products can be categorized as preferred items for convenience, and this category yields high profits despite low sales volume. For instance, products can be strategically promoted during festive seasons such as Tet, Mid-Autumn Festival, or Christmas, capitalizing on increased consumer demand during these periods. Besides, she emphasized the importance of diversifying suppliers to ensure a stable supply chain and provide buyers with a range of options. However, Ha noted that Arctic Natural Products should initially be available through only one or two suppliers, necessitating careful consideration of supplier partnerships to ensure adequate market penetration and availability of their products. These insights underscore the strategic importance of positioning and supply chain management in effectively introducing new products into the Vietnamese market.

Table 2 outlines the key enablers and barriers associated with market entry strategies for Finnish dried fruit products in the Vietnamese market, accompanied by strategies for differentiation and positioning.

Table 2: Market Entry Strategies

Market Entry Strategies	Enablers	Barriers
Differentiation	Substantial scientific evidence on health benefits of Finnish dried fruits could be utilized for educating consumers about the products' unique qualities.	Low consumer awareness and understanding regarding Finnish dried fruit products necessitate extensive consumer education initiatives.
	Positive recognition of European and Finnish heritage enhances the perceived quality and authenticity of Arctic Natural Products.	Competition from Chinese products offering similar categories at lower prices requires strategic pricing to overcome price sensitivity among consumers.
Positioning	Premium product segment allows leveraging pricing strategies for exclusivity and position product offerings as premium and desirable.	Premium pricing associated with European products may limit accessibility to the mass market, necessitating careful pricing strategies and value proposition

		communication to justify price premiums.
	Product trialling through HORECA sector and the gift market facilitates targets specific consumer segments and measure market receptivity before broader distribution.	Packaging and selling strategies must align with local practices and consumer preferences, requiring thorough market research and adaptation of strategies to fit Vietnamese retail market and cultural norms.

5 Discussion and Analysis

The findings from six interviews investigate the market potential for Finnish dried fruits in Vietnam and capture the retail buying decision in different retail settings.

5.1.1 Market Potential

Upon careful assessment of market-focused and product-focused criteria, the study indicates that there is a promising but niche market for Finnish dried fruits in the Vietnamese retail sector. However, it is important to note that this market is characterized by a small size and complex consumer behaviour. While there are already numerous manufacturers in Vietnam supplying dried fruits, such as Vinamit, Nafoods, and Luong Gia, Finnish dried fruits face competition not only from the local food market but also from Thailand and Chinese suppliers who might offer similar product categories at a lower cost. It is crucial to research the competitive landscape to fully understand the market complexities and identify opportunities for differentiation. Porter's Five Forces of Competition (Porter, 2008) can be applied to the dried fruit market in Vietnam to facilitate this analysis.

Despite these challenges for foreign retailers, the Vietnamese dried fruit market projects a growth in demand for health-conscious customers. This can be attributed to the global changes in healthy dietary choices (Nunes et al., 2020; Wong et al., 2020), which simultaneously increase consumers' dried fruit intake. Similarly, healthy food consumption in Vietnam has risen in the last few years. Half of the consumers are aware of food standards is a good sign for the healthy food sector in Vietnam (www.cimigo.com). However, knowledge of specific standards is limited, and naivety is high. So, the problem remains for Artic Natural Products as well as healthy food companies is to educate consumers on healthy product attributes of dried fruits by transparent and accurate nutritional information packaging.

5.1.2 Retail Buying Decision

In the world of retail, brand reputation and factory certifications are critical in determining buying decisions. They serve as a guarantee of product quality and foster trust between suppliers and retailers. Additionally, retailers are more likely to choose suppliers with a solid reputation and a proven track record compared to random and small suppliers (Eckart, 2024). This helps them to minimize the risks associated with product quality and timely delivery. When it comes to decision-making, financial considerations such as pricing and investment requirements also play a crucial role. Retailers tend to favour suppliers who offer competitive pricing and have a comprehensive investment plan (David, 2024). Therefore, suppliers who have a proven history

of meeting their financial obligations are more likely to be considered over others. Lastly, logistics operations can be a challenge for foreign suppliers, so it is an essential factor to consider when evaluating suppliers. The findings suggest that retailers tend to prefer suppliers with a recognizable brand and profitable operations. This is because they can provide a more reliable and efficient supply chain, which is vital for retailers to maintain their customer base (Hoang, 2024).

5.1.3 Market Entry Strategies

The discussion reveals significant obstacles related to product origin, consumer preferences, and financial constraints. Despite consumers' preference for products with clear origins, the competitive landscape and consumer behaviour present challenges for premium products like Finnish dried fruits. High listing fees and stringent sales performance requirements underscore the financial risks associated with market entry, necessitating careful risk assessment and mitigation strategies. The differentiation strategy emerges as a key driver for market success, particularly in addressing consumer awareness and understanding. Educating consumers about the unique qualities of Finnish dried fruits and leveraging scientific evidence to communicate health benefits can help establish product differentiation and overcome consumer scepticism.

Effective positioning is crucial for establishing a strong market presence and catering to diverse consumer preferences. Tailoring packaging, distribution channels, and marketing strategies to local preferences and consumption habits can enhance market acceptance and drive sales growth. David's recommendation to leverage online channels and Key Opinion Leader (KOL) influencers in marketing aligns well with the rise of user-generated content on social media. This approach can often be more cost-effective than traditional mass media, while still fostering customer confidence and driving online sales among the right target audience.

6 Conclusions

The main objective of this research is to evaluate the market potential of Finnish dried fruits in Vietnam. Learning about the decision-making process provides a clearer guide into the value chain between supplier, customers, and retailers. The answers to the three research questions will be answered below.

6.1 Main Findings

Regarding the first question: ‘What is the market potential for Finnish dried fruits in the Vietnamese market?’, most interviewees expressed doubt about the suitability of this product category in the Vietnamese retail market. This scepticism can be attributed to the small market size, premium price, and relatively low customers’ knowledge on the products. From the findings suggestions, the most feasible distribution channel would be the HORECA sector, where the product could be offered as a set of welcoming gifts for hotels visitors or sourced for premium restaurant chain. These two routes would be optimal for the product offerings of Artic Natural Products. Another channel would be direct online export, or through hand-carried goods. This approach aligns with the early stages of market expansion, allowing for market testing before committing to larger investments in the export country with no guarantees. Additionally, the customer base for these products exist, but most people from Vietnam tend to prioritize price and taste over health factors. Therefore, the learning curve for health benefits and product awareness of Finnish dried fruits is something that would form over time rather an immediate entrance.

To answer the second question: ‘What factors influence the decision-making process of Vietnamese retailers regarding the introduction of dried fruits?’, most participants share the same criteria. These include the size and reputation of the company, the quality of the product and service, and the length of time the supplier has been in the market. These factors can be grouped into larger themes such as brand reputation, financial models, and logistics operations. Retailers also seek responsiveness and preparedness from suppliers before, during, and after negotiating a product or work agreement. As highlighted in sector 4.1.1, the value chain plays a significant role in the retail buying decision, with logistics considerations being a key challenge in moving products from suppliers to retailers and ultimately to end-users.

Lastly, regarding ‘What strategies can Arctic Natural Products implement to effectively engage and persuade Vietnamese retailers to facilitate their entry into the Vietnamese market?’, three main steps were suggested: Segmentation, Differentiation, and Positioning. To segment the market, the products would be aimed at high-end, premium pricing segments, with a focus on

specialty stores like Annam Gourmet or Farma Market. Even though the dried fruit Artic Natural Products offer do not face much direct competition from the same berry categories due to geographic differences, the indirect competition from Vietnamese tropical dried fruits or dried fruits mixture as snacks would be even more competitive. To differentiate and position the products, the company needs to thoroughly research the consumer habit and buying behaviour to cater to their needs and capture interest into the Finnish dried fruits.

6.2 Implications for International Business

The research findings offer valuable insights for International Business studies, presenting a comprehensive case study spanning diverse retail chains, including supermarkets, convenience stores, speciality stores, and hypermarkets. As many of these retail chains operate globally, the insights provided in this study have broad applicability across different markets and regions. While the thesis focuses on the dried fruit sector, the implications extend to other product categories, particularly those in the health-oriented segment. In addition, insights into consumer behaviour and preferences emphasize the need for companies to align their products and marketing efforts with local tastes and preferences. This aligns with the growing trend of localized marketing strategies that cater to the specific needs of customers in different regions. The identification and mitigation of risks associated with market entry provide a roadmap for companies seeking to minimize uncertainties and enhance their chances of success.

6.3 Limitations

In conducting this research on the market potential of Finnish dried fruits and the decision-making process of Vietnamese retailers, several limitations were encountered. The first constraint is the scope of the study, which is limited to the Vietnamese business landscape. Specifically, the author designed the study for the Finnish dried fruit products' entrance into the Vietnamese retail market. Therefore, while the findings provide valuable insights into this specific context, they may not be directly applicable to other markets or product categories. This limitation highlights the need for caution when generalizing the results to different geographical regions or industry sectors. Regarding the study design, the study focused specifically on the perspectives of retailers and did not comprehensively integrate the viewpoints of other key stakeholders, such as consumers and suppliers, in the interview process. While this delimitation allowed for a detailed exploration of retailers' decision-making processes, it may have overlooked important contextual factors influencing market dynamics and entry strategies.

Another limitation lies in the Data collection section. The small sample size of six interview participants may limit the depth and breadth of insights gathered, particularly regarding the perspectives of retailers operating in

specialized or premium market segments. During the subject research process, researchers can impact the response of participants to the interview questions (Ross & Bibler, 2019). The use of semi-structured interviews as the primary data collection method offers rich qualitative data but also presents certain drawbacks. For instance, the small sample size and the convenience sampling approach may limit the representativeness of the findings and introduce self-selection bias. In addition, while the study relied on self-reported data obtained from interviews with Vietnamese retailers, the research also incorporated secondary data sources, such as market reports in the retail sector. However, there remains a need for further analysis of third-party data that could enhance the depth of the study. By recognizing these constraints, future research can adopt more solid methodologies, broaden the investigation scope, and incorporate diverse perspectives to enhance the validity and generalizability of findings in the field of international business.

6.4 Suggestions for Further Research

Due to the diverse roles and company fields of each participant, it is challenging to generalize the interview data. Some questions were left unanswered due to limited knowledge or experience in a certain area, or time constraints. In terms of the number of respondents, the small sample size may not be reflective of the diversity present within the retail sector in Vietnam. Specifically, while the retail market for Vietnamese food was well-represented in this thesis, the data does not include speciality or premium-segment stores, such as Annam Gourmet. Future research can explore more on this high-end retail store and HORECA sector to refine positioning strategies and market segmentation for these products. Additionally, investigating the HORECA sector can provide valuable insights into the dynamics of the hospitality industry and uncover opportunities for product placement and partnerships. Specifically, this sector represents a crucial avenue for introducing and promoting food products to a wider audience, as hotels, restaurants, and catering services serve both local and international clientele.

In terms of methodology, one potential direction for strengthening the research would be to integrate data from company reports, including those from Arctic Natural Products itself, their competitors, and existing companies from other product categories facing similar market entry challenges. By supplementing the interview data with information from company reports, a more comprehensive understanding of the market dynamics, competitive landscape, and strategic positioning could be achieved. This approach would not only help validate the findings but also provide deeper insights into the factors influencing market potential and retailers' decision-making processes.

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Appendices

Interview Guide

Interviewer: Linh Ha

The interview questions are designed to gather insights into dried fruit retailing, specifically from the perspectives of decision-makers and retailers in implementing strategic decisions related to product import. The semi-structured interview will be conducted through scheduled virtual sessions, and participants retain the right to refuse to answer. The data collected will be kept confidential and used exclusively for the thesis purpose.

Participant Rights:

1. Grant permission for interview recording.
2. Choose to remain anonymous.
3. Verify the transcription post-interview.
4. Request information about study findings limited to relevant company data.

Theme 1: Market Potential and Decision Context for new products

Understanding Market Potential:

- Are you familiar with any Finnish food products?
- How do you assess the market potential for new food products in your retail setting?
- What factors influence your decision to explore new products for import and sale?

Positioning in the Market:

- Can you describe where health-oriented food products like Finnish dried berries fit within your current product offerings?
- How do you segment your target market for dried fruits, and what criteria do you use for segmentation?
- How do you perceive the demand for health-oriented products in your customer base?

Theme 2: Decision-Making Factors for Importing Finnish Dried Berries

Supplier Evaluation:

- What criteria do you consider when choosing suppliers for imported products?

- How do you assess the availability of the products in domestic and international markets?
- How important is the origin or source of the product, such as Finnish dried berries, in your decision-making process?
- What specific product information do you need to know before considering it for import?

Economic Considerations:

- How do economic factors, such as pricing and potential profit margins, influence your decision to import and sell specific products?
- Are there specific economic indicators or benchmarks you consider?

Theme 3: Risk Assessment and Mitigation Strategies for new products

Barriers to Entry:

- In your experience, what challenges have you encountered in introducing new food products?
- What barriers, if any, do you see in importing and selling products like Finnish dried berries?
- How do you mitigate or address potential challenges in introducing new products to your inventory?

Regulatory and Compliance:

- How do you navigate regulatory requirements when introducing imported food products?
- Are there industry-specific regulatory requirements for dried fruits, and how do you ensure compliance when dealing with international suppliers?
- Are there specific compliance standards you prioritise?

Theme 4: Strategic Alignment and Differentiation in new products

Strategic Fit:

- Considering the possibility of introducing Finnish dried berries, what factors would you assess to ensure alignment with your existing product offerings?
- How do you differentiate your product selection to stand out in the market?

Customer Feedback and Trends:

- How do you gather customer feedback regarding new products, and to what extent does it influence your decisions?

- How do you stay ahead of emerging trends in the dried fruit market, and how quickly do you adapt your product selection in response?
- Are there current trends or preferences in the market that guide your product selection?