

THE BLUE SEA

for Marketers is Finland

BY EERO LEHTI

A FANTASTIC TEST MARKET AREA

The future of companies depends on their ability to innovate. The operating environment changes with dramatic speed and, as a consequence, the focus of modern marketing has shifted to searching for and creating new, competition-free market areas. This is known as “blue sea” marketing.

A blue sea cannot be created without a profound understanding of one’s target group. The modern consumer is more than just a passive recipient. Pioneering companies include consumers in their product and service development. A successful marketer does not stop at asking consumers what they might want. It builds a winning concept in co-operation with a target group, trusting in its own expertise in the field and a degree of intuition. Ideally this group will include innovators and people who are receptive to new ideas. The most forward-looking members of the group should also be invited to participate in the development work.



Before going global, it is wise to test the potential success of a concept. Test markets provide an opportunity to estimate potential sales volume and to refine the concept to make it more relevant and more attractive to local consumers. Finland is a fantastic area for test-marketing. The Finns are a highly networked people; there is active co-operation between companies, public administration, consumers and civic organizations and mutual respect between all parties. This social structure makes it possible to develop innovations and put them into practice with maximum efficiency.

Finland’s level of education is high. It has a very close relationship with technology and its consumers readily adopt new ideas. Internet penetration stands at about 70%, underlining the Finns ability to absorb new technologies. In addition, this high level of Internet penetration makes the collection of feedback much easier. According to studies, the ability of Finns to think

analytically is among the best in the world, and is already well developed when they enter comprehensive school. Furthermore, Finland as a country is of a suitable size to act as a test market. With a population of 5.3 million it is easy to manage logistically.

Another point to bear in mind is Finland’s location between East and West, which makes it interesting from the point of view of global marketing. Throughout its history Finland has absorbed influences from both directions and learned to exist as a link between different cultures. If your market is global, why not start the development of your concept in Finland?

INNOVATIONS GROW THROUGH NETWORKS

The Finnish environment for innovation is among the strongest in the world. There is little bureaucracy and co-operation with financiers in the public sector is smooth. A company coming to Finland can easily find the services it needs when starting a business.

In Finland, there has been long-term investment in research and product development, which has created a favourable atmosphere for innovation. There is an abundance of skilled research scientists and experts, and funding for research and development is easily available for companies. New Finnish expertise is developed flexibly since there is no need to concentrate on paperwork or waste time queuing in offices.

It is easy for companies to find their way into corporate and university networks; for example, through the programmes run by Tekes — the Finnish Funding Agency for Technology and Innovation. These programmes create networks for companies and universities and encourage technology transfers. Through such networks it is possible to establish contacts and concrete co-operation with, for example, successful companies and research groups in the fields of information

technology, communication, health care and environmental technology.

Annually, Tekes funds research and development projects to the tune of almost EUR 500 million. Foreign companies operating in Finland may also apply for funding and benefit in many ways from these networks.

A HUB FOR 80 MILLION CONSUMERS

It is possible to divide inward investment into three types: market-driven, cost-driven, and knowledge-driven. Finland is located at the heart of the Northern European market - the Nordic countries, the Baltic countries and north-western Russia. Taken together, these markets represent 80 million consumers.

When coupled with our well-established and modern infrastructure and competitive operating costs, Finland’s excellent strategic location offers many opportunities for success. One in six of the foreign-owned companies already operating in Finland use their base in the country as the hub for their operations in Russia and the Baltic region. Considerable potential exists for new entrants in the services and trade sectors. It may come as a surprise that Finland is also a very cost-effective business centre from which to access other markets in northern Europe.

Finland has a highly-advanced technological infrastructure in which innovation is second nature. Today, Finland’s global image is linked with high technology. Finnish companies hold world-leading positions in many niche areas. In global terms, Finland is ranked third on the measure of R&D spending as a proportion of GDP.

Finland offers a cost-effective business environment which is easy to enter and where there is relatively little bureaucracy. Foreign-owned companies are offered support and assistance in the location process. Companies that invest in Finland can operate in a stable economy in a modern and efficient manner. ■

The essential information sources for foreign companies that want to establish their operations in Finland are:

- www.research-int.fi
- www.investinfinland.fi
- www.enterpriseinland.fi
- www.tekes.fi/eng