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FEASIBILITY STUDY OF A FRENCH COMPANY DEVELOPMENT IN FINLAND AS A FRANCHISE

- The case of “Photo Mathieu”, a French company specialized in school photography



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BACHELOR'S THESIS | ABSTRACT

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ABSTRACT

The importance of international trade, whether in the free movement of goods and capital and thus the prospects and opportunities of growth for companies became huge.

There are a lot of SMEs which plan to develop their business in foreign markets or who have already done it.

Actually, the labour market is particularly difficult in France: in the first quarter 2016, the rate of unemployment is 10,2% of active population (INSEE, France) and I think that for SME a development abroad could be a good solution if they look for opportunities, which would enable them to create jobs.

Then, concerning the company, I chose a SME specialized in school photography called Photo Mathieu (based in Reims, a city situated 150 kilometres east of Paris) and whose activity focuses mainly northeast of France, but also in Parisian region and some south regions.

This company is the leader in the northeast of France. Actually, the company tries to sell its products to schools through Internet: in 2015 the company created a website which allows parents to choose and buy directly the photos taken in schools, but schools still managed the distribution. In France, the company is the first which tried this system.

This company, which has existed for fifty two years, also offers other products than school year group and individual photos: they take pictures to sports clubs, associations and nurseries.

Moreover, they create and market several by-products personalized like school books, diaries or magnets for example.

The purpose of this thesis is focused on the idea of how this company could meet the needs of prospective customers which it will address, developing a franchise beforehand.

In fact, the idea would be to develop a franchise or a partnership between the French company and Finnish photographers.

My personal contribution to this thesis will be to carry out a questionnaire and administer it to some schools of Turku and some photographers, and thus to assess the potential needs.

KEYWORDS: Franchising, market analysis, opportunities, development, SME, photography.

CONTENT

LIST OF ABBREVIATIONS	6
1 INTRODUCTION	7
1.1 Motivation	7
1.2 Research questions and objectives of the thesis	8
1.3 Structure of the thesis	9
2 LITERATURE REVIEW	10
2.1 Franchising	10
2.1.1 Definition	10
2.1.2 Types of franchise	10
2.1.3 Advantages and disadvantages for the franchisor	11
2.1.4 Advantages and disadvantages for the franchisee	13
2.1.5 Main rights and obligations for the franchisor	14
2.1.6 Main rights and obligations for the franchisee	15
2.1.7 Franchising in Finland	16
2.2 Market analysis	18
2.1 PESTEL analysis	18
2.2 SWOT analysis	24
3 RESEARCH METHODOLOGY	28
3.1 Research methods	28
3.2 Data collection	29
3.3 Interviews and questionnaires	30
3.4 Sampling	31
4 RESEARCH RESULT AND ANALYSIS	32
4.1 Analysis of PHOTO MATHIEU	32
4.1.1 Point of view of the CEO regarding to the franchise	32
4.1.2 Franchising for PHOTO MATHIEU	33
4.2 Schools analysis	34
4.3 Photographers analysis	45
5 CONCLUSIONS	49
5.1 Research findings	49
5.2 Suggestions for further research	51
SOURCE MATERIAL	52

FIGURES

Figure 1. Detailed picture of the PESTEL analysis. (Johnson and Scholes, 2002, p.102)

Figure 2. SWOT Analysis Template. (Creately Templates)

Figure 3. Proportion of responses collected according to the school level.

Figure 4. Number of pupils in all the schools that responded.

Figure 5. Proportion of schools that organize school photography and those that do not.

Figure 6. Proportion of schools that organize school photography depending on the school level.

Figure 7. Proportion of directors, parents and others in the choice of the photographer.

Figure 8. On a scale of 1 to 5, the importance of five criteria in choosing the photographer.

Figure 9. Number of photographers by schools.

Figure 10. Schools fidelity to their photographers.

Figure 11. Number of operations of the photographer in the schools.

Figure 12. Type of photos offered.

Figure 13. Number of schools that offer the products.

Figure 14. School satisfaction according to five criteria.

Figure 15. Price importance according to the school level.

Figure 16. Price satisfaction according to the school level.

Figure 17. Proportion of photographers that take school photography and those that do not.

Figure 18. Reasons why photographers do not take school photography.

Figure 19. Proportion of photographers that could change their mind in the future and those who do not.

LIST OF ABBREVIATIONS

SMEs	Small and Medium-sized Enterprises
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
GDP	Growth Domestic Product
R&D	Research and Development
EU	European Union
SWOT	Strengths, Weaknesses, Opportunities and Threats
CEO	Chief Executive Officer

1 INTRODUCTION

1.1 Motivation

I find very interesting to study business developments on a smaller scale than multinationals. In fact, multinationals are not the only enterprises to consider changing their strategy. SMEs also face increasingly strong competition, and this is why they must find solutions to stay efficient and competitive on their respective markets. Furthermore, I would like to analyse precisely a development strategy abroad.

I am very interested in the different ways for a company to stay competitive in time of crisis, when competition has never been stronger.

The topic I chose to study also allows me to approach a company strategy when it wants to develop a franchise in order to make the company more efficient, and more specifically in the case of development of its activity in a foreign market. I wanted to study a company's development as a franchise as a whole and then to focus my analysis on a particular case. That is why I considered the case of a company and a market. So I wondered if school photography was common in other European countries, and watching all the benefits that the company offers, if other companies in Europe offer these types of products. The topic also allows me to do different research to get primary and secondary data, the possibility to do a data collection is very interesting. Moreover, the website used by the French company was also tested in England, without success. Then there are differences between countries and It seems interesting to study it.

1.2 Research questions and objectives of the thesis

The main objective of this thesis is to analyse the reasons why a foreign company could develop its activity in the Finnish market and how (in my case, through a franchise). More precisely, the goal is to examine the way of franchising for a company which would like to grow its activity abroad and conquer a new market, through an example of a French small and medium company specialized in school photography. The aim is also to show which would be the potential opportunities and obstacles of this development.

The purpose of the thesis is to answer the three following research questions:

- 1- Is the Finnish market interesting to develop a business?
- 2- What are the opportunities of development in Finland in school photography?
- 3- What could be the motivations for both partners (the French company and the photographers)?

1.3 Structure of the thesis

The second part is based on the literature review and the theoretical findings focused on the process of franchising for a company. The aim is not only to define what a franchise is in general but also the reasons to develop a franchise for the franchiser and the franchisee, and the term adapted to the development of a franchise in Finland.

In the third part, the method used to collect data and concretely develop the topic in order to answer the research questions will be explained.

In the second to last part, the results which lead these research will be studied and therefore what was the importance of this secondary data regarding the development of the subject.

Finally in a fifth part, the last one, the main results of the thesis will be presented and to conclude we will give some proposals for future research.

2 LITERATURE REVIEW

2.1 Franchising

2.1.1 Definition

“Franchising is a continuing relationship between two independent parties based on contractual agreements whereby a franchisor (producer) grants and provides tangible and non-tangible assets as well as managerial guidance, training and expertise to the franchisor for a fee” (Hackett, 2011, p. 3). In fact, many famous brands operate in the form of franchise. Among the best known we can notice food franchise such as Subway, McDonalds or Burger King, but also automotive franchise like Hertz or hotel franchise like InterContinental Hotel Group for instance. However for a business, developing a franchise is more complex and difficult than it might seem through those last examples because the success of a franchise is quite uncertain and requires many analysis that will be presented later. There is not only one type of franchise so it can take several and different forms. Choosing the most suitable form is complicated.

Therefore, those multiple forms that can take a franchise will be presented.

2.1.2 Types of franchise

“There are three basic types of franchise; trade name franchise, product distribution franchise and pure franchise.” (McDonnell et al. 2008-2009).

Firstly, the “trade name franchise” is characterized by the possibility for the franchisee to distribute products and also to use the trade name of the franchisor, the trademarks and the logo. In this case, the products are manufactured by the franchisor. According to Mario L. Herman (2016) in this first relationship, the franchisor is the owner of the right to the trade name or trademark like presented earlier, and then he can sell that right to the franchisee who has to pay costs and fees or there is also another way for the franchisee to get those rights: buy a certain quantity of products.

Secondly, the product distribution franchise means the possibility for a manufacturer to get the right from a franchisor to produce and so sell those products by using its name and trademark. There is quite a close relationship between the franchiser and the franchisee in this case. Generally, this type of franchise is used by soft drink companies like Coca-Cola for example, which allows the possibility for soft drinks bottlers to produce and distribute soft drinks (the ingredients have been provided beforehand).

The last type, the pure franchise also called the business franchise (which is the most used type of franchise) accentuates the idea of independence for the franchisee. But at the beginning, the franchisor assists the franchisee to launch its business and in the same time, the franchisee has to pay fees and royalties and also purchase supplies. (Boundless, 2016). Here, we can say that the role played by the franchisor to train the franchisee and to teach him in detail what to do and how to operate is very important, for instance how to present the products or the recruitment. It is the case of fast-foods like McDonalds or rental agencies for example.

2.1.3 Advantages and disadvantages for the franchisor

The reasons to consider developing a franchise may be multiple for franchisors (and also for the franchisees as we will see). In fact, there are many advantages for a business to develop a franchise. “the original business idea is maximized with the minimum of investment” (McAuley, 2001, p. 95). It is a quick, easy and quite cheap way to open a new market especially because the business has to build something from nothing that is cheaper than changing something in the business in an internal way. In Europe, the form of franchising becomes a rapidly growing channel as integration of a company is more and more common (Doyle 1998, p. 121, 340). It is possible that the franchisees know better than the franchisor about the local market environment then it could be faster to enter the market. In this case, the market analysis could be faster and easier than if the franchisee did not know anything more than the franchisor. Then thanks to the franchise, there could be the possibility to develop the activity in different regions even on a international scale and then a fast way to grow business. The training

and support period allows the franchisor to train the franchisee and explain him exactly how to do and what he expected and then increase the chances of succeeding (M. Ishani, 2016, whichfranchise.com). Of course, the franchise is also an additional source of revenues for the franchisor which receive additional income through royalties, fees and possible percentage of the gross sales (C. Internicola, 2013, youtube.com). Another advantage for the franchisor is that he can certainly count on the franchisee's motivation, because the franchisee has also itself invested money in the business. Then, the desire to increase the profit margin naturally contributes to this self-motivation of the franchisee (Erwin J. Keup & Peter E. Keup, 2012, p. 64).

However, there are some disadvantages and potentials risks for the franchisor: for example, the franchise may lead to a future competition (Liu, 2011, p. 24). According to Paliwoda & Thomas (1998, pp. 138-144), "the franchisees may become the future competitor to franchisors because they learn knowledge and technology from franchisors and therefore they may be able to set up a new business which maintains the quality as well as franchisors". In this case the franchisee would not be linked to the franchisor anymore, but he would be a competitor. There is also a risk regarding the name and the reputation of the franchisor (Lambin, 2007, p. 2): here, if the franchisee does not act properly and in line to the expectations of the franchisor, there could be consequences and potential damage for the franchisor image. That is why the training period is essential to avoid the most possible potential mistakes from the franchisee and the trust in him. Therefore, the behaviour of the franchisee is also really important. "The geographic distance between franchisor and franchisee can make the poor quality hard to detect and avoid." (Hill, 2005, p. 492). Here the advantage seen previously about the possibility to develop the activity worldwide, could also be a disadvantage. According to McAuley (2001, p. 95), Individual franchisee's variable quality of service provided to customers may negatively reflect a bad image of poor quality of service to the franchisor's brand as a whole. The other side of the coin may be that because of the distance, there could be a difference in the quality of the product for example in food franchise, and the distance prevents the franchiser to respond quickly and directly. So it depends of the rights allowed, but there are risks of losing control mainly because of the

distance. Then the lack of independence due to the franchise may also be a problem for the franchisor. At a moment, it is also possible that the point of view diverges between the franchisor and the franchisee, for instance in terms of turnover or corporate image from what any disputes may appear (Nieman, 1998, p. 10).

2.1.4 Advantages and disadvantages for the franchisee

As the franchisor, there are many advantages for the franchisee to develop a franchise. According to Burns (2010, p. 192), the risk of failure is less important as a franchisee. There is a support of the franchisor which can be important for the franchisee. Moreover, the franchisee does not need to have previous experience in the activity of the franchisor. Indeed, there is a training period during which the franchisor teaches the franchisee how to do so any lack of knowledge of the business is not a problem (Ishani, 2016). Then having a direct experience in the area is not essential for the franchisee and that is why the role played by the franchisor is really important during the training period, he has to be sure that the franchisee has got the required training and support to be able to act well in case of problems (Tassiopoulos, 2008, p. 78). "Access to the training and support needed to create a successful business reduces your risk" (M.Martin, 2015, businessnewsdaily.com). This allows someone without special skills in the activity to be trained and become a franchisee. It benefits from the experience and the knowledge of the franchisor to do things correctly and the franchisee limits the risks of errors in starting the business and from the beginning, he can enjoy the good reputation of the franchisor. The franchisee may also enjoy a managerial assistance and does not necessarily need to invest in advertising because he directly benefits from that created by the franchisor (Nieman, 1998, p. 10).

There are also disadvantages of developing a franchise for the franchisee. Indeed, franchisees must pay a percentage of their revenues, fees and royalties to the franchisor, and may also have to pay and stock a certain quantity of products. Those costs can be potentially high for the franchisee and that can reduce its benefits.

There could be a lack of independence for the franchisee (they are subject to control by the franchisor) so it is possible that he does not have the flexibility and the liberty to take initiatives as he would like (Hoang, ib2-business-p7.wikispaces.com) and his desire to be innovative and change something in the franchise can go against the franchise agreement so it may be a possible failure to realize in some projects (Nieman, 1998, p. 10). Also at the beginning the activity is not the idea and the creation of the franchisee. The licensee really needs to adapt to the activity. There may be a negative impact of the franchisor if the franchisee makes mistakes, but the franchisee may also suffer the consequences of the behaviour of the franchisor who can damage the brand (Burns, 2010, p. 192).

2.1.5 Main rights and obligations for the franchisor

According to Diaz (2008, p. 47) the franchisor has to allow the franchisee to use the trade name and to teach him the know-how. At the beginning, the franchisor must assist and teach to the franchisee the working method so communicate the necessary skills. Then the managerial assistance needed by the franchisee is a duty for the franchisor who has to provide training and support to ensure that the franchisee is competitive. Another essential right for the franchisor is that he can have access to the accounting books of the franchisee. This right is useful and very important because it will determine the ongoing payments that have to be made from the franchisee to the franchisor, in relation to the data in the accounting book. Moreover, the franchisor has the right to inspect the franchisee, it means that the franchisor has the possibility to ensure that the franchisee works in accordance with the business methods of the franchisor as he is supposed to (Hesselink, 2006, pp. 255-256). There is the right for the franchisor to be paid by the franchisee. Indeed, the franchisee must pay the franchisor through royalties and other franchising fees. The amount of these is differentiated by type of contract of

the franchise. The franchisor has also the right to demand royalties from the franchisee and do that continually during the agreement (Rosenbloom, 2012, p. 449). As the franchisee, the franchisor may also have the exclusive right to sell its products on a determined geographical part and do not allow him to practise his business, and then to avoid the competition with the franchisee in this area (Snell & Weinberg, 2005, pp. 103-104).

2.1.6 Main rights and obligations for the franchisee

There is a link between the obligations of the franchisor and the rights of the franchisee's rights and vice versa. According to Nieman (1998, pp. 72-73), the franchisee can enjoy many rights. The main point is that he can use the trade name and the logo of the franchisor. Thanks to that, the franchisee can enjoy the brand reputation of the franchisor from the beginning of its business. The contract allows him to use the layout, the design, the equipment and the working method he learned by the franchisor during the training period. This training period and the assistance is an obligation for the franchisor so a right for the franchisee to be properly trained and to acquire working methods. Concerning the competition between both parties, the franchisee can enjoy a sort of exclusivity on a territory and thus not be challenged by the franchisor or by other franchisees.

The franchisee also has to respect many obligations which are linked to the rights of the franchisor. For example, the right of the franchisor to inspect and control the franchisee naturally becomes an obligation for the franchisee. He must also advance the sales of the franchisor's products. Here, it means that the franchisee has to do his best to optimise the sales. He has to maintain the standard quality of the products: like seen before in the disadvantages for the franchisor, there could be bad consequences for the franchisor if the franchisee does not respect the conditions of the product quality, so that is the reason why one of his obligations is to ensure that product quality is the best possible. The franchisee must act in favour of the image and the reputation of the business. If he does not meet the conditions necessary for the image and reputation of the business, it can also affect the franchisor. The franchisee has also to follow the

instructions of the franchisor regarding to the business method and to act in favour of the reputation of the network and to adapt to indications given by the franchisor during the relationship (Hesselink, 2006, pp. 251-256).

There can be a non-compete obligation: the franchisee does not have the right to compete with the franchisor within a defined territory and specified in the agreement and that during the period of the agreement (Campbell, 2009, p. 341). Other obligations for the franchisee are generally added. The franchisee does not divulge information obtained from the franchisor, he can not sell products without the authorization of the franchisor. The franchisee must also pay fees and royalties to the franchisor, and sometimes he has to buy a certain amount of goods (Friedland, 2010, p. 256).

2.1.7 Franchising in Finland

In the prospect of developing a business as a franchise in Finland, it is interesting to know whether or not this type of business is widespread in the country, and on what scale. In Finland, franchising is one of the fastest growing business sector and allows to employ over 41,500 people and the better sector in term of opportunities, the service sector including Business-to-Business services, with a growing market share of 14% and Consumer services with 32% (Maki, 2015, pp. 1-2). The number of Finnish franchise brands is estimated to be around 300 with around 4700 points of sales in 2014, and the growth potential is still interesting in the country. To compare, there are around 1800 franchise brands in France and 70,000 points of sales in 2014 (European Franchise Federation, Franchise Statistics Europe, 2015). Another interesting element is that in Finland, there are the domestic franchises which dominate the market: around 75% are domestic brands whereas the rate is 85% in France in 2014 (European Franchise Federation, Franchise Statistics Europe, 2015). This shows a more important opening to foreign investment in Finland (than in France). In Finland there is the “Finnish Franchising Association” which have many goals like “cooperate with the authorities and the business with various parties in order to franchise operations developed favourably in Finland and Europe” (translation from The Finnish Franchising Association, 2015). Theses elements show that it is entirely possible to develop a business in Finland as a

franchise even as a foreigner. Beyond this information, it is important to mention that this association is one of the 21 members of the European Franchise Federation (EFF) which one the mission is to “be the single and authoritative voice for the promotion of franchising in Europe” (European Franchise Federation) and one of the 45 members of the World Franchise Council (WFC, members), demonstrated its willingness and its investment in the development of the business as a franchise. Concerning the taxes in Finland, there is a corporate income tax which is 20% in 2014. Regarding the legislation for a foreigner, there are taxes only on income sourced in Finland. In the case of the foreign business has a permanent establishment in the country, it will be liable to tax on all income attributable to this permanent establishment. There is another difference with the foreign individuals. Indeed, non-Finnish residents are taxed in Finland on income sourced in the country. (Lindgren, 2014, pp. 55-56).

2.2 Market analysis

2.2.1 PESTEL analysis

PESTEL is a framework for analysing influential forces and conditions within a given environment. The framework regards the political, economic, social, environmental and legal dimensions from which key drivers of change can be identified and assessed (Johnson et al. 2008, pp. 55-56). This analysis of the external macro environment of a country is essential for a business which want to enter a market.

The figure below shows in details the factors that constitute the PESTEL analysis according to Johnson and Scholes (2002, p. 102).

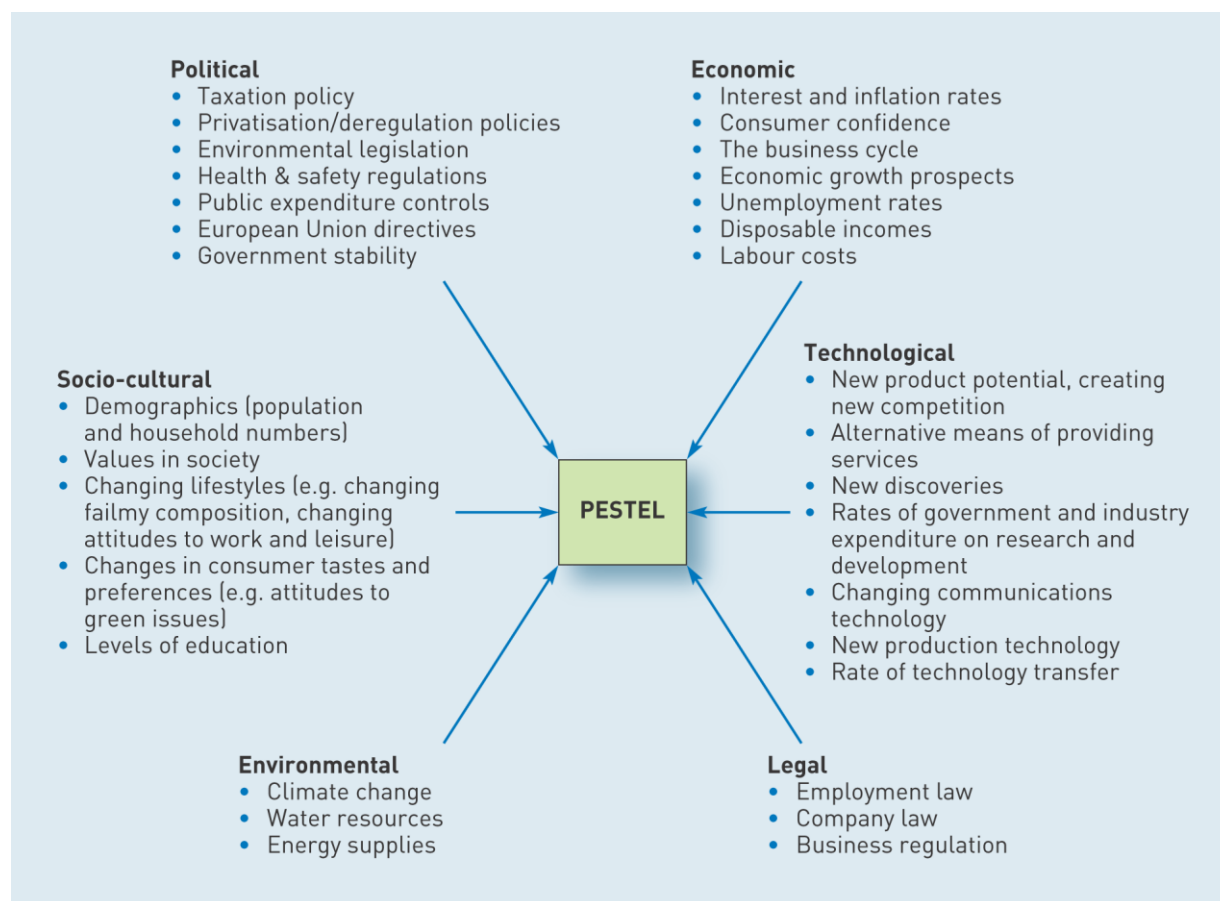


Figure 1. Detailed picture of the PESTEL analysis. (Johnson and Scholes, 2002, p.102)

The idea is to adapt the most important PESTEL factors to Finland. In this part, even if the analysis is based on Finland, I chose to often compare the data to France and all European countries because I think it allows a better understanding of the data if they are not restricted to one country.

Firstly, Finland is a parliamentary democracy with a multiparty political system and a president as the head of state who is elected for a period of six years who is Mr Sauli Niinistö since 2012 (tpk.fi). Political environment is stable. In Finland, the level of corruption is very low: it is the second lowest in the world in 2015 (France is twenty-third). This corruption level ranks countries based on how corrupt a country's public sector is perceived to be (Transparency international). Finland is member of European Union since 1995 and is member of Schengen since 1996 (The Schengen area and cooperation 2009, eur-lex.europa.eu). The country has also adopted the euro as its currency in 1999. In Finland, there are several taxes. The corporate income tax is 20% and the sales tax rate is 24%. Another tax which is an important source of income for the government is the social security rate: it is a tax related with labour income charged to both companies and employees: this tax is around 31% in 2015. Moreover, there is a social security rate for the companies, which is 23%. The corporate income tax in France is around 33%, the sales tax rate is 20%, the social security rate is 54% and the social security rate for the companies is around 40% (Trading economics). Overall, apart sales tax, the taxation system is clearly more advantageous in Finland than in France.

Secondly, the Growth Domestic Product (GDP) is \$272,2 billion in 2014 and according to forecasts it is expected to increase in the coming years. Another indicator, the inflation rate, is quite stable -0,2% during the 2011-2015 period. The GDP per capita is \$49,842 in 2014 and increased slightly since 2012 whereas it is \$42 725 in France in 2014 (Worldbank). In January 2016, the unemployment rate was 9,2% and more recently, this rate increased and was around 10% in March 2016 but forecasts predict a decrease in this rate to about 7,8% in 2020 (Trading Economics) so it means that Finland needs opportunities to face up to the unemployment. In Finland, labour costs are high (in 2015, the average is 33€ which is 8€ more than the EU average), but the purchasing power is also then Finland is an interesting market and may present opportunities thanks to strong consumer purchasing power: in 2014, the indices of purchasing power parities is

124 in Finland whereas it is 110 in France). In Finland in 2015, the general government gross debt represents 63,1% of the GDP. This percentage increases each year (plus 16 points in 2015 than in 2010) like in many European countries (for example in France, the rate is currently 95,8% and also continues to increase) but the situation stays favourable in Finland than in the European countries in general, where the average in 2015 is 85,2% (Eurostat, General government gross debt).

Thirdly, there is a low population compared to most European countries. According to the data from World Bank, in 2014 the population is around 5,4 millions and the population growth is quite low, about 0,4% in 2014 and the population is expected to increase over the coming decades. The urban population increased and is currently 84% in 2014. Compared to the surface area (338,420 km², the sixth European countries in term of area but the population is low in relation to other European countries so there is also a low population density (18 people per km of land area whereas there are 120 people per km in France). In 2014, the life expectancy at birth is 81,1 years which increase slightly: the expectancy was 79,9 years in 2010. For many years, the fertility rate is stable and is currently 1,8 birth per woman. Regarding the education, the enrolment rate in primary education is 99,51% in 2014, most education and training is publically funded and there are no tuition fees at any level of education. There is a pre-primary education mostly in day care centres until six years, then school is compulsory from seven to sixteen years old (basic education in comprehensive schools) and after for those who want to continue, they can go to the general upper secondary schools during three years or the vocational institutions and apprenticeship training (Finnish national board of education). Furthermore, Finland is renowned for its high-performance education system which is in 2015 first most powerful in EU and the fifth in the world (Fair Reporters, 2015). Regarding the average household size, Finland is the European country where there are the less people by household: in 2014, the average is 2 people per household whereas the average in EU is 2,4 people per household, according to Eurostat. The expenditure for social protection is high in Finland: in 2012, the expenditure was 11 090€ per habitant while the average for the EU was 7 616€ per habitant.

Fourthly, the technological environment is well developed in Finland. Per 100 people, there are 92,4 internet users in 2014 (in comparison, there are 83,8 Internet users per 100 people in France in 2014). Also, the high-tech exports (high technology products like electronics-telecommunications or scientific instruments for example) does not represent an very important part in the global export than the other European countries. In fact in 2014 in Finland, the high-tech exports represented 6,6% of all the exports whereas the percentage is 15,6 in the European Union and 20,6% in France (Eurostat, High-tech exports – Exports of high technology products as a share of total exports). However, the expenditures in Research & Development are quite high in Finland. In 2014, the R&D expenditures represented 3,17% of the GDP whereas the average in the EU is 2,03% (Eurostat, Gross domestic expenditures on R&D, % of GDP). Even if this percentage decreases in Finland since 2009 while it increased slightly in EU, Finland stays the country with the highest expenditures in R&D regarding to the GDP. The high and medium-high technology manufacturing sectors and knowledge-intensive services sector also play an important role in the employment in Finland: in 2014, these sectors represented 5% of the total employment (Eurostat, Employment in high- and medium-high technology manufacturing sectors and knowledge-intensive service sectors, % of total employment). This rate is higher than that of France (4,4% of total employment) but lower than that in European union (5,7%). Moreover in Finland, in 2012, there were 66 431 high-technology patents applications to the European patent office (EPO) per million inhabitants. This number is really high regarding the other countries: although this number down each year, it is still the highest in EU. To compare, there were 26 002 applications in France and the average in European Union is 16 138 applications (Eurostat, High-tech patents applications to the European patent office by priority year per million inhabitants). Therefore it is another example of the importance of the high-technology in Finland.

Fifthly, in 2013 the urban population exposition to air pollution by ozone is favourable in Finland. The quantity of micrograms per cubic metre day is 1 751 micrograms whereas it is 3 372 in European countries and 3 788 in France (Eurostat, Urban population exposure to air pollution by ozone, per cubic metre day). Moreover, the urban population exposure to air pollution represents in 2013 6,6 micrograms per cubic metre whereas it represents 15,4 micrograms in France and in the average in European countries is 15,9 micrograms. These indicators reflect a good air quality in Finland. Moreover in 2013, the expenditures of the environmental protection expenditure of the public sector are also interesting in Finland: in 2012, this expenditures represent 0,64% of the GDP whereas it represents 0,59% in France (Eurostat, Environmental protection expenditure in Europe – EUR per capita and % of GDP). Then the consideration of environmental protection in public sector expenditure is quite significant in Finland. Another indicator shows the preoccupation of Finland about environment: during the period 2011-2015, the percentage of renewable energy consumption of total final energy consumption is 39,12%. This percentage is very high compared to France for example where the renewable energy consumption of total final energy consumption represents only 12,59% (Worldbank, Renewable energy consumption, % of total final energy consumption). This allows for example a great quantity of electricity: in 2014, electricity generated from renewable energy represents 31,4% of gross electricity consumption, whereas it represents only 18,3% in France. However, the energy imports in Finland are quite considerable: during the period 2011-2015, 46% of the energy use in the country were import. It is almost the same percentage in France (44%) but it is much higher than the other Scandinavian countries, for example Sweden imports only 29% of the energy use. Thanks to the surface area, the country also benefits from good water resources: the long-term annual average is 222 000 million cubic meters (Eurostat, Renewable freshwater resources). Therefore Finland presents excellent living conditions, that is important if the French company wants to train an employee to develop a franchise in Finland.

The last element of the PESTEL analysis is the legal environment. In Finland, there is a high level of organisation on both the employees and the employer side, but also an important role played by collective bargaining agreements in labour regulation which the aim is to cover many labour sectors. The work hours are characterized by a maximum of 8 hours a day and 40 hours a week (International Labour Organization, National Labour Law Profile: Republic of Finland). In Finland, the contracts can be concluded through different ways: it can be written, oral, or deemed to exist as an implied contract. It is possible to work more than 8 hours a day and 40 hours a week but in this case, a consent by the employee and the employer is mandatory. The employee has to be paid more for this overtime of up to 50 per cent the first two hours and then 100 per cent more for the following hours. (Keall, 2012, pp. 89-93). In France it is also possible to work more than the normal week. Then, any hours worked over 35 hours a week are considered in overtime: it means that the first 8 hours of overtime have to be paid 1,25% more and after time 1,5% more (Kasperkevic, 2015, theguardian.com). The retirement age is 65 years and it is the same for men and women. Unlike most European countries, there is no minimum wage in Finland. Nevertheless, there are collective agreements which cover most employees with minimum pay rates (Wage Indicator).

2.2.2 SWOT analysis

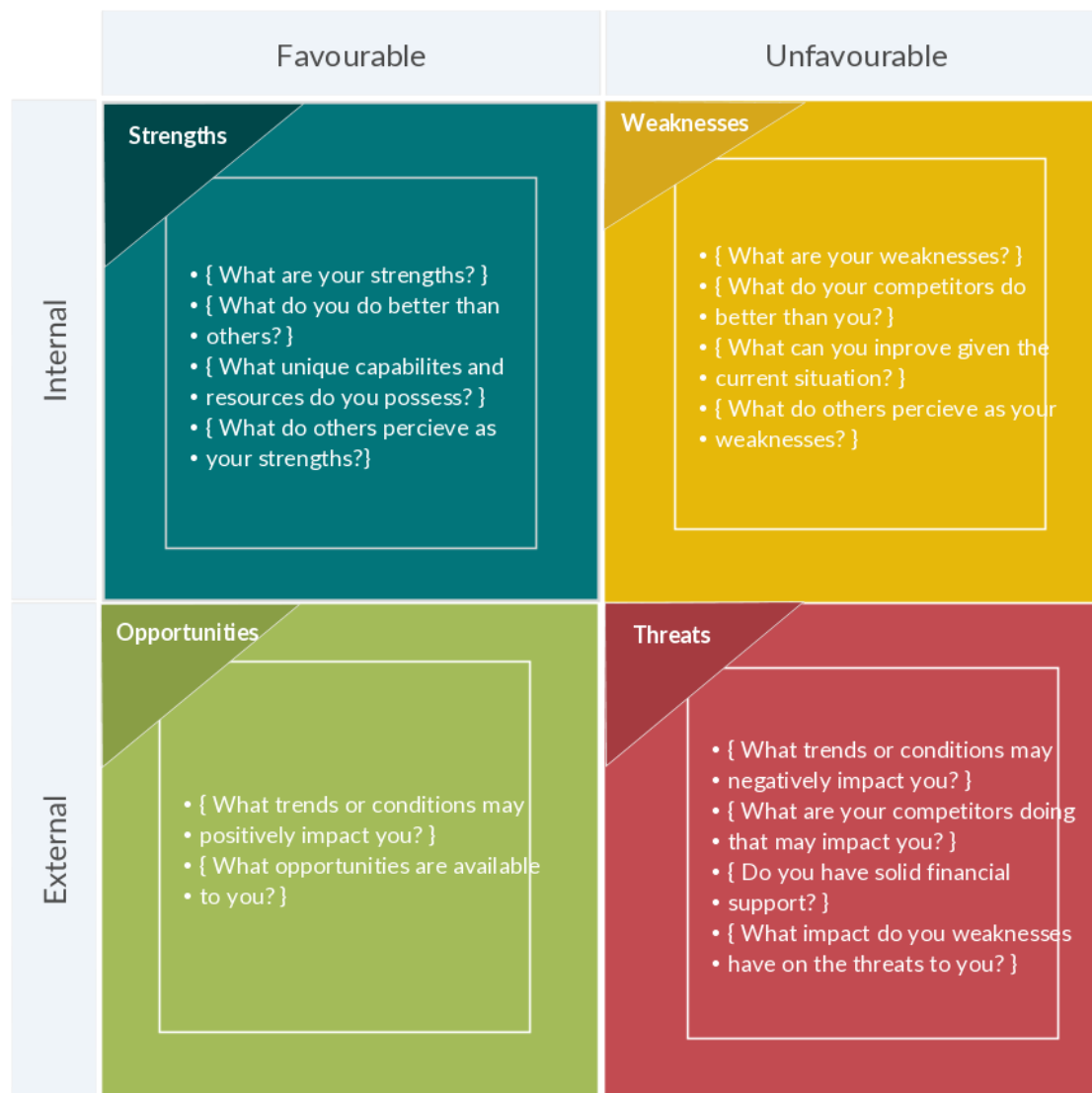


Figure 2. SWOT Analysis Template (Creately Templates)

The previous graphic shows the different issues that should arise any business which decide to do a market analysis. Some elements presented in the previous part (2.2.1 PESTEL analysis) are important regarding to this part SWOT analysis so they may be mentioned. Most businesses actually start off by doing a PESTEL analysis: this gives them more information about the outside forces that may have an effect and makes it easier to identify opportunities and threats (Neild & Carysforth, 2004, p. 170). It is in the

last two parts (Opportunities and Threats that are the external environment) that data from research of the PESTEL analysis may be used.

According to Pahl & Richter (2009, p. 1), “The SWOT analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities and Threats of a company. It provides information that is helpful in matching the company’s resources and capabilities to the competitive environment in which it operates. The resulting SWOT matrix contrasts the results of the internal analysis (strengths and weaknesses) and the external analysis (opportunities and threats) to define strategic fields of action. That application of a SWOT analysis is therefore instrumental in strategy formulation and selection”. However, the aim of the SWOT analysis is not only to identify the context, it is also a way to identify risks (Murray-Webster, 2010, p. 88). It means that this analysis is essential for a company that decides to develop a business and that in any environment.

The two first element, strengths and weaknesses, are part of the internal environment so they are the internal analysis. The internal analysis focuses on internal factors that give an organization advantages and disadvantages in meeting the needs of its target market. The two following elements, opportunities and threats, are part of the external environment that is why they constitute the external analysis which is based on the opportunities and threats existing in the organization environment (Olsen, 2010).

Firstly, “Strengths are capabilities that enable your company or unit to perform well-capabilities that need to be leveraged” (Pahl & Richter, 2009, pp. 1-6). One of the strengths the company Photo Mathieu benefits is its importance in the French market. Even if this company is unknown in Finland, its longevity in the French market and its leadership allow it to have a great experience in the sector. Moreover, given the strong competition in this sector in France, the company is currently trying to enter new markets in and has for several years accelerated the innovation process which is really important to continue its growth. This innovation process is still effective for Photo Mathieu despite intense competition so the company manages to adapt and innovate successfully (presented in the next part). Photo Mathieu has a great expertise and presents effective

working methods thanks to excellent skills (for example Photo Mathieu has its own laboratory so it knows perfectly the functioning of the machines used). It is a strength for Photo Mathieu which may be able to use this knowledge in case of need to use a laboratory.

Secondly, according to Pahl & Richter (2009), “Weaknesses are characteristics that prohibit your company or unit from performing well and need to be addressed”. Concerning Photo Mathieu, one of the main weaknesses is the reputation. Even if it is very known in France in the school photography sector, it is unknown in Finland so in this case, the reputation of the company in France is quite useless. This is not thanks to the reputation that Photo Mathieu could stand out from competition. And even on the contrary, being totally unknown on a market could be a major disadvantage as for local customers, because trust a company that proved nothing in Finland could be perceived as risky.

Thirdly, “Opportunities are trends, forces, events, and ideas that your company or unit can capitalise on” (Pahl & Richter). In Finland, there is a higher purchasing power than in France. According to Eurostat, the median income in Finland (23 702 € in 2014) is higher than in France (21 199 € in 2014) thus consumers have the means to buy the products at prices equal to or above those proposed in France and then the possibility to sell at higher prices. The number of foreign control of enterprises in Finland increases: there were 2 775 in 2011 and 2 843 in 2012. This augmentation may reveals a growing interest of foreign enterprises to Finland.

Fourthly, according to Pahl & Richter, “Threats are possible events or forces outside of your control that your company or unit needs to plan for or decide how to mitigate”. In Finland, the school photography market is already developed. In fact, through a research on Internet, I saw that there are companies (“Seppälän Koulukuvat” and “Koulukuvaus ja päiväkotikuvaus”) which offer similar products and services as Photo Mathieu so there would be a competition for the development of a business in this sector. Moreover it could be a detail but the fertility rate is not very favourable. Even if the rate (1,71 children per woman in 2014) stays higher that the average in European

countries (1,58), the rate clearly decreases for many years: in 2010, the rate was 1,87 in Finland whereas with 2,01 children per woman, France has the highest rate in EU. Beyond the demand that is much lower than in France due to the difference in terms of population, the proportion of population aged 0-14 years in the total population represents only 16,4% in 2014 whereas it represents 18,6% in France (Eurostat, Population by age group, % of total population). Indeed, it is a threat because the activity of Photo Mathieu is based on children and teenagers then demography does not present advantages in Finland regarding the business of Photo Mathieu. There is also a tax system in Finland especially with the corporate tax of up to 20% on all income.

3 RESEARCH METHODOLOGY

3.1 Research methods

This part is really important for the thesis because it provides the necessary data to answer the research questions. According to Bryman & Bell (2007, p. 40), “A research method is simply a technique for collecting data. It can involve a specific instrument, such as a self-completion questionnaire or a structured interview schedule, or participant observation whereby the researcher listens to and watches others”. There are three main research methods to collect data. Firstly, according to Wyse (2011, Snapsurveys.com), “qualitative research is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the problem or helps to develop ideas or hypotheses for potential quantitative research. In this method the sample size is typically small, and respondents are selected to fulfil a given quota. Secondly, quantitative research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. Generally it results from a larger sample population”. Thirdly, Mixed method research is attached to research practice, and recognized as the third major research approach or research paradigm, along with qualitative research and quantitative research (Johnson, Onwuegbuzie & Turner, 2007). According to Bulsara, “the purpose of this form of research is that both qualitative and quantitative research, in combination, provide a better understanding of a research problem or issue than either research approach alone. It means that this method is very interesting to connect and mix the data to get a better interpretation.”

3.2 Data collection

To collect the primary data, I chose to use the mixed method. Indeed, the aim of my thesis was firstly to know the point of view of Photo Mathieu through an interview with the CEO of Photo Mathieu which was based on questions I had prepared beforehand. All information was directly collected during an interview with Mr David Mathieu, CEO of Photo Mathieu. This interview was conducted in French and translated thereafter. Here the advantage is that thanks to him I got answers from a CEO that is different of theories but also interesting because this allows me to make my analysis more concrete and focused on the company studied. Main information of the company were presented in the part "Abstract". The goal was also to assess the current state of the school photography market in Finland and then to analyse whether there are opportunities or not to develop a business for the French company, as a franchise. To achieve this goal, I created two questionnaires. The first one was for schools and the second one for professional photographers. In fact, the objective of the first questionnaire was to investigate whether these schools are already using the service (school photography) and assess their point of view about it. I administered the questionnaire by e-mails and I planned to make face to face interviews with the person responsible for this activity in the school. To facilitate my examination, my choice was to develop a questionnaire with closed multiple-choice questions but also with open questions where the person had the possibility to develop some of them. The second questionnaire was developed for professional photographers to assess their interest in this activity and especially to know if they could be interested in developing a franchise. To achieve this goal, I sent e-mails to photographers with the questionnaire and possibly meet them if they were available. The questionnaire was, like the first one, based on multiple-choice questions where several alternatives can be selected, and also some open questions where photographers can express their point of view in more detail. Add open questions in the questionnaires enabled me the possibility to collect these data even if the person did not have time to give me an interview but only to respond my questionnaire. During the interviews, I planned to develop these questions to get more precisions. Both questionnaires were created and sent through Google Drive.

3.3 Interviews and questionnaires

In addition to the interview with the CEO of the company, the aim of my data collection was to have at least ten responses from schools and ten responses from professional photographers. I had some difficulties to collect some answers. In fact, I sent my questionnaires to all schools of Turku (and ask them if they had time to grant me face-to-face interview) and unfortunately I just have some responses from schools for my questionnaire what was not enough to my data collection. Later, a school director told me that this is the period during which they are very busy. Then I decided to go directly to schools in Turku, I thought by any chance, they would agree to grant me an interview, and I was right. I also sent the questionnaire to other schools in Helsinki, Tampere and Vantaa to get more responses. About schools, it was more difficult than I expected, because I had no appointment planned with someone but finally all the people I met in the schools were very receptive and glad to answer my questions. For the data collection with photographers, I also sent questionnaires and interview requests but unfortunately those who wanted to grant me an interview were not in Turku. I easily and quickly got a lot of answers, and all those who responded answered all the questions even the open questions that I had planned to be developed in interviews.

3.4 Sampling

According to Neelankavil (2015, p. 240), “Sampling is a procedure that uses a small number of elements of a given population as a basis for drawing conclusions about the whole population. Because of cost and time constraints in conducting a survey of the total population, sampling is often the only efficient method available to obtain information from the population”. I sent the questionnaire to different schools of different levels (Day care centres, primary schools, Upper secondary schools) and different cities (Turku, Espoo, Helsinki, Tampere and Vantaa) to get more responses. Concerning the photographers, I also sent the questionnaire to photographers in Turku and in Helsinki. Finally, I got all the responses I needed and wanted. In all, I interviewed five schools in Turku and I collected twenty-one responses (in all I asked to sixty-one schools). Of the twenty-one responses collected, nine are from comprehensive schools, seven from upper secondary schools, three from day care centres and two from vocational schools. Schools do not always mention their name so it would not be accurate to determine the proportion and characteristics of the responses regarding the cities. Concerning the professional photographers, I got seventeen responses (I asked thirty-eight photographers through Internet). The number of responses was higher than what I needed and what I expected so it was even better to make a precise analysis because finally, even people who did not have time to grant me an interview often precisely answered all the questions.

4 RESEARCH RESULTS AND ANALYSIS

Concerning the research analysis, the aim was to study several things: the point of view of the CEO of the French company and overall, to know whether schools were already concerned by school photography within their establishment and their viewpoint about different elements (for example if not, why they did not use these services). Moreover, the objective was to know whether professional photographers are already offering these services and if not, to understand why. Furthermore, I also wanted to know if they might be interested to invest in this sector.

4.1 Analysis of PHOTO MATHIEU

4.1.1 The CEO's point of view regarding the franchise

According to Mr Mathieu, one of the main interest of franchising is that it facilitates a faster development for the company, it is usually faster than internal development. Moreover the franchisee's motivation is also important. Indeed, he explained that the franchisee is more involved especially as this he is responsible of his work hence a need to do well. As detailed in the literature review, the company provides the working method and impacts the necessary skills to the franchisee for the operation to be as reliable and efficient as possible if the method is properly respected. Then the franchisee's performance is essential for this success and the personal investment would be the main thing to be blamed for failure. A lack of investment by the franchisee could really be prejudicial to a company. If instructions are not followed it could have negative consequences for the franchisor for instance in terms of corporate image. That is why acting in accordance with the rules in place at the beginning of the agreement is fundamental. It would be attractive to develop a franchise internationally because the financial risk is more restricted and this could lead to a higher production then more financial resources for the company which can enable greater investment.

4.1.2 Franchising for PHOTO MATHIEU

The company has already thought of developing a franchise. Unfortunately, French legislation in school photography is not very clear and does not encourage the development of franchises and is rather constraining. It is also a problem for Photo Mathieu given that the legislation could be an obstacle to develop a franchise in France. This clearly shows that the laws play an important role concerning a decision to franchise. Therefore to continue its growth, Photo Mathieu focuses on an expansion of its geographical sector in France but also recently on an international scale (relatively small as this is Belgium), Photo Mathieu decided to enter a foreign market. This development perspective can be interesting because it reveals that the company is not reluctant to enter markets beyond its borders. Moreover this is quite a success which can encourage Photo Mathieu to continue in this direction. Mr Mathieu explained that a development abroad as a franchise would be based on computer technologies for cooperative work through internet and digital transfers. These processes could greatly facilitate franchising so the geographical barrier is no longer necessarily a problem. Furthermore, Photo Mathieu is currently in contact with two large German laboratories. They would like to set up a kind of cooperation on the production and software. However despite the interest of these opportunities, Mr Mathieu told me that there were still two major problems, the time and cost it represents which are necessary especially for the beginning. Concerning the new sectors they enter in Belgium, the operation set up is quite simple. The principle is that some photographers of the current team are going in this sector to try to develop. These employees are trained by the Photo Mathieu to be competent (as explained in the theoretical part). Finally, Mr Mathieu told me that the main elements on which focuses the company to stand out are the seriousness (especially through experience) as well as the innovation process by offering new products and new services like an online ordering platform.

For the two next sections (Schools analysis and Photographers analysis), I chose to present the questions and their answers one by one and analyse them. In the first part the case of schools will be studied and the second part will be devoted to photographers.

4.2 Schools analysis

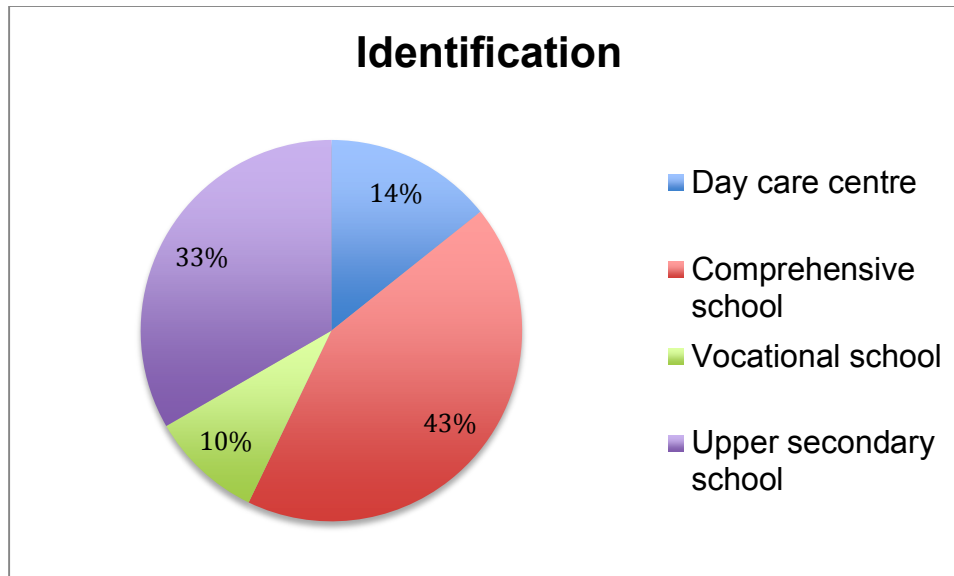


Figure 3. Proportion of responses collected according to the school level.

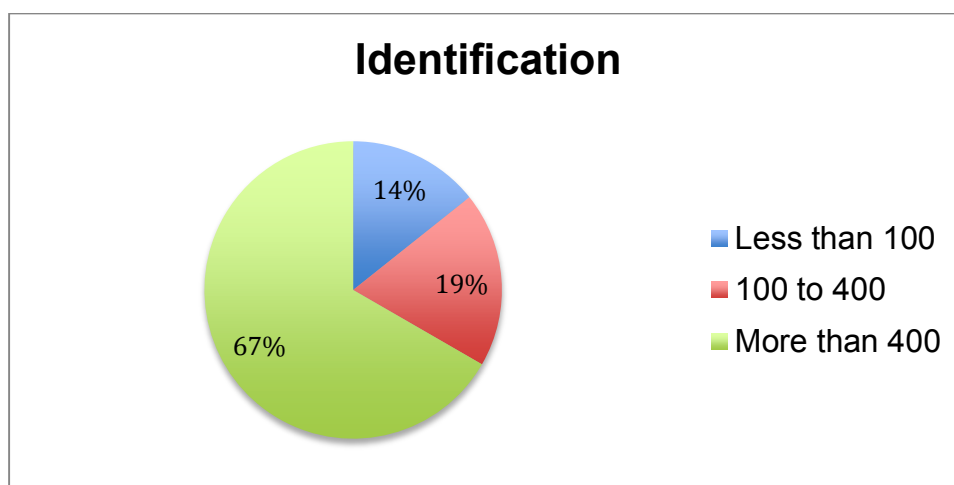


Figure 4. Number of pupils in all the schools that responded.

This result shows that there are a lot of pupils in each schools (although most of the schools that responded are comprehensive schools and upper secondary schools where there are a lot of pupils) that is why there is a large potential in schools.

Question 1: Do you organise school photography in your school?

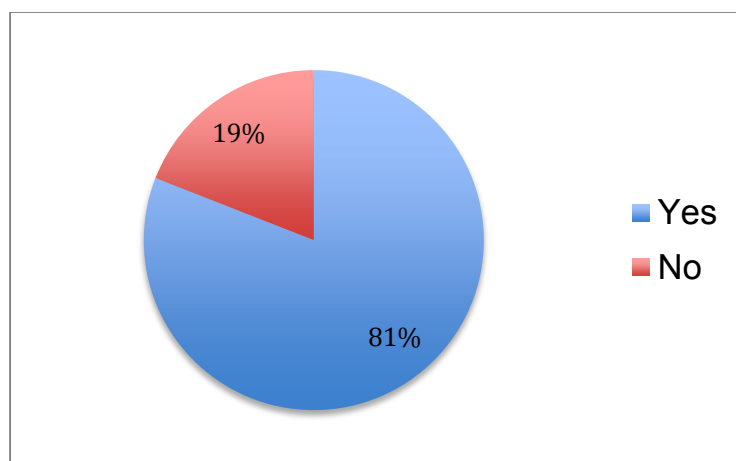


Figure 5. Proportion of schools that organize school photography and those that do not.

Of the twenty-one schools where I got responses, most of them were already using these services.

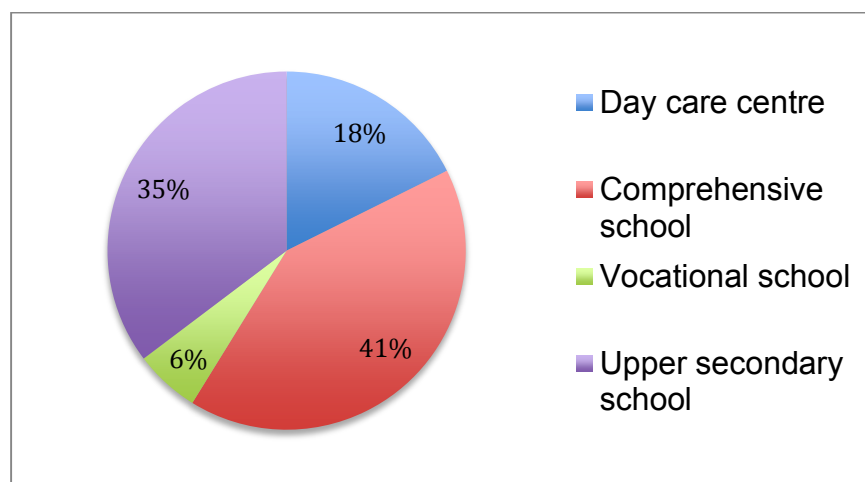


Figure 6. Proportion of schools that organize school photography depending on the school level.

Among schools that organize school photography (regarding the responses I collected), most of the schools are comprehensive schools (41%).

Question 2: Who chooses the photographer (company) in your school?

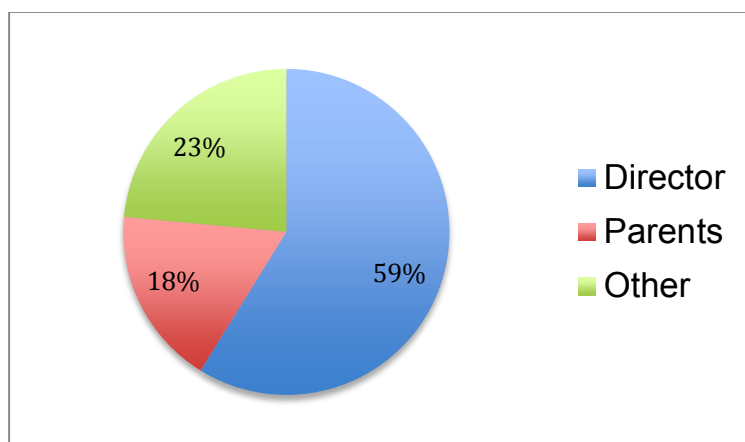


Figure 7. Proportion of directors, parents and others in the choice of the photographer.

In more than half of the schools that use school photography, it is the director who selects photographers but many schools use other means. Indeed, 18% of them reserve this role to parent associations. Moreover, 23% choose different methods. Of the 4 schools where this is not the director or parent association who choose, it is the teachers (2 times) or student associations in upper secondary schools like a “student board” (before the final approval of the headmaster). The three times it is the parents who decide, it is in comprehensive schools.

Question 3: What is (are) the selection criteria to choose the photographer?

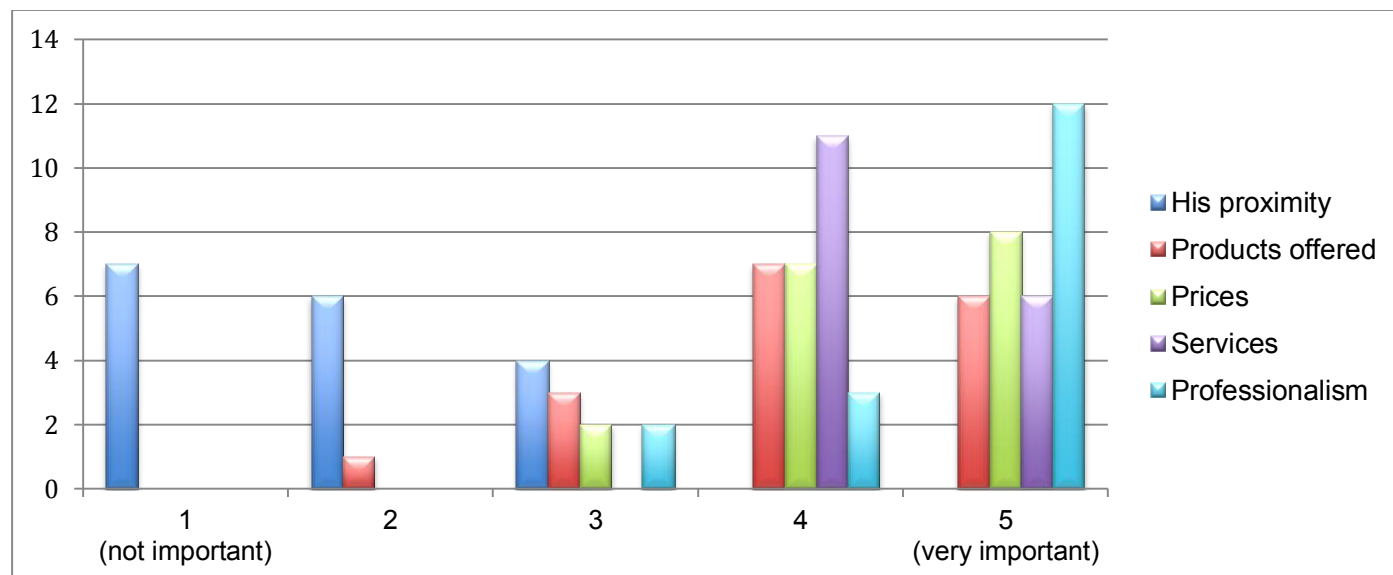


Figure 8. On a scale of 1 to 5, the importance of five criteria in choosing the photographer.

This graph reveals the importance of five criteria in choosing the photographer. For example, we can see that professionalism and services are the two most important criteria for the schools: of the 17 schools that use school photography, 12 of them allocated 5 points for the criteria professionalism. It means that for most schools, this criteria is the most important of the five mentioned. During the interviews, each interviewee insisted on this point which is primordial. I also got one response where speaking Swedish is an important criteria for choice (it was a Swedish Language school).

Question 4: How many photographer do you have?

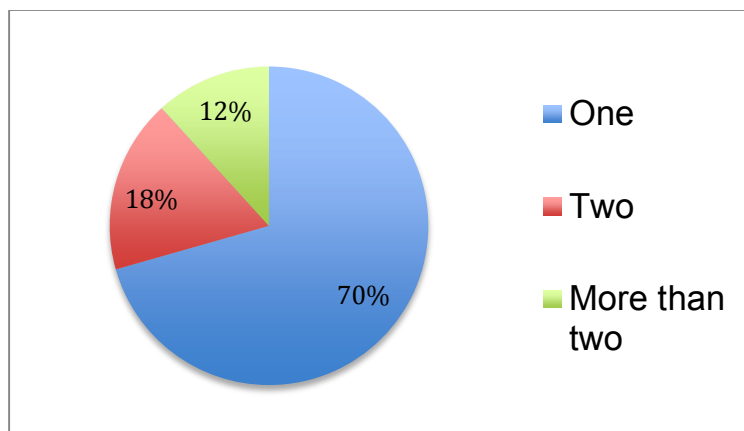


Figure 9. Number of photographers by schools.

Question 5: Do you change often photographer?

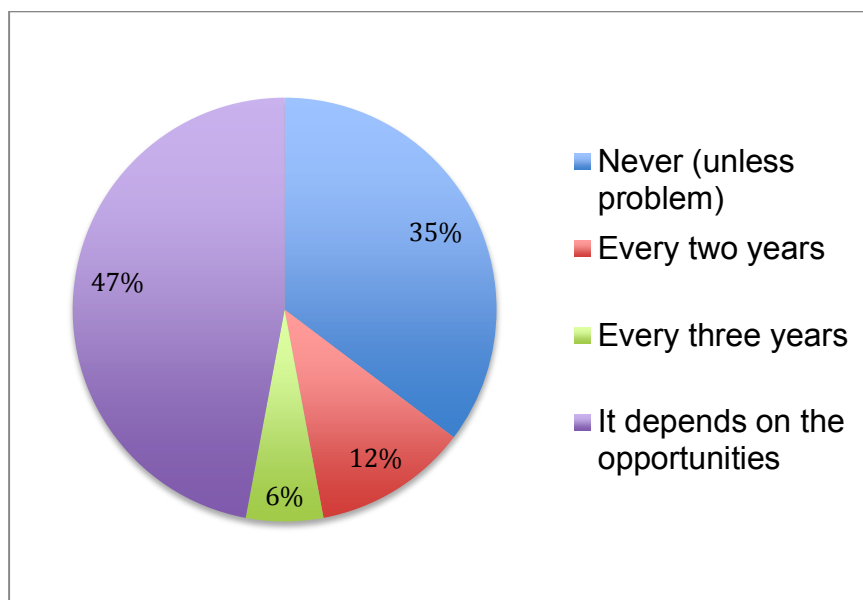


Figure 10. Schools fidelity to their photographers.

Here, we can see that there are significant differences regarding the loyalty to the photographer. Most schools (47%) are not against the fact to consider other alternatives if a better opportunity is offered. 47% of “It depends on the opportunities” replies is an interesting result with the prospect of developing a business in the sector of school photography. It means that if there are interesting opportunities (for instance through

innovative products), it is conceivable that the school reconsiders its choice of photographer so it is possible that it thought about new offers. However, this position does not win unanimous support. 35% of schools has no plans at all to change photographer as long as the required services are done satisfactorily. In this case, it would be difficult for a new business to interest schools that does not seem interested to consider other offers. There are also schools that have contracts with photographers whose duration varies from one year to three years. The school level does not really determine the choice of the school regarding a possible change of photographer. For example the proportion of comprehensive schools is almost the same in those that never change or where it depends on the opportunities.

Question 6: How often he operates in your school?

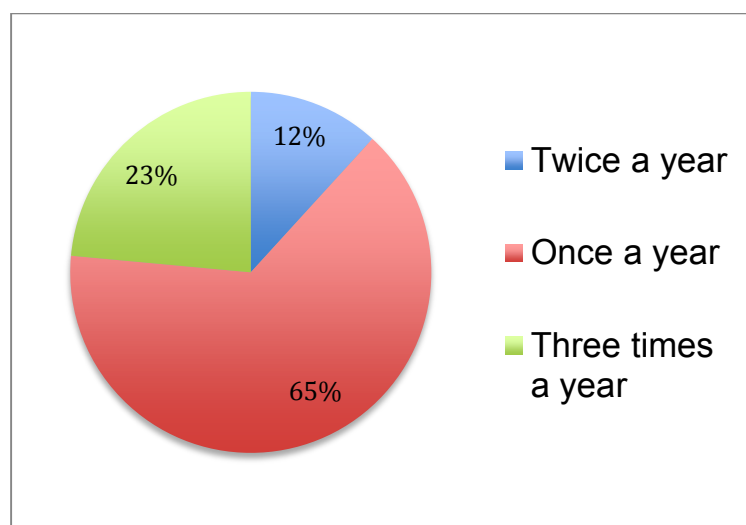


Figure 11. Number of operations of the photographer in the schools.

Here, the answers reveal something interesting: photographers often operate in schools. Although the majority (65%) occur only once, a third of them occur at least twice a year (in France, it is very rare that a school needs a photographer more than once a year. Whenever I asked why a photographer comes three times a year, the answer was the same: he comes one time in Autumn, one time in February before pupils prepare the matriculation exam and the last time in end of May or early June for the formal celebration (in upper secondary schools). This example shows that it is very common for

schools that use school photography need the photographer several times a year so most important potentials profit.

Question 7: What type of photography is offered?

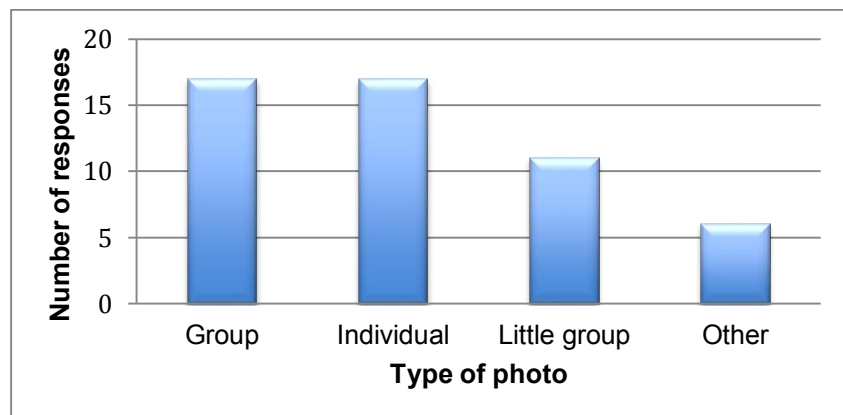


Figure 12. Type of photo offered.

All schools that use school photography ask for group and individual photos that are unavoidable. Especially in comprehensive schools, there is a product whose sales increased for many years: photos in little group. At the moment it is very fashionable to be photographed with school friends. It is a product highly popular to families then it represents new and interesting opportunities for photographers. Among the six “Other”, one school told me that some years it asked for ID photos specifically for passports for example. The six other were for events such as the ceremony of certificate presentation where the graduates get their certificates and put on the graduation cap.

Question 8: Does the photographer propose the following products?

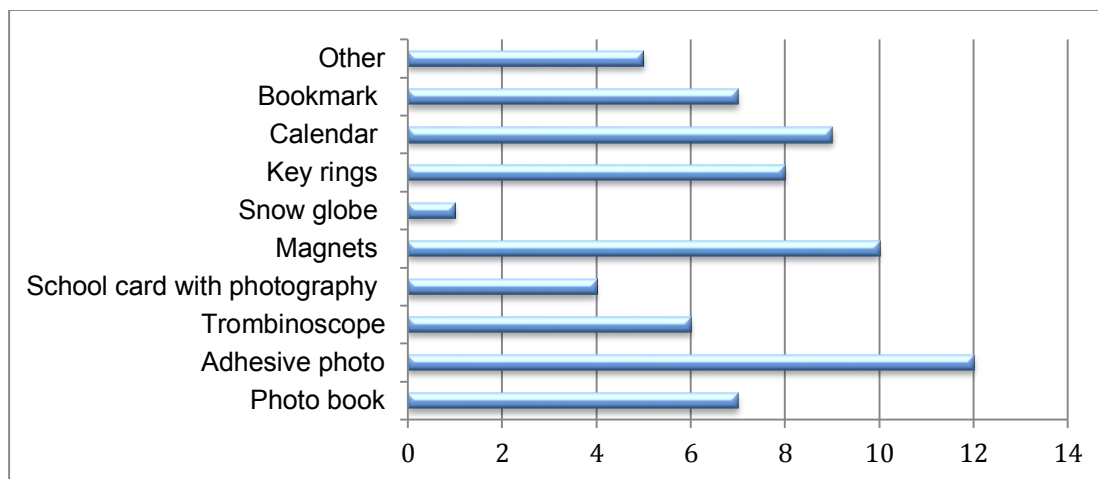


Figure 13. Number of schools that offer the products.

The question was about the products mentioned in the graph above. All are offered to schools by the company Photo Mathieu. The idea was whether photographers offer similar products or if there were possible innovations to offer. The results show some diversities regarding products. Some of them are more popular than others but overall, many schools have the opportunity to offer these products. Sometimes the photographer also offers other products that Photo Mathieu does not offer: mouse pads, mugs and cups. These products are generally available through Internet where it is possible to order directly on the website of the photographer. This is also the method used by Photo Mathieu. Thus, the popular products in France are also offered in Finnish schools.

Question 9: At the moment, are you satisfied?

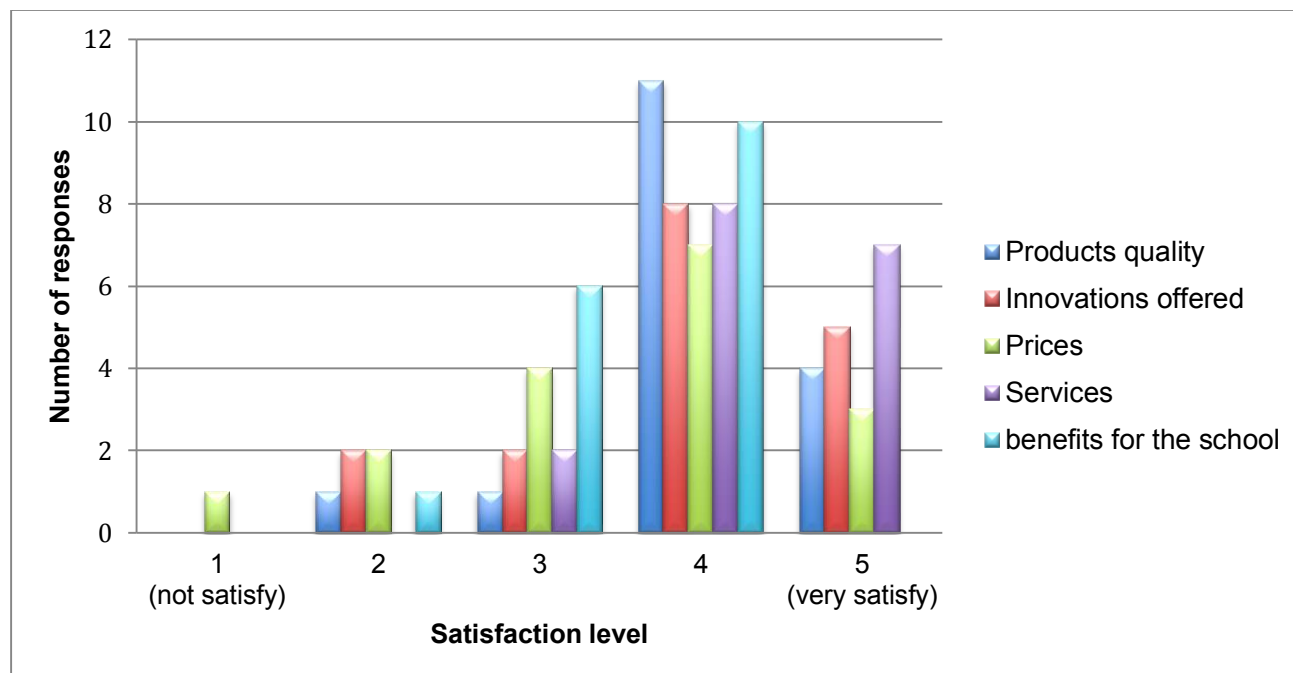


Figure 14. School satisfaction according to five criteria.

Overall, schools are satisfied with their current photographer. Most of them attribute the rating of 4/5 to the criteria asked. As presented in the last question, photographers offer many products which appeal to schools because the majority are satisfied with the innovations offered for example. Other criteria such as product quality or services meet the expectations of schools. Although schools are not all very satisfied, current photographers put the bar high and it will inevitably be difficult to stand out from the competition. The price is the criteria which schools are the less satisfied (relative to other criteria) so perhaps it is on this criteria that the difference could be made in favour of Photo Mathieu.

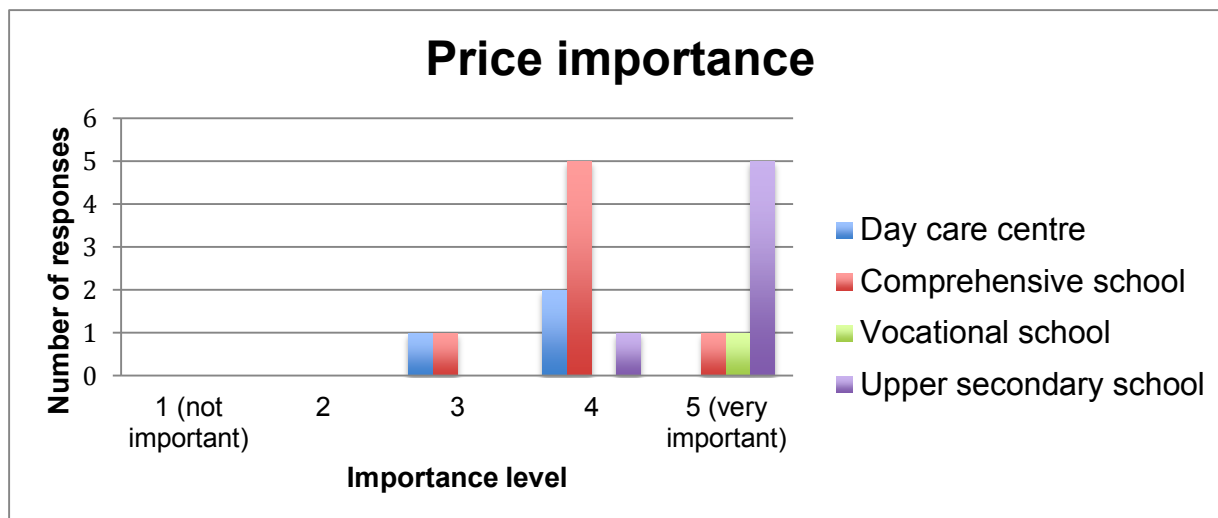


Figure 15. Price importance according to the school level.

The graph above shows that there are differences about the price importance regarding to the school level. It is clear that upper secondary schools give more importance to the criteria “price” than comprehensive schools. Five of the six upper secondary schools that organise school photography attach maximum importance (5/5) to the price while five of seven comprehensive schools attach less importance to this criteria (4/5).



Figure 16. Price satisfaction according to the school level.

We can see thanks to the graph above that the satisfaction of the schools regarding to the price is not highest. For example four of the seven comprehensive schools are not or a little satisfied by the prices. It is perhaps on this criteria that a competitor should focus to determine a possible offer.

The following two questions concern the four schools that do not organize school pictures.

Question 1: Why do not organize school photography in your schools?

Three of the four schools answered that it is not part of the educational mission. The reason of the fourth was that it considers that the prices and services offered by the photographers are not satisfactory. These four schools are a comprehensive school, a vocational school, and a primary + junior high school.

Question 2: Could you in the future change your viewpoint?

Logically, the three schools who think that school photography is not part of the educational mission has no plans to change their viewpoint. The fourth school is open to new offers to consider organising school photography.

This schools analysis reveals that school photography market is highly developed in Finland, most schools have recourse to that. The photographers offer a lot of services and many by-products which are very popular as does Photo Mathieu. Therefore these products offered by Photo Mathieu do not constitute an innovation regarding the local market. However, there are interesting elements: for example even if they are generally satisfied with their current photographers, schools are not always against the idea of change if they receive better offers. Moreover they sometimes need the photographer to come several times a year (it is an important difference compared to France) and can offer interesting opportunities.

4.3 Photographers analysis

As in the last part, the questions asked to professional photographers and the answers will be presented and studied.

Question 1: Do you take school photography?

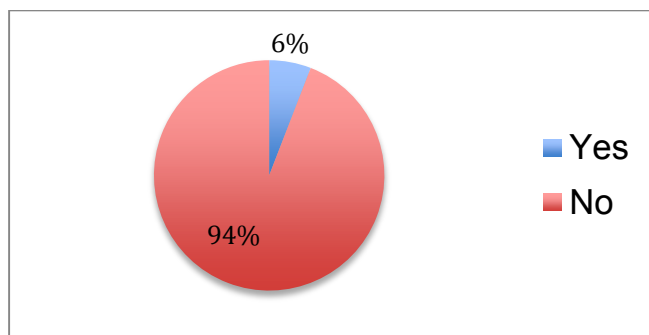


Figure 17. Proportion of photographers that take school photography and those that do not.

Only one of the seventeen photographers takes school photography. However, the main goal was not to solicit those who already do that but studied the viewpoint of others and their possible interest in this sector.

Considering that there is only one people concerned by the questions, I decided to not write them one by one (there are ten questions for its case), but to present the results directly.

This photographer does school photography for a company and he deals directly with schools and parents. Indeed to manage the customer orders, first he has an order form and after the photo-shoot the customers receive an invitation to the online service where they can edit their orders. This method via Internet is the more used and practical in school photography. Photo Mathieu uses this method too. Parents can choose directly on the platform the products they want. This photographer operates in schools more than ten times per year: it is his main activity. In the schools analysis, we have seen that every time, the photographer offered at least group and individual photos. It is the case for this photographer who offers also sibling/friend photos. He also offers most of the by-products mentioned in the previous part. Unlike Photo Mathieu, he does not print photos by himself but has an agreement with a laboratory what could have been interesting

because Photo Mathieu has knowledge and skills to use a lab if he had been interested in develop a franchise but he is not. To meet customer expectations, the photographer told me that the company in which he works has been in the business for a long time so it has experience in this market. In his company, there are people who do marketing research to perform well.

The following questions were addressed to photographers who do not take school photography.

Question 2: Why do not you take school photography?

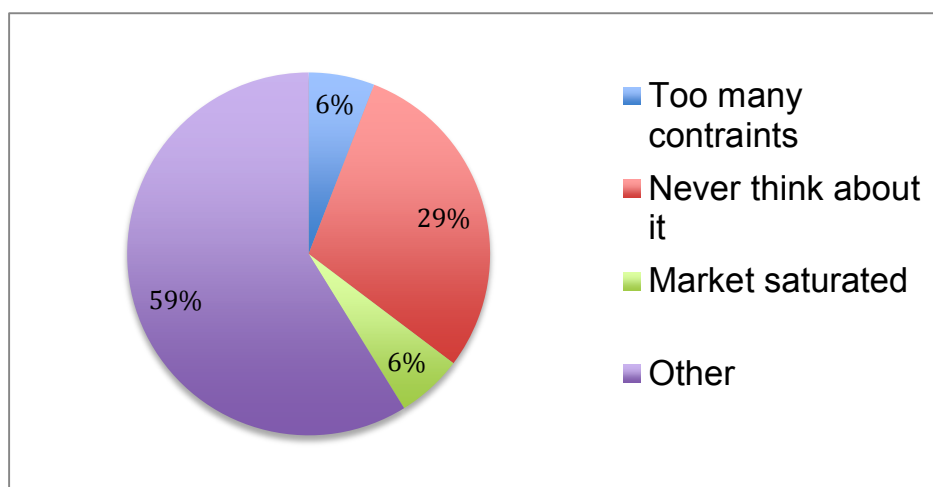


Figure 18. Reasons why photographers do not take school photography.

About the others, a photographer answered that the business of school photography seems to be exceptionally little about photography but very much about mastering different organisational aspects such as account managing. For him, it means that school photography digress from the photography itself. The viewpoint of most photographers is quite the same, for them it is too boring to take similar photos without time to guide models. For these photographers it is a sort of lack of freedom for the creativity and in school photography the artist side of these photographers can not be really developed.

All of the photographers who responded are very often specialized in specific activities. Each time they are specialized in one of the following speciality: newborn photography,

child and family portraits, event photography, travel and lifestyle photography, sports events, fashion photos, interior photo-shoots and wedding photography. These are the reasons why many of them have never thought about school photography.

Question 3: Do you think you could change your mind in the future?

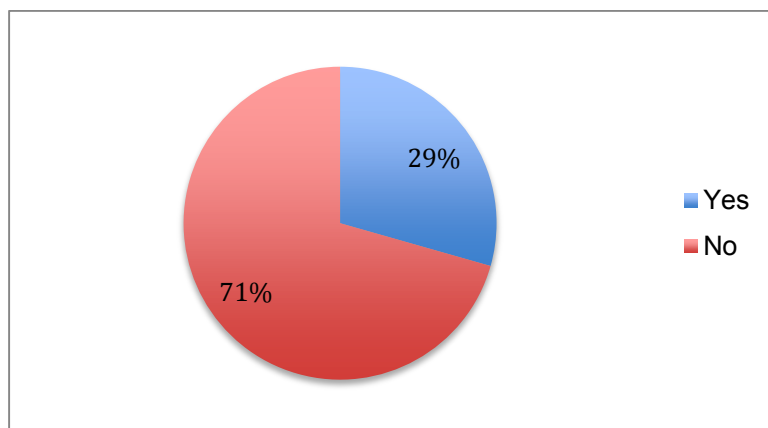


Figure 19. Proportion of photographers that could change their mind in the future and those who do not.

Although they do not take school photography, five of the seventeen photographers think they can change their minds in the future, it means that they could move towards this business.

Question 4: What could possibly make you be more strongly focused on this segment?

The answers to this question are interesting because they present the reasons why photographers might change their minds. The reasons why they do not take school photography are mostly the same (it is too boring and there is no place for creativity) but the reasons why they could change their minds are different. One of them could do school photography if he needed money to finance photographing the things he is more interested in (nightlife and event). Two of them are specialized in wedding photography. The first one justifies by saying that if he would make the decision to be a full time photographer he would probably have to do everything in photography. For the second, the reasons are if he get tired of wedding photography and if he find a suitable partner.

Other motivations are if there is enough offer and school that want something unique, not basic school photos, for example if there are special events or untypical photos such as environmental portraits but not just group and position ones.

The school photography sector is very different from the business of these photographers. Although both are based on photography, these kinds of photographs are not similar. Indeed, these photographers are essentially seeking the freedom to create and that is why school photography does not really interest them. They will be forced to always do the same thing without creating something. Moreover, the reasons why they could invest in the school photography sector are not for pleasure but under obligation. Some of them think that the school photography market also appears saturated because school photography is managed by some big companies.

5 CONCLUSIONS

5.1 Research findings

The aim of my thesis was to analyse if there are interesting opportunities in Finland to develop a business as a franchise in the school photography sector. For this, it was about to study some theories presented in the part “Literature review” and to collect answers from schools and professional photographers using two different questionnaires in the last part “Research results and analysis”. Thanks to these different kinds of data, I was able to clarify my analysis and answer the three research questions I presented.

Research question 1: Is the Finnish market interesting to develop a business?

As it has been presented mainly in the part “Literature review”, Finland has more obvious advantages than most European countries and in this sense the Finnish market presents interesting opportunities to develop a business. Beyond the classic franchise benefits, Finland has strengths compared to other countries, including France. For example the purchasing power is very high, this may allow the company to sell at higher prices. Then if a company wants to develop a franchise abroad, try to enter the Finnish market could be an interesting choice.

Research question 2: What are the opportunities of development in Finland in school photography?

The analyse made with schools revealed many interesting elements. As in France, particularly as the company Photo Mathieu, school photography in Finland is highly developed. The main finding of the school analysis is that as well as most schools organise school photography in their establishment, there are a lot of products offered by the photographers which are very similar to those offered by Photo Mathieu. It is difficult to stand out from the strong competition. Moreover schools are generally satisfied with the services offered by their photographer then it seems difficult to enter the school photography market. Nevertheless, the analysis revealed causes for satisfaction like we detailed earlier. Among them, some schools are ready to consider

other offers possibly more interesting in terms of prices, for instance. Although it would be difficult to exploit, there are interesting opportunities in this sector.

Research question 3: What could be the motivations for both partners (Photo Mathieu and the photographers)?

Through the development of a franchise in Finland, Photo Mathieu could apply his skills and also benefit from the knowledge of the local photographer regarding to the local market environment and its specificities. Photo Mathieu could also benefit from a faster development thanks to a franchise, as presented in the third part. The company could be motivated by the opportunities of the Finnish market and especially in school photography to increase its resources and possibly invest in new machines to be even more efficient.

For local photographers, the motivation would be to invest in a potentially profitable market and try another business if its growth is no longer interesting. Of course, they could also enjoy the advantages that have all franchisees as discussed previously. However, the photographer analysis revealed that specialized photographers (in wedding for example) are not interested in school photography for many reasons presented above. Some of them might be more interested if school photographs could be more artistic and then have the opportunity to create something and not always do the same photos. Thus, the franchise probably could not be done with local photographers. Therefore, the solution might be to ask the photographers of the company to work in Finland.

5.2 Suggestions for further research

To my mind, there are many other topics related to the business of photography and also the development of a French company in Finland (or the development of a Finland company in France) but in other forms as a franchise and also to the business of photography. Regarding to the first idea, perhaps it would be interesting to study how digital has for many years taken a leading role in the development of photography. For instance in France (but I think it is also the case in many countries) there are much less people who go to a professional photographer to develop their holidays photographs for example. It is very easy for everyone to develop his photos himself by transferring them to a computer and print them. Beyond the lower price, he can also retouch them for example. Even if these photographs are of good quality maybe they are even more beautiful thanks to a photographer. I think this is one of the element on which they can base to face up to new technologies. It would be very interesting to know the views of the photographers about it and how they do to adapt to these changes.

Concerning the second suggestion, the subject of the development can be a start-up. In many areas, this form of business is very fashionable. For example in United Kingdom, the number of start-ups creation went from an index 100 in 2007 to an index 120 in 2012 and it continued to increase, in 2014 this index is 150 (OECD, 2015). It would also be relevant to focus not of a development of a French business in Finland but a Finnish business in France. For example, study the famous Finnish sauna which is one of the typical products in Finland. Then it could be very interesting to develop the subject of the development of the Finnish company “Harvia sauna” in France. Even if there are already companies specialized in France, the aim would be to study the demand, the competition, the innovation from “Harvia sauna” etc. For example a recent innovation in Helsinki (which may sound crazy in France) consists of the creation of a sauna inside the fast food Burger King which is the world’s first fast food sauna which has a capacity of fifteen people. Of course in this amazing innovation, there are also shower and locker room and a TV (O’Hare, 2016, edition.cnn.com). Before thinking about developing this innovation abroad, it would surely study the success in Finland but the idea could be interesting.

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