



Expertise
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Starting a Business in the Beauty Sector in Turkey Remotely

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| <p>The objective of this thesis is to start a business in the beauty sector in Turkey remotely, while located in Finland. The use of a business partner, lawyer and accountant made this possible and due to the current global pandemic, most hurdles were crossed effectively although at times with constraints. This led to opening a beauty salon named under the business partner in question, Asli Güler Beauty.</p> <p>The study was carried out using Action research methodology. The theoretical framework was based around the topics of Entrepreneurship, the use of Michael Porter's five forces industry analysis, and the Business Model Canvas in order to launch the business.</p> <p>For the current state analysis, interviews were conducted and a small-scale market research was made during a trip to Turkey in early April 2021. It was found that the costs to establishing a business vary due to inflated prices, the competition is significant. The current state analysis also revealed that customers not only look for value but also for interaction and the feeling that they are gratified comprehensively.</p> <p>As a result of the thesis, a new business in the beauty sector was opened. It was a gigantic challenge to start a business not only because Turkey is one of the most affected country in the recent Covid-2019 pandemic, but to do it with a sense of accomplishment.</p> | |
| Keywords | Starting a business, Entrepreneurship, Business Model, Five Forces |

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1 Introduction

Entrepreneurship is what makes an individual get out of his or her comfort zone. The endless nights of staying awake, trying to figure out the best ways of changing the routine. This thesis is about starting a business in Turkey remotely.

The thesis will outline the different steps in doing so along with the challenges of such a project. The Thesis should give readers a clear and concise painting of how the business is put together, using existing knowledge, current up to date facts and data coupled with an essential awareness about doing business. The business context and objectives will be described next. The outcome of this thesis is that a prime location has been found and all materials and equipment have been bought and investment is ongoing. The thesis also includes recommendations on how to get to the next step of operations.

1.1 Business Context

The creation of this real business is to be based in Antalya, Turkey. This is a beauty salon that provides various services to a community that thrives on 'the look good factor.' Those services include all the technical aspect in allowing a man or a woman to come and leave, feeling revigorated.

1.2 Business Challenge, Objective and Outcome

Entrepreneurship in a different country has many challenges. The business challenge would be to provide a very essential service in this part of the world where health and beauty is extremely popular. The whole project is to start from scratch and to start operation as soon as possible. The clear objective is *to build a health and beauty salon* whilst targeting customers who are extremely loyal to their current beauty salon.

The outcome of this thesis is the creation of the business ready for operation. The business will be modelled on existing competition but the idea is to be different in terms of the services provided. Michael Porter's five forces and the Business Model Canvas (BMC) will play a big role.

1.3 Thesis Outline

The scope of this thesis is to construct a business from scratch and this will be through the use of extensive experience gathered through work experience of the past business owner. The business will be based in a different country, Turkey, which makes this thesis extremely puzzling.

This study has been conducted using research and comparison. First, one benchmark will be used from Finland to compare challenges, expectation and business environment from an entrepreneur point of view. A vital interview with a business individual in Turkey was done during the visit alongside a crucial market research using thirty variables. The data will then be transformed into key facts that supports the opening of the business.

The Thesis is written in six section. Section 1 is the Introduction. Section 2 is the Research and Design section where data and analysis are shown. The Existing Knowledge Section 3 covers entrepreneurship, competitor analysis and business modeling. The Current State Analysis Section 4 will discuss what is the situation in Turkey and what play a role in making opening a business possible. The following Section 5, Proposal applies Porter's five forces and the BMC for creating a business. The last Section 6 will look back at concluding the thesis and presents the summary.

2 Method and Material

This section describes the research approach, research design, and data collection and analysis methods used in this Thesis.

2.1 Research Approach

Fundamental research means basic research which is predominantly using previous research and adding new development to it. On the other hand, applied research is where a solution is found to an instantaneous problem. This thesis would be more towards an Applied research due to the nature of it and the practicality of using the existing knowledge, adding own key research, to open a business.

Using the Gate models from Metropolia University and the Research and Development method course gives the possibility to design the thesis in an orderly and systematic way. The Gate model was fundamental here as it allowed to follow a pattern and not derived from a specific path which then methodically depict this thesis. It must also be said that the Gates has previously been used in product development. It gives the possibility to test the development, and decide how to proceed. Below is a diagram that summaries the Gates model used in this thesis.

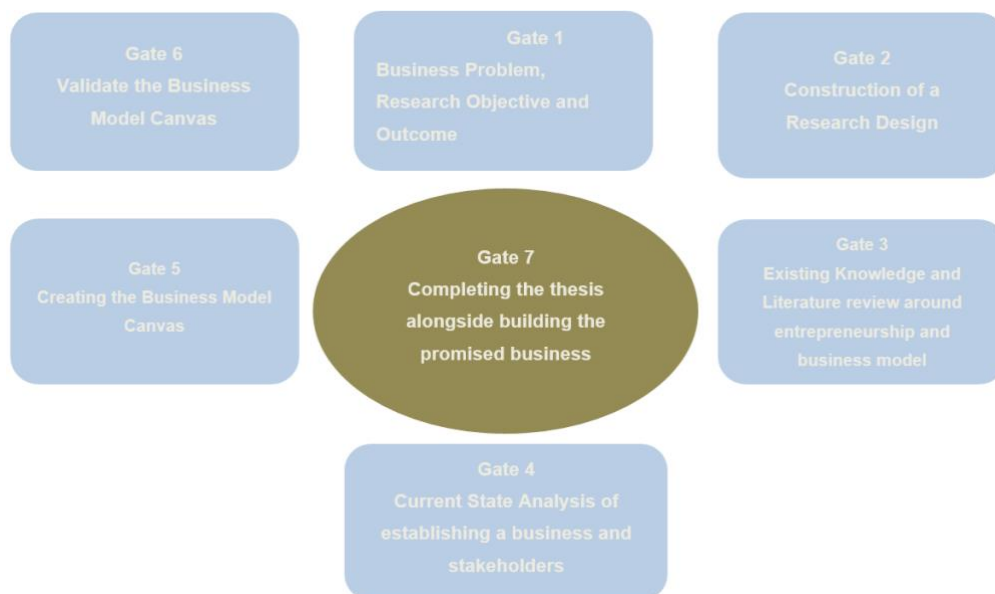


Figure 1. Thesis Gate Model used in this thesis.

As seen from Figure 1, Gate One essentially allows to show the business context of this thesis. There is a need of an evidence-based approach and this gate allows it with a focus on understanding a problem (the business challenges) and a business opportunity (a new business idea) to produce the business outcome. In a way, it would be looking at creating something that is tailor made and direct to the solution of the problem. Here, the outcome would be the creation of a business and in this case, a beauty salon.

Gate Two shows the progressive work within the thesis in a very orderly manner and includes a fundamental part of any thesis which is the research design. This tells the method that will be used and allows the building of the research.

Gate Three is about the existing knowledge and literature review. The extensive covering of what was studied before will be presented in chapter 3.

Gate four is the Current State Analysis (CSA). It analyses the business environment and other related aspect. This would be discussed more in chapter 4.

Gate Five is a proposal created by bringing together Michael Porter's five forces and the BMC. Technically, this is the initial solution to a business problem, but in this case, it would be the creation of a business.

Gate Six includes the validation of this thesis proposal including evaluation of the idea.

Gate Seven is the final gate, the written thesis. In other words, this is the finishing of the writing up of the story about creating a business in Turkey.

2.2 Research Design

Due to the nature of this thesis, the design approach will be different from the traditional ones due to a practical goal of creating of a business.

Below, Figure 2 shows the research design.

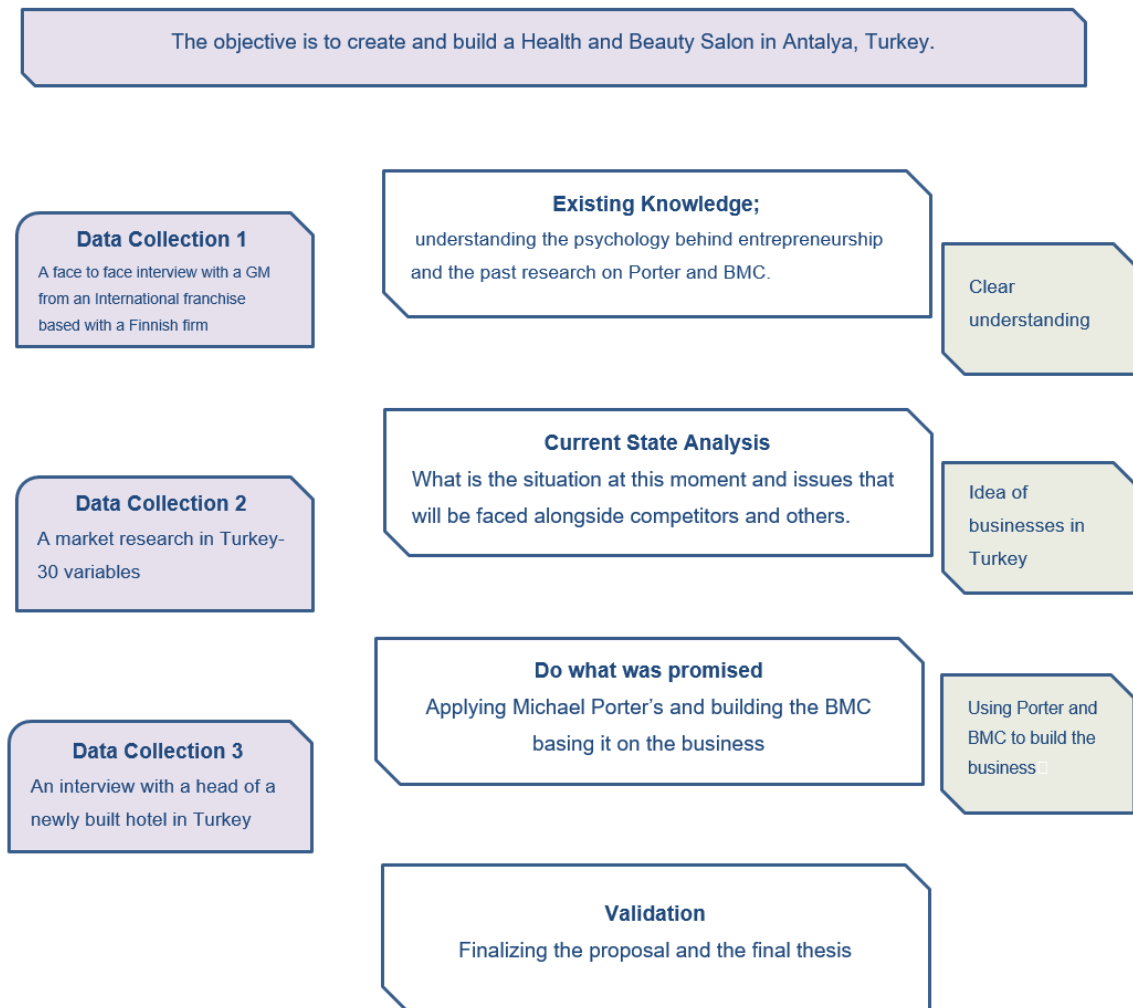


Figure 2. Research Design of this thesis.

As shown in Figure 2, first of all, the existing literature discusses entrepreneurship to allow a better understanding of what it takes to start a business from scratch. This will also cover the psychological aspect of entrepreneurship, using social entrepreneurship as an example. There will be an explanation about the business and what are the services on offer. The Existing Knowledge otherwise the literature review shows the past literature that really gives an academic understanding. Entrepreneurship is touched upon using social entrepreneurship and a psychological insight behind entrepreneurship the Turkish markets and most importantly the health and beauty sector. The derivation will be from the wider world, Finland and Turkey.

Next, CSA allows an extensive view on various aspect of this business. The strengths and weaknesses of competitors are taken into consideration along with the state of the country.

In the Entrepreneurship section, two key research is made through the interview the General Manager and Head of a franchise in Finland and a Head of a newly built hotel in Turkey. The key expertise and experiences will be a benchmark and huge contribution to the business but most importantly to this thesis. The answers from the research question would unquestionably have an input of key strategies, customer focus, employee focus and much more.

In addition, a list of question directly related to the use of the business will be designed and asked to potential customers. This would be a field research made in Turkey during the latest visit, dated April 2021. Having already appointed a manager who is also a stakeholder of the business, the need for a local expertise is key to the research due to language barrier. The manager in question will also be part of the proposal building due to the vital expertise that she has in the health and beauty sector.

For the current state analysis, a set of questions has been designed and asked to 30 participants at random about our services in Turkish language. This phase of research would give the possibility to find out what customers really think and the various services that are on offer. This would also be key for the pricing strategy and what customer really want in order to use the business. *Appendices 2 and 3* shows the research questions asked and converted into usable data. The research questions were made in Turkish language (*appendix 2*) and then translated in English (*appendix 3*). So, both the questions and responses are listed in Turkish and then English.

In addition, the country on to which the business is based, that is Turkey, will have a profound impact on the business. It will contain the challenges of establishing a business abroad. For this end, an interview with the manager of a hotel was made during the trip. This was to discuss the challenges of businesses in Turkey and as a new hotel, what has been the issues faced during the pandemic. Also, the potential of doing a collaboration with them was also debated in details. It was an opportunity to introduce the services to the hotel's wide range of customers and also employees. This discussion is shown in *Appendix 4*.

2.3 Data Collection and Analysis

This sub-section tells about data collection and how we went about collecting information and method use in this study.

In this thesis, the use of data collection was for different goals. The use of various methods was crucial to have a different perspective and the key was to be able to do it in Turkey, which was made with the help of the business partner, who was a significant contributor in the building of this business. Table 1 shows details of Data used in this study.

Table 1. Details of Data collection used in this study.

Removed due to Personal Details of Interviewee

As seen from Table 1, data for this Thesis was collected in from several participants. Asli Guler has been fundamental to this thesis and without her, this whole project would not be possible. She is the main contact, representative in Turkey and is also holder of 8% of the business whilst I hold the rest of the Private Limited Company. It is important to mention that as of today, the wait for registration is still pending due to the current situation of a global pandemic.

The first interview was to understand entrepreneurship from the point of view of a head of business and General Manager of a franchise. The next one is a market research made in Antalya, Turkey. This was made to provide an idea about potential customers and what they expect. The final interview was with the head of a newly built hotel who provides an evaluation of doing business in Turkey and the challenges, the interview ended with us doing a collaboration together once the salon is opened. The accountant does all the necessary paper work which includes tax, invoices and salary. He currently is '*Power of Attorney*', due to the distance and the fact that he is able to do all the key bureaucratic and red tape work. The lawyer is here as an important individual who will act on our behalf and will be looking at advising us where necessary. Thus, Table 1 listed the people who are involved in this process and were key research points as well as ongoing advice and support.

The suggestions from literature are discussed in Section 3 below.

3 Existing Knowledge and Best Practice on Starting a Business

This section discusses the literature on entrepreneurship in general and the various aspect, challenges of doing business in Turkey. Also, business modeling will be discussed from the Business Model Canvas perspective.

3.1 Entrepreneurship and Psychology behind Entrepreneurship

There have been many definitions of entrepreneurship, derived from the French vocabulary. If the translation of word for word is made, it literally translates to one who *'undertakes.'*

Many scholars have all had various input in explaining entrepreneurship but two traits could be derived, individual traits and economic function.

'The field of entrepreneurship as the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited.' (Shane & Venkataraman 2000)

Thomas & Mueller (2000) followed up by saying that the understanding of entrepreneurship should be broaden to foreign markets to inspect the circumstances and attributes in order to inspire entrepreneurial activity in many areas and countries It is comprehensible to emulate that entrepreneurs replicate the leading values of his or her national culture.

Sarasvathy (2011) explained that entrepreneur regularly check their progress, their key strengths and use, so to say whatever means, on the go, to achieve objectives and always prepare to react to issues. On the other hand, it can be said to always set a goal and work towards it. They are meticulous and always look at the best path to fulfilled those goals.

The clichés about the thinking of entrepreneurs are associated to being risk takers, active individuals, experienced in the usual day to day life. These are some of the factors in direct relation to entrepreneurs. Going with feel and flow could also be what entrepreneurs are and this make them have an open feel about every aspect of their

business. Also, entrepreneurship allows independence and that is a big thing in life. Khilstrom and Laffont (1979) pointed out that in a way people who loves ambiguity and decision enjoy entrepreneurship whilst the less improbability oriented enjoys getting a salary.

In terms of content, information and knowledge and the availability of various tools, these days, entrepreneurship is 'easy' or we can say, it is 'easier.' In some respect, people around the world has all some sort of creative idea. But, these days the social media influence, economic and social climate tend to offer a harder push to people to make a start, think about any business idea, see its viability and possibilities and then transform it into reality.

As for the psychology behind entrepreneurship, at the moment, research has so far not been able to find the main reason behind what actually makes an entrepreneur the way they are, behave, act and conduct themselves. Fauchart and Gruber (2011) pointed out that the entrepreneur has certain psychology. The questions in regards to being an entrepreneur is *motivation*. One similarity is that entrepreneurs must work towards *the demand of the people* so that they can earn through their venture. It has been underlined by Gibb (1987), that they are extremely *convincing and adamant* that their product or service is the best. They are able to juggle at various tasks whilst being able to solve issue using their imagination and just confidence. *Leadership and hard work* are very much present within an entrepreneur.

Creativeness and innovation are the key, but at the same time entrepreneurs must be able to act during inexact situation. Chell (2008) mentioned the importance of *achievement, focus of control and risk-taking* propensity as the vital three components or qualities of entrepreneurial behavior. Traditional entrepreneurs are also known as those who track capitalism and always look for a buildup of incomes (Banks, 2014; Kirzner, 1985)

However, Cultural and Creative Industries (CCI) type of entrepreneurs are different as in a way that *freedom* is very important to them whilst combining economic values with creativeness. Talent and creativity play a huge part in CCI businesses. CCI entrepreneurs are looking to include their talent and ability into their main business idea. But it may be hard for them to follow the correct part as, as Naudin (2013) mentioned the

three main characteristics that is *artistic, financial and self-development*. Additionally, they may have issues finding the right funding sources. Also, autonomy is very important and being able to freely create. (Oakley, 2004).

Finally, a key aspect of entrepreneurship is *competence*, and this is vital that entrepreneurs show how their work uniqueness fits into entrepreneurship identity. (Fauchart and Gruber, 2011).

Summing up, the idea behind identity of an entrepreneur is more to what features are needed in order to be successful in this venture, in tough competition and volatile business environments.

3.2 Competitor Analysis

Michael Porter's five forces is one very popular tool used in business. Whether it is a small business or a huge conglomerate, strategy is key in every aspect:

'the job of the strategist is to understand and cope with competition'

Porter (2008)

The five forces can be extreme in certain industries while gentle in others. What forms part of the five forces varies by industry and best example could be airline where there is an aggressive competition between airline manufactures that is Boeing and Airbus (Porter 2008). The exact depiction of Porter's five forces is quite elaborate and can clearly be used in the health and beauty sector as it will allow to shape up the strategy that would allow hope of success.

The five forces are explained by Porter (2010) as follows,

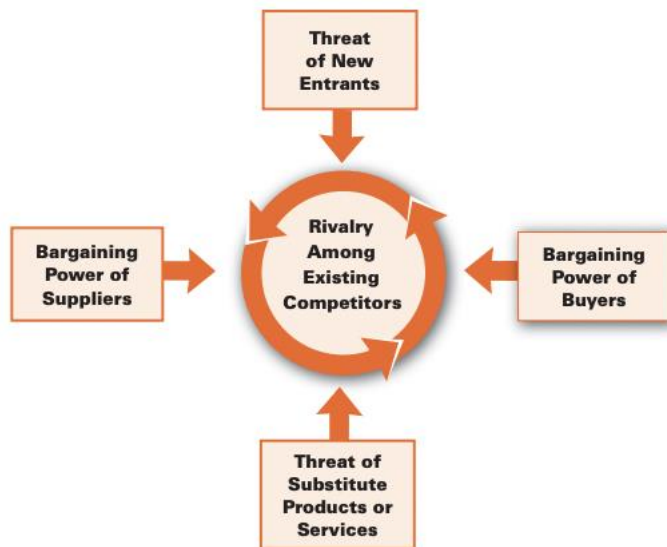


Figure 3. The five competitive forces that shape industry competition (Porter 2010).

As seen in Figure 3:

Threat of new entrants:

The new player in the industry brings in an intent of wanting to have some of the share. This can be an added pressure in terms of costs and prices which usually makes competition rethink, especially if there is direct competition. On the other hand, if a big well-known company which has been popular with one particular product enters an industry, that is expanding, they can move competition. One good example can be Amazon with its Amazon Prime.

The power of suppliers:

Suppliers look at value. They will take whatever they can from the market, using high prices and sometimes a limited availability in quality. One example could be in Finland, Alko, which is a state monopoly in alcohol provider. Differently, if a company relies heavily on an ancillary service support, it increases the power of suppliers.

The power of buyers:

Buyers can drive up cost. Whilst asking for cheaper prices and better quality, they allow competition within companies. Bulk buyers are very influential especially inside sectors where fixed costs are astronomical, such as technology or space research, Elon Musk

Space X would be an example. Backward integration does occur especially if there is a feeling that vendors are charging too much or because it just suits company to produce themselves, for example, packaging of products could be made indoors.

Threat of substitutes:

This is where another product or service replace what is being used but can be slightly different. The easiest example could be tea and coffee, they are both a source of caffeine. Paper wrap can be a substitute to plastic wrap, both used in retail or restaurants. Car rental comparisons website such as rentalcar.com can be a substitute to rental car company websites. They are a threat to each rent companies due to them having the bulk and provide customers options. Difference in products or the style of its packaging can be detriment to customers wanting to use substitutes.

Rivalry among existing competitors:

Many ways of competition and rivalry can be extreme at times. Industry espionage and sabotage are real and happens all the time. But the most popular ways are pricing strategy and aggressive marketing of products and services. Nowadays ancillary services are among those that really have to find out means to rival the others, whether it is with better procedures or other sources. The commitment of rivals is visible and if they have dreams and objectives that are not monetary related, they would do whatever it takes to compete, gain market dominance and more. Porter (2010)

3.3 Business Modelling

In response to competition, many businesses start by reengineering processes. There are various methods that can be used and those methods are regarded from a changed outlook.

'A business model is a simple representation of the complex reality of a business. The primary purpose of a business model is to communicate something about the business to other people: employees, customers, partners or suppliers.' (Bridgeland and Zahavi, 2009)

According to Bridgeland and Zahavi (2009), business model is in our daily life minus paying attention to it. The likes of maps, scheduling whether it is the tv program or even the furniture assembly instructions. So, this is present on our day to day life and we have to live with it.

In this thesis, this business model will be to try and simplify the health and beauty salon business, taking into consideration the following,

- Key Partners
- Key Activities
- Key Resources
- Value Proposition
- Customer Relationship
- Channels
- Customer Segments
- Cost Structure
- Revenue Streams (Osterwalder et al. 2010).

Osterwalder et al. (2010) talks about businesses seizing value and the ways that they go about doing it. They continue by saying that Business Model Canvas (BMC) is a visual which contains nine key areas which can help the business. With a straightforward method, BMC allowed a clear and concise understanding of the business model.

The following areas are included in the BMC:



Figure 4. Business model canvas (Osterwalder et al. 2010).

As seen in Figure 4:

Key Activities;

This is where the business establishes its products and services on offer and the things that has to be done and are a necessity. Manufacturing firms uses this for quantities and quality. It could also relate to finding solutions to issues a customer might be facing. Finding solution to a problem is the key activity of a firm that is here to help its customer solve an issue for example in its processes. (Osterwalder, Pigneur & Clark 2010)

Key Partners;

What makes the business flow and operates consist of the range of suppliers and various partnerships it has. Business must create associations in order to elevate their business and minimize risky situation. Some tactical coalition is made especially if there is no direct competition. Partners are made to develop new ventures or ideas and cooperation between buyers and suppliers are very common. (Osterwalder, Pigneur & Clark 2010)

Key Resources

This block contains a vital part which makes the model works. Businesses needs this to generate Value Proposition, attain what they have set out to do such as preserve a good relationship. Resources varies accordingly to what sector the business operates. These are not just financial power, but also special talent as labor or key knowledge. (Osterwalder, Pigneur & Clark 2010)

Cost Structure

The business model has cost here it takes into consideration the most important cost it sustains. Having customer retention, relationship and adding value to the business do have a cost. It is said that companies which are focus on reducing cost, are very meticulous in every area whereas those that are keen on value are less focus with the consequence of high costs. Fixed costs, variable costs both differentiate and has an impact on the business model. (Osterwalder, Pigneur & Clark 2010)

Customer Relationships

This is the type of relationship; businesses have with its customers. Whether it is a personal one or computerized, it is vital to the business. This includes, customer retention or increasing sales. The various sets of customer relationship assist the different segments. Community can be included as part of it due to the help consumers do in between themselves. (Osterwalder, Pigneur & Clark 2010)

Customer Segments

These are usually what the business wants to target where customers are said to be the most important segment. There may be a case where segments are made among customers where common needs, conduct are classed. The decision to focus on specific segments and ignore others helps businesses to really have an understanding of its customers. (Osterwalder, Pigneur & Clark 2010)

Value Propositions

Here, it explains the products and services which influence specific customer segments. One new product or service or one that makes the product or service better and was not available before can be value proposition. Tailor made products and customization is one aspect of value proposition. Performance and constant improvement create value

as well as a new set of needs that was not distinguished beforehand by customers (Osterwalder, Pigneur & Clark 2010)

Channel

This includes the way communication is made to target the customer segments. It plays a key part of the customer experience. This might be something the business cannot live without due to how they show their new products or services. Channel gives the possibility to purchase specific products whilst also providing post purchase support. (Osterwalder, Pigneur & Clark 2010)

Revenue Stream

This is the cash the company generates using each segment. This block looks at what value customers are willing to purchase. Once this question is answered, a business is able to create not just one revenue stream but more. The two revenue streams are one-time payer and those that are recurring. (Osterwalder, Pigneur & Clark 2010)

Summing up, a business model must not be compared to just 'what is being sold by the business.' It is a model showing more, the goals, organizations and business processes. Models are made as a mean of communication to not only customers where they will know what are the services and how it will look. However, and most importantly it will be used within, that is among the team where matters and problems are discussed and need the consideration of management.

In the next section, the CSA will look at various aspects of doing business in Turkey. It also looks at competitors, pricing and results of the interviews and market research.

4 Current State Analysis of the Entrepreneurship Challenges and the Market in Turkey in the Beauty Sector

This section looks at various aspects of doing business in Turkey. It also looks at competitors, pricing and results of the interviews and market research.

4.1 Overview of the Current State Analysis

This section of the thesis will look at the current state of entrepreneurship in the beauty sector in Turkey, using the research made in the country. This will evaluate the current situation and give a clear idea of the forthcoming challenges. The possibility of shaping the vision of the beauty salon using BM is a great advantage. The honest answer and reality obtain has to be found as it really will show '*where we are in the market*' but most importantly how big of a gap to get to '*where we want.*'

In this thesis, the CSA has focused on two aspects, mainly entrepreneurship and the challenges of someone who has done it. The General Manager of Länsiauto Rent, which itself uses Enterprise Holdings as a franchise has provided an insight of doing business in a different country. The face to face interview is depicted in *appendix 1*. He was asked various questions due to the nature of his position but most importantly considering that he is running the business in Finland as a foreigner. He does cover quite a lot in terms of the extreme difficulties he faced but also the challenges that lies ahead.

Secondly, a market research was made during a trip to Antalya, Turkey in April 2021. This research was a set of questions and was done in Turkish and was asked to 30 participants to have their ideas and views on the opening of a new health and beauty salon close to them. They were asked various questions that covers what they will look to obtain before using the service among many other questions. Both questions and responses were then translated in English and are shown in *appendix 2 and 3*. Thirdly, an interview with the Head of a hotel which gave an insight of business in Turkey.

4.2 Insights on Doing Business in Turkey and Entrepreneur Personality (Interviews)

The health and beauty sector in Turkey are one of the most booming market. Antalya, one of the most touristic cities in the world is situated on the Turkish Riviera and has had a huge amount of funding into it due to the constant passing of tourist throughout the

year. It has a turnaround of tourist every year, predominantly from Russia, Ukraine and Kazakhstan, where around 13.6 million went through it alongside its current amount of around 1.3 million residents. (Macrotrends, 2021)

One of the main focus of this thesis has been to have a clear idea of the challenges of an entrepreneur. The idea of doing business in the country an individual is based is already extremely hard and challenging. Establishing one in a different country only make things twice as hard in every aspect. The possibility of discussing those experiences and challenges to someone who has made it, granted in a different way.

The insights into doing business in Turkey and the essential features of a successful entrepreneur were obtained from the following informant. For this end, two business professionals were interviewed.

First, the General Manager of Länsiauto Rent OY, operates as someone who makes all the decision in regards to rent, that is from buying, and selling, recruitment and training, overseeing employee salaries and many more. Due to the fact that the company works under the brand Enterprise which itself is under Enterprise Holdings, he operates the business as an entrepreneur. With lots of similarities on not only a business point of view but also a personal one, he has built a solid company already challenging the big players in Finland. The raw details of the conversation are elaborated in appendix 1.

This informant confirmed that having all the responsibilities within the company makes him an entrepreneur in relation to his responsibilities and personal ties with Enterprise Holdings. The discussion went straight to the challenges he faced in Finland as he is a German national who has been here around seven years. He said that *language barrier* is still a strong issue and will affect anyone that settle in another country and if it is for business, there is a strong advice to learn the language.

Next, in relation to *the geographical area and location* of any product or service-based business, he explained that the distance between Helsinki and the other big cities is an issue. The example he gave was In Germany where big cities are close by whereby in Finland, outside Helsinki the next big city could be Turku. He touched on *the culture* and this directly link to establishing a business for example in this thesis, Turkey. It is vital to understand the culture and how business is done. He mentioned that he finds out that

Finnish people are honest which makes business easier with less use of legal advice. There is a demand for effectiveness and quickness but nowadays also a relationship sort of service that has an affection to it.

As an entrepreneur, he spoke about growth in the business and how after less than three years, they have had a huge fleet turnaround, opened many new locations and all during a global pandemic. This was quite an interesting part of the conversation as he spoke about the reason behind all those changes. With their three brands, tourism was a key target, but they have gone to provide to the local with a few new products. Even with the challenges around, and with a high cost involved, he believes that this was the best decision as a wider portfolio of clients involving not only private customers but corporate firms as well.

Another fascinating part was around leadership. The closeness with his employees when first open, as they had only seven to ten members of staff was very visible. There was an intent of getting to know people around him and the customers as well which he believed made him better understand the system and processes along with the culture. He believes that allowing a certain number of leashes to his employees whom he trust entirely can only be an advantage. There is a clear strategy and intent and he believes that once this has been instilled, employees feel confident to make key decisions as he has had to take a step back and not be involved too much in the operations side of the company.

Towards the end of the conversation, he was asked in terms of what he would want to do and pursue in the next few years. Instantly, technology came to mind and he was adamant that new technology that would give customers access to cars without having to move around will be one important part moving forward. He believes that personal contact will be lesser than before. There must be ways to adapt to the culture and demand and he keeps working on ways to do so. He is looking to make the company the number one in Finland whilst being a good one for employees.

When asked about the main advice he would give, he immediately mentioned that learning the language is a must and has to be done. Investing in employees and the business considerably and all the time is significant and not just reap immediate profit. Educating ourselves is by trying to understand how things work is no shame according

to him and the beliefs that he sees all his work as an investment and that it has started to bring in personal success and would continue to do so.

Second, a crucial interview was made with a head of a newly built hotel, AG Hotels Antalya (see in appendix 4). This was a big achievement as they managed to open the hotel early this year with all the hurdles that they faced. The Head of the Hotel provided some key insights. They were able to open the hotel whilst the project is ongoing in terms of there are plans in place to finish with a health and fitness center alongside an outdoor swimming pool. It was pointed out that due to restrictions on closure of group areas, they decided to continue with the opening of the hotel. The owners were said to be passionate and was keen to provide something different as the hotel was in a prime location that would be useful to business people not willing to travel long to the city centre of Antalya. The recruitment of the staffs was mentioned and discussed especially regarding the type of personnel in need. They wanted to give an opportunity to young and vibrant people who are only just coming from hotel school but also recruited some experienced individuals to have a great combination. The use of agencies is very popular and due to the current issue, the need for a big team of staff is just not necessary so they have the possibility of planning the need of staff. The interview ended after it was mentioned if there was a possibility for Asli Guler Beauty to do a collaboration with the hotel. The recommendation to its customers in return to a specific allocation of prices but also the possibility of their staffs to use our services at a much-reduced price. This was ended successfully with an agreement.

4.3 Analysis on Doing Business in Turkey (Market Research)

The idea of doing a field research in Turkey during the pandemic was very costly financially, timely but extremely significant to this thesis. The possibility of getting a clear understanding of what customers are looking due to this sector being so competitive worked in the business's favour.

29 people replied that they use a beauty salon and with the services on offer, it is predicted that the use is 2-3 times per month. As the salon will be offered to both men and women, but services may differ, the majority of responses came from female (93.3%)

who are keen users and need beauty care. Figure 5 below shows Market segmentation of market research shading light on potential service clientele.

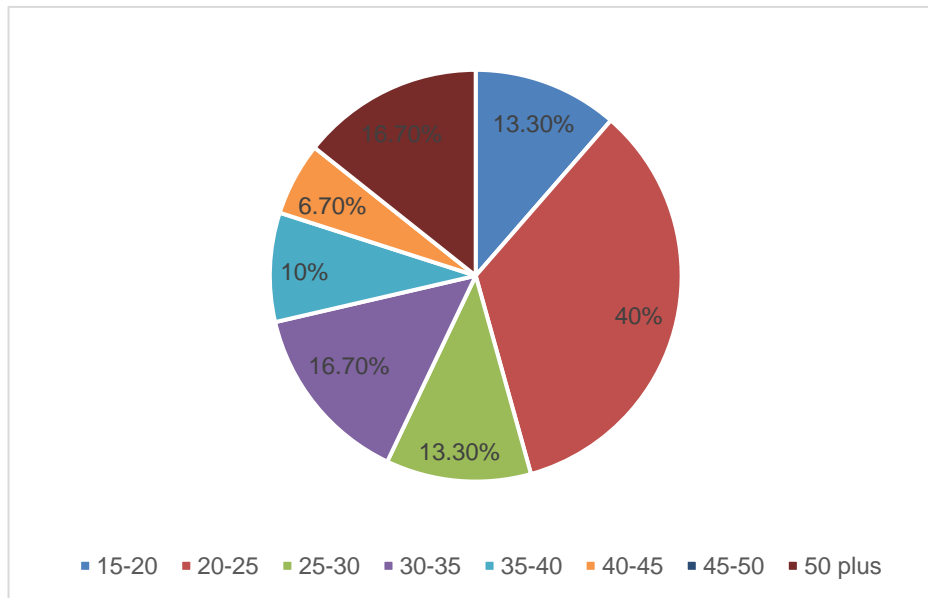


Figure 5. Market segmentation of market research shading light on potential service clientele.

Based on the results, the market segmentation gives the possibility to narrow the targeted customers. Unsurprisingly, 40% of the potential users are aged 20-25. On the other hand, 50's plus is 16.7% who are frequent users. Those number do give us the possibility to shape our services accordingly.

These results are crucial to have an idea of who and how old the customers are, if they are employed, and what sort of sector they operate, as the service is planned to have a subscription type of payment. The income is always a tool that can be used to price up our services accordingly. However, generally speaking, Turkey is a very volatile market with constant inflation and prices are always changing.

Next, understanding what services customers are looking for is paramount and the results came as somewhat a surprise. Figure 6 below shows the desired service elements of market research shading light on potential service clientele.

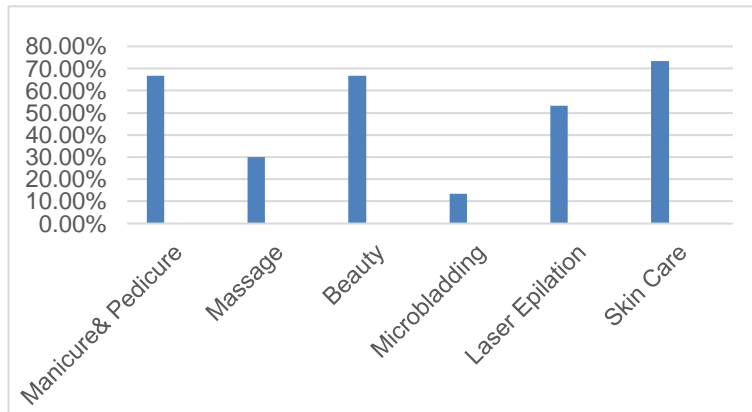


Figure 6. Service elements in market research shading light on potential service structure.

When customer was asked about what sort of services they are looking, the responses distributed as shown in Figure 6. The results show that the microbladding will attract more people because this has been a popular demand for the last 10-15 years, but skin care seems to be the one that is more attractive. Unfortunately, due to a huge investment needed, the laser epilation machine will only be bought in the next year or two. However, we feel that going towards the medical side of beauty care is promising. Also, the G5 cellulite and slim machine was added after the survey was done so no market data was obtained. However due to the demand of this service the decision to invest in this machine was done late April and included as one of the services on offer. There is a strong belief that this would be a significant investment to the business.

As for competition and loyalty to the existing service provider, 92.6% gives their salon a 10 which is tricky because it is hoped that we can be a 10 and offer more in terms of not just the services but interaction between staff and customers. Thus, it will be challenging to us to get half of this amount to switch allegiance. Most of them also answered that they are very happy with their masters, but it is interesting to see that a few has answered less than 10. This does allow to think that, even though some people go to a place, this does not necessarily mean they are happy about everything. Potentially, they are looking at slightly better services and we have to position ourselves to take advantage.

Finally, low prices were not mentioned in this survey as it seems that customer services and good interaction is key to customers, people have answered about smile and sincerity. Due to the COVID-19, good hygiene has also been pointed out alongside the highest quality and services.

4.4 Results of Competitor Analysis

In regards to competitors in Antalya, unfortunately the new business is going to be in direct competition with a couple of hundreds of health and beauty salon. However, these would not include private individuals who works illegally from their home providing some of the services or by renting a small room and not declaring their full income due to tax purposes.

One of the most popular chain and franchise in health and beauty is Emsal Dogan. This chain was established by a woman and has since grown immensely. Most of its salons are operated as franchises and has already made a huge name due to being involved in most of the biggest cities in Turkey. Their services are ranged from basic to clinical services which are of the highest quality. Of course, not all of its salon provides the same and exact service, but the quality has to be of the highest. They employ the best available 'masters'. It is important to mention that the word 'masters' is literally related to the individual who have the expertise in a particular aspect of health and beauty, for example, a manicure and pedicure specialist is called a master of the mentioned discipline. The chain Emsa Dogan is said to bring in around 50000 Turkish Lira, equivalent to just shy of €5000 per day as revenue on a difficult day.

Another very well know competitors who already have an edge on our business are 'Eylül Öztürk Beauty' which has 14 salons spread around Turkey, 'Asya altuğ Beauty Center' which is very popular among young people and 'Pelin Çiçekçi Beauty center' who has three salons in Antalya.

Competitor services on offer:

As mentioned earlier, clinical services are on offer which make it very difficult to compete. Customers want to go to a salon where they can obtain all the services mentioned below,

- Manicure and Pedicure
- Health and therapeutic massage
- Facial Care
- Skin Care
- G5 Vibration Massage
- Microblading (light tattooed and skin pigmentation alternative)

- Laser Epilation
- Clinical Service (Fillers and Botox application).

The services above are offered at our main competitors and this is an interesting point as it does make our business venture very challenging. Customers are aware of the type of machines that are used on them and they demand the best at all times. The best example is in regards to the laser epilation service. Previously, one common machine named the Alexandrite Laser Epilation and was widely used in beauty centers. But this is an old technology which is no longer preferred and do not provide the appropriate result. Customers are aware of this and they want to have the best type of service due to the high cost they must pay. The newer version is called the Diod Laser Epilation which has as main function, a less painful experience with the ability to be used during the whole year round. Customers want to have this machine used on them and the cost of it is around €10000 and as we are only starting, it would be insane to just invest this money right away. This service is really the cash cow of any beauty salon; this makes a revenue stream incomparable to the other services. The fact that customers has to do the process a few times in the year, it does bring in a significant amount per customer.

(For comparison, at our beauty salon, we may start with the first six services listed above which already demanded a good amount of investment. However, at this stage we are not able to offer the last two which demand the buying of machineries which mandate a noteworthy investment.)

Lastly, clinical services are another part that demand a huge investment. The knowledge is expensive to acquire and sending one employee on a special course do cost. The various equipment in need alongside operating as a health provider will demand an important set of planning, investing and set up which may have to be within a bigger space to operate effectively and in a safe environment.

4.5 Results of 'Beating the Competitor' Analysis of Core Competences

Based on the analysis results of the core competences needed to beat the competitors, the following core competences were identified:

'The Feel-Good Factor':

As a newly established business, it should thrive to provide the best customer experience on offer. The way a salon operates in Turkey, is not only for a customer to come in and receive the care and then leave. There is more to it in terms of the whole process. To be able to provide a complete get away from the daily life struggle to our customers, the best example would be a persona in *Figure 7*.






| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Bio Looking to change my current routine and get for the best beauty treatment available. If the service is good, money will not be an issue. I am also interested in becoming a member.</p> | <p> Goals</p> <ul style="list-style-type: none"> - Achieve successful career - Health optimized all year round - Raise her children and be the best mother - Safe environment | <p> Relationship with Technology</p> <p>Devices:</p> <ul style="list-style-type: none"> - Phone and Laptop <p>Browsing social media:</p> <ul style="list-style-type: none"> - Instagram, Facebook and Twitter |
| <p> Demographic</p> <ul style="list-style-type: none"> - Female 29 years old - Location; Antalya, Turkey - Married with one child - Position; Head of Development | <p> Present challenges;</p> <ul style="list-style-type: none"> - Extremely busy - Feeling that I am neglecting my body and my family - Trying to stay fit, healthy and beautiful with no avail - Never a 'me' time | <p> Habits</p> <ul style="list-style-type: none"> - Eating junk food especially when stress - Yoga whenever I have time - Catches up with girlfriends - Podcasts and scrolling social media. |

Figure 7. Persona of Gulsan Dohen.

Figure 7 shows a persona of the customer '*Gulsan Dohen*' who is in desperate need of our services which will then provide them with the best feeling. We believe that coming out from our salon, '*feel good factor*' is our primary objective.

Pricing Strategy:

Earlier, it was mentioned that we are competing to not only against big chains which has established itself as a monopoly and pricing out small business. On top of that, there are the private individuals to provide the same type of services at their home, charging less and less with a view of a side income. The challenge is enormous and there is a sense that the business have to be very careful and meticulous in everything it plans to do.

There is a possibility of stopping this with pricing and at the same time provide a high-quality service.

The pricing strategy will be in direct comparison to Emsa Dogan, which as mentioned is one of the most popular chain. There is a priced down of at least 20% less on all services. It is important to mention in Turkey, due to constant inflation of prices and economic change throughout the year, prices are always changing. As the strategy is based on an Integration Pricing Strategy, the basis of it is to be seen by potential customers. However, there must not be a case where customers have the feeling that as prices are low, quality of services are too. There is a strong belief that providing a sensitive price to start will be in our advantage.

Masters at work:

Relationship is vital in Turkey and having a range of knowledge in this area can play a big role. My partner has established that with her years of experience. Her social media expertise which is very important in Turkey has brought us a wealth of knowledge and understanding of methods that were not aware. Connection plays a big role and having a network in the health and beauty domain do work in our advantage. The fact that we have teamed up together for this business allow us to use the connection in the right away, especially finding the people who would want to join us on in this journey. We want the best people to work for us. Quality is colossal in this sector and our employees must be able to provide the best services. We are teaming up with individuals that care about personal appearance and who have an interpersonal skill which will result to customers wanting to use our services.

Resources:

Firstly, this business has been started with the personal investments of the founders whereby no loans or borrowings were made. When mentioning the resources in use, it has been a tricky road. The global pandemic has been a disaster for entrepreneurs in general. However, in the case of this business, the challenges have been huge and there is a belief that the strength has been more mental than physical. There was no giving up and the goal was set to be achieved. Physically, the business is ready to operate at this precise moment. But, the multiple past lockdowns of the country have not help. In fact, without operating, the business have already made a huge lost in terms of not being able to make a start on the basic things within the business. Financially, it has taken a big hit

and it has been more frustrating that issues such as red tapes and governmental procedure were out of control. The possibility of introducing the services to potential customers has not been possible. In the meantime, social media has helped to create awareness of our business but we know this is just not enough.).

These findings inform the kind of proposal that is built next, in Section 5.

5 Building the New Business

This section merges the results of the current state analysis and the themes discussed theoretical framework towards the building of the new business. In this section, Michael Porter's five forces will be applied to depict the new business and create the Business Model Canvas for the beauty salon Asli Guler Beauty. The steps for opening a new business described here will be factual and will contain what is needed to operate.

5.1 Application of Porter's Five Forces to the New Business

It was established in Section 3 that Porter's five forces is a tool that can easily be applied and during the setting up of the beauty salon, referrals to his work has been used effectively especially during planning and on a strategic point of view. This allows a concise approach and technique moving forward in establishing the business.

Threat of new entrants:

The question that has been asked is how are we a threat to the existing salons, but most importantly to the well-known chain. As a business, there is a belief that money is oriented, however the closeness to customers is primarily and this is what can be a threat to the others. We believe that the ability to have a special interaction with customers can be a threat of entry due to the quality of the service. The lower prices to be charged will in fact have an effect on everyone and the belief in becoming a major player in the market is real.

The Power of Suppliers:

Noticing that the suppliers in this field are categorically available to all. However, there is an issue with small cities with a low population in Turkey. Whatever is needed for the running of the salon can be obtained but the prices are higher than ever. There is a need to leave the city and research suppliers at the lowest cost and create a relationship. The ancillary support needed to run the salon software system is another example of the power of suppliers.

The Power of Buyers:

It has been established that cost can be driven up by buyers, as competitors can chose to raise prices. This beauty salon gives buyers choice and the possibility to have a harder

decision to where they should go to have their beauty care. They have choices to make and in that respect, it makes things harder for us, but the belief that the service provided can entice them to join our business on this journey. On the other hand, in our respect the belief that there is a possibility to create our own line of beauty product is real as we do intend to create a backward integration system.

Threat of Substitutes:

The belief that the beauty salon is a threat to the others is a huge. However, the main question is what do we substitute for, as we are really providing the same services than the others. This is where the quality of the service comes into play. The understanding that customers will have a different feeling of the services on offer is tremendous. There will be more intimacy, interaction, communication and on top, we shall add our USP which is a membership subscription.

Rivalry among existing competition:

The understanding that at some point, competition with other salon chains will become real and the impact may affect us greatly. Our market research has allowed us to find out exactly what customers want and we believe that we have found the right component. The salon manager has great experience from one of the salon chains and this is tremendously helpful as the knowledge and understanding how such a big chain in Turkey would really add to our future plans and services on offer.

5.2 Business Model Canvas for Asli Guler Beauty

Below is a full BMC that has been applied to the new beauty salon. BMC has given the opportunity to have a clear understanding of what constitute of the business and its key components.

Table 2. BMC of the new beauty salon.

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company: ASLI GULER Beauty | | Authors: Nilsen Veerupen | | |
| Key Partners <ul style="list-style-type: none"> - My business partner and salon dedicated salon manager - All the masters working for us - Multiple suppliers of products for beauty care - Paper and Stationery company that produce all of our advertising materials - AG Hotels Antalya | Key Activities <ul style="list-style-type: none"> - Manicure & Pedicure - Skin Care - Facial Care - Health and Therapeutic Massage - G5 Vibration Massage - <u>Microblading</u> - Laser Epilation - Clinical Services | Value Proposition <ul style="list-style-type: none"> - An experience of getting out of the ordinary daily life - A relaxing moment whilst getting pampered by a master of either key activities mentioned. - A low price in comparison to our competitors in all services - Making beauty care available to all level of earners. - A modern and high-quality service at all times | Customer Relationship <ul style="list-style-type: none"> - Customer retention - The masters have an exquisite customer service and create a relationship with customers - The salon develop relationship through long term provider of a specific service | Customer Segments <ul style="list-style-type: none"> - Women between 30-50, with a busy life that includes work and 1-2 children - Women between 20-29, at their busiest time of their life in terms of leisure and entertainment time. - Married men between 28-45 - Customer with a monthly subscription |
| | Key Resources <ul style="list-style-type: none"> - My financial backup - Salon Manager - Masters for every service - Our vital piece of equipment - Outstanding prime location | | Channels <ul style="list-style-type: none"> - Instagram, perhaps the most important tool used by entrepreneurs in Turkey - Direct calls & messaging services - A specific software for appointment scheduling & customer awareness- (<u>FulSalon</u>) | |
| Cost Structure <ul style="list-style-type: none"> - Rent of premises & other attached costs - Salaries of one manager and three masters - Software monthly subscription and ancillary support - Monthly inventory checks and update of stocks | | Revenue Streams <p>Each service provides revenue and varies to customer needs & monthly subscription</p> <ul style="list-style-type: none"> - Block buying of services, e.g. customer comes for more than one service at a time - Potential clinical and other service advice. - Potential sale of related product on customer demand. | | |

5.2.1 Key Partners

The key partner in this business is the other business partner and partly the owner of the business. As mentioned earlier in this thesis the masters who provide specific service are vital for the business as they are the ones that are interacting with customers. We have also had to develop some key relationship with suppliers from Istanbul, which is one of the biggest cities in Turkey. The range of options in terms of the supplies and products we need is just wider and at a lower cost. Therefore, we built a partnership with them whereby we are able to get whatever we need ship out to us on a very short notice upon placing orders. The marketing strategy consist of developing various printed material, consequently, we have found a company that is able to produce any paper related material for us.

The latest built AG Hotels Antalya is now a partner to the business. We have secured the ability to provide our services exclusively to their customers at a specific price. Their own employees will benefit largely from this partnership

5.2.2 Key Activities

Asli Guler Beauty will provide a range of services that would cater a demand in Turkey. Below is a list of the services,

Manicure & Pedicure

This mostly relates to a special care given using a specific technique and spa-like moment. Customers are able to relax and spend a good time.

Skin Care

Here, a variety of technique can be used in relation to the skin type of our customers and what treatment they will need. The use of a machine that help the master to administer the care needed with the use of special cream and other products has been the latest investment.

Facial Care

Women are more and more concerned about their facial appearance and skin glow and radiance. Due to skin problems which varies, such as acne, dryness and others, the demand for care is constant and costly. Eyeliners and various type of artificial eyelashes are going to be provided where customers have a variety of choices. This would be one of our cash cow service.

Health and Therapeutic Massage

The masters will be originating from an Asian country where they bring an expertise that is very much in demand. The different methods and procedures, with the use of various oil and candles that provides an atmosphere. We fully expect customers to be in a comfortable zone and come out revigorated.

Vibration Massage

This is a practice which has become very common especially among women who has deep tissue problem that needs special care. The G5 is a sub dermal non-invasive cure that has shown its usefulness in getting rid of cellulite. It disrupts the fat into an easier molecule to circulate by the blood for elimination. It will only be operated by my partner and salon manager who is qualified.

Microblading

One of the current and most popular technique in use. This semi-permanent tattoo method adds a different pigmentation to skin and usually applied in the eyebrow area. This can last up to 18 months but do depends on the skin type.

Laser Epilation

This is one costly hair removal technique that requires a machine and a master which has a special license to operate. It is a common use due to its long-lasting effect, that is after a treatment of usually 3-4 times customers comes back after up to 6 months.

Clinical Services

The various injection that is used to augment youthfulness and reduce wrinkles and other ageing effect. The master will have plenty of experience and is available to provide

advice on what customer need. This also involves the use of enhancing products to have a different look. A costly treatment that customers can target at any time.

5.2.3 Value Proposition

The understanding that customers should be able to get out of the ordinary life. The best example is a persona that has been used during brainstorming. One targeted customer is in her late 40's and had a busy household coping with daily work and a family. The idea that they need their own time to pamper themselves. The salon will look to provide a relaxing time and positive experience. The pricing strategy has been deeply thought and is at its lowest in comparison to the direct competitors. The salon will be modern and filled with a specific touch that allows a scented atmosphere.

5.2.4 Customer Relationship

First of all, customer retention in this sector is paramount. The interaction of masters with customers is vital. They will be the heart and soul of the business. It is simple, if the service is inadequate, customers will go somewhere else. They develop a relationship with their masters and will always want the same person to look after them. But, generally speaking, we believe that customers that comes back has more chance to bring other customers to us and it is vital that the salon do whatever it takes to make the customer experience exquisite. The services will look to be constantly developed and aim at using the latest talent whether it involves new and better product. The idea of developing our own product at some stage will be key in developing a further relationship.

5.2.5 Customer Segments

We established that women between 20-25 and 50 plus in Turkey are very proud of their appearance and believe that people's opinion counts. Our research has shown that there is a high level of attractiveness to those women. They would be a wife or girlfriend and be in a household with 1 or 2 children. These customers look to treat themselves once in a while or to use our service every three weeks where they look to have a relaxing experience whilst letting a professional take care of their body. On the other hand, even though, they can be money conscious at this stage of their life, women between the age

of 20-30, who are single, do tend to want to use our service on a regular basis. Our plan is to create a relationship with them. We will hope that whenever they feel that they need any specific treatment that we provide, they will choose to join us on our journey. The decision to be unisex has been a tricky one but the idea that our competitors do provide to men specific services such as massage and laser epilation in particular. Customers will be provided the possibility to have a membership subscription where they pay a monthly amount and receive specific services. This will allow retention and ability to have a fix income.

5.2.6 Key Resources

Earlier in this thesis, we mentioned that all the financial resources were put by myself as a business owner. However, due to the way this business is built the key resources varies and I believe that my business partner who will also act as the salon manager is vital to the business. In every aspect of the business, she will be at the head of the major decision. The masters at work are paramount, as they are the ones that link customers to the business. Their interaction and customer service will be constantly tested and will be key to our success. We have acquired many pieces of equipment that are crucial to our services and our salon cannot be operated without them. A business location is significant and the ability to have secured one of the prime locations in Antalya counts as one of the key resources.

5.2.7 Channels

Social media is on our day to day life and it is very hard to stay away from it. In Turkey, it seems that particularly Instagram, the use of it is more popular than any other forms including a company's website. Small businesses or individual sole trader uses it as main mean of communication. The page of our beauty salon has been well received by customers. With a view to provide advice to customers whenever they feel like they need to understand a particular aspect of their care, direct calls and messaging services is used. The specific software, FulSalon, has been acquired to put some ease in the day to day running of the salon. There will not be a need documenting and scheduling on paper as all can be done through this software. It also includes making the customer aware of appointment reminders, and other details in relation to the service they are looking to have at the salon. The masters are also given notifications of customer details.

5.2.8 Cost Structure

One key cost that is fixed would be the rent of the premises and with a prime location, this would be the main one on a monthly basis. The salaries to the salon manager and three other members of staff is also part of our main cost structure. The high-quality supplies for each of our services is bought accordingly and the management of our stock is done in a first in first out basis. With a monthly subscription of our day to day software and application in use to run the salon, ancillary support is also a monthly cost that is important to have.

5.2.9 Revenue streams

All our services are at a cost, but we understand that basic advice can be provided as long as time and effort are not at the expense of the salon members of staff. The running could include consultancy from one of the experts and this would be another source of revenue. One of the strategies we have adopted is to have a certain way to get customers to commit to us and monthly subscription is different as customers have the possibility to visit at a lower cost. The sale of related products is also on the agenda where customer will get the possibility to have the choice of a range of products.

6 Validation of the Proposal

This section reports on the results of the validation and the final outcome. It touches on what was covered and how to move forward. The validation is based on an actual and real business that was recently launched remotely.

6.1 Overview of the Validation Stage

The initial decision to start a business in Turkey was made late 2020. It did allow to have a concrete idea in mind, and the beauty salon was developed and pitched first with my business partner and then early 2021 to wider business audience. The endorsement of doing this business in Turkey was also made at the start of 2021.

The validation stage was conducted in May 2021. It was done via discussion with the business partner and via launching a real-life business in practice. The validation was made taking into consideration the various options of doing other research but most importantly, it was about starting a real business in practice.

6.2 Practical Steps How New Business in Turkey Was Started and the Current Plans How to Operate the New Business

For a start, it was necessary to learn how to start a business in Turkey due to the fact that the founder is based in Finland. Therefore, an accountant and lawyer were asked to support as a first step. The necessary but complicated paper work are mostly handled by them. The accountant has been given the '*Power of Attorney*' to do all the paper work on the founder's behalf in Turkish language. The founder's partner can then just concentrate on working alongside the founder to build the business.

Then, we decided to create a list of what we needed for each service that would be provided. Again, the challenging part was the storage as we did not have a location yet. The business location took a few months to obtain. The need of building a relationship to our suppliers shown in *appendix 5* was extremely important. The idea of going to another city to connect with suppliers that will provide us the necessary tools for our daily operation is vital. We are able to save around 40% on most supplies which itself allows

us to buy a big amount of most things that we need to start and give multiple options and choices to customers.

Then, the selection of location came. We believe that the best location would be in the center with the target of both tourist and the locals. Our location could be described as prime location for our salon. After securing the place we started doing all the interior decorations to provide as mentioned above, an experience to our customers.

Importantly, we set the budget and believe that we should not go over. But additional cost came up and we just needed to deal with it by negotiating the best deals for the best service. The logo and signing were found and we look forward to have a household name of a business in the near future.

As for marketing, in Turkey, websites and email are less and less in use for this type of business. The driving force is social media and having a social media expert and an individual who knows the operating side of this business plays in our strength. We have noticed a great amount of traffic around the name of our business through social media and the best and proud example is the constant question asked to us, *'when are you opening?'*

At this moment, the salon is ready to operate and pending governmental registration, we are ready to do our grand opening.

Once we start operating, we will need to drive our services forward, putting emphasis on the experience. Even though, we still have a lot of work to do, it was key to have everything put together.

The next step is to have an opening day where we are planning to create awareness in the popular neighborhood. On my last trip to Turkey, I decided that it would be essential to speak to corporate businesses. I believe that this would be something that will need to be done quite often. An aggressive marketing strategy has to be in place and using a variety of median could be an advantage. We know that our logo has already captivated curiosity and willingness to try our services. However, we believe that we can go one step by really making the brand *'Asli Guler Beauty'* a household name.

Upon the opening, we will be looking at a customer retention program either by using a loyalty method. We believe customers in Turkey look for the best service at all time and are very difficult to change, our plan is to allow them to express themselves through their demands and us, our willingness to do our best to provide an experience not like any other salon. We believe that one key Unique Selling Point (USP) in the near future would be subscription based in particular services where customer pay a monthly amount and are dedicated a box of services where they get to choose.

Summing up, strategy in a business whether at the start of operation or before opening is vital. We made mistakes along the way but understand that this was part of the learning curve of starting a business. In this situation, mistakes were bound to happen. The inability of being there on a day to day basis has played a key role. There have been decisions made as gut feeling and not well calculated with no clear way on how to approach or most of the time a lack of convincing and negotiation. However, the main objective has been attained, the salon is ready to operate and provide the best service possible.

6.3 Growth Strategy and Future Plans

The next six months could be very important in establishing the business. We have a step by step plan to what we want to achieve in the next six months. We understand clearly that this would be a challenging time. But we believe that staying in business will be fruitful in the medium and long term. My partner who will also be managing the salon will have her hand full with not only managing the business but also represent our brand on a daily basis. Having a direct interaction with customers will play a huge role and I believe that this could unlock the potential of the business.

We do aspire to grow significantly and a clear plan is in position. It was mentioned above that the various chains have a competitive edge towards us. One of the most hurried point would be to invest in the laser machine, which will be our most expensive piece of equipment. This would allow us to have a specific service acting as a cash cow and is the main revenue stream. We believe that this can be done in one year's time.

The next step would be to open more beauty salons. As challenging and competitive, this business is, there is an understanding that beauty should be accessible to anybody and everywhere. The competition has already established in many well-known and populated cities. Access to these big cities of Turkey is what we would want to have at some point. However, the target will be to open one or two new salons at once in the not so populated city such as Cappadocia and Mersin. We would look to have a smaller version there and test the market. This is the advantage of business in Turkey whereby, testing the market usually lead to success due to a low investment capital needed, especially in this sector. The bigger cities such as Istanbul, Izmir and Ankara would also be a target in the next five years.

During this growing five-year plan, there are already minor discussion about launching beauty products. With the hope of having established our brand by then, a vital product that is used day to day by women has been clearly defined to be hair products, most precisely an oil product. With a temperature that can surge above 34°C during the summer and a very steady weather throughout the year, it was found that women have a need for this specific product. Currently, only a discussion and minor research made, there will be more serious thoughts put into this once the business is operating.

6.4 Reflections on Validation

Validation with the business partner:

A very intense few months where it involved many brainstorming and primarily understanding the market needs. The design of a unique selling point has been very tricky but there is an understanding that no other beauty salon has what will be offered. The step by step plan was to find the right people that could potentially be vital in starting all the necessary paper work. In that respect, using the connections and contacts, my business partner has developed over the years has been very beneficial. However, due to the pandemic and extreme circumstances, there is still a wait for important documents such as governmental registration and Private Limited Company processes to start operating.

Validation of the operational side of the business:

The ideal and prime location was the prerogative. But, availability on the market is restricted and especially for that sort of business. There was a need to convince owners that the success will happen and that no future payment issue will be encountered. Supplies and all equipment were bought over the period of five months and taking into consideration in delays in all aspect, the salon is ready to operate providing all documents are in order.

Discussion and implementation of the Porter's five Forces and the BMC:

The outcome of this thesis was to be able to start a business. This has only been possible by following, understanding and putting together the knowledge acquired in this study, whereas the practical understanding of business has also been an asset. Porter's five forces and the BMC has been vital and allowed to have a clear and meticulous idea about the business in general.

7 Conclusion

This section contains the thesis summary and a discussion about the evaluation of the thesis and with the final words at the end.

7.1 Executive Summary

This thesis has as its main objective to open a real business in Antalya, Turkey. The business in question is to be a beauty salon providing many different services. The main challenge was to open the business remotely in Turkey while being in Finland. The decision on starting this business in Turkey was made in December 2020. This has really brought into perspective that cost of investment and other related aspects. However, this has come with many challenges where the current COVID-19 pandemic that nearly made it impossible.

Thus, the objective of this thesis was to start a business in the beauty sector in Turkey remotely, while located in Finland. The use of a business partner, lawyer and accountant made this possible and due to the current global pandemic, most hurdles were crossed effectively although at times with constraints. This led to opening a beauty salon named under the business partner in question, Asli Güler Beauty.

The study was carried out using Action Research Methodology. The theoretical framework was based around the topics of Entrepreneurship, the use of Michael Porter's Five forces industry analysis, and the Business Model Canvas in order to launch the business.

The thesis was conducted in five steps with the goal to have a different perspective from diverse people involved in business and get an idea about the market, and the customer point of view. The first step was clarifying the objective. The second step was conducting a literature review. The third step was the current state analysis that started with interviews with experienced business professionals where entrepreneurship was discussed. The challenges of being an entrepreneur in a different country was discussed with a view to try and figure out what should be done differently when launching a business in a new country. Conducting this current state analysis was very beneficial to this thesis because it was a real discussion with direct answers to many questions.

For the current state analysis, several interviews were conducted and a small-scale market research was made during a trip to Turkey in early April 2021. The results mainly related to doing business in Turkey. The conclusion was that doing business in Turkey is as different as ever. It was found that the costs to establishing a business vary due to inflated prices, the competition is significant. A significant part of the current state analysis was a field market research made in Turkey-April 2021. It was conducted in Turkish and translated in English, that provided an understanding to what customers are accustomed to in their personal care life and what do they expect from a new player in the market. Some of the answers were unexpected which gave the belief that customers must be listened to. The current state analysis revealed not only the types of services that customers prefer but also that customers not only look for value but also for interaction and the feeling that they are gratified comprehensively. Building a relationship is vital and the beauty salon has made its first step even without opening its doors.

As a result of the thesis, a new business in the beauty sector was opened. It was a gigantic challenge to start a business not only because Turkey is one of the most affected country in the recent Covid-2019 pandemic, but to do it with a sense of accomplishment. As part of the newly opened business, a relationship with the current business partner was built who has been given 8% of the business while the founder (myself) will be the holder of the other 92% which is currently under registration to be a Private Limited Company. The partner will have as main task to overlook the operations and drive the business forward with plans to not only built the new business's own brand, but potentially expand and grow. Additionally, building a cooperation with a Turkish entrepreneur and head of a newly built hotel allowed for a clear opportunity to collaborate with the hotel and be the sole provider of beauty care to their customers and employees.

7.2 Thesis Evaluation

Overall, this thesis has demanded more planning than initially anticipated. It was a case of doing two projects at the same time. During the first steps of planning, the objective was cleared, but what was not clear how to proceed, what would be the plan of action, and what would be the primary tools that could make this happen. However, soon all procedures were put in place and the market research in Turkey answered plenty of questions. Following that, several interviews were conducted that includes head of businesses, entrepreneurs and others, as it was significant to be able to have various

angles of being a business owner. The literature review was concentrated on the three main parts of this thesis, entrepreneurship, Michael Porter's five forces and BMC. This was a detailed piece of work that took existing knowledge in a different angle, especially the entrepreneurship section which took into consideration the psychology behind entrepreneurs. Both Porter's five forces and the BMC was detailed in such a way that it would be integrating and flow whereby the application to the business will be straightforward in this thesis whilst taking into consideration building the business.

The most interesting part was conducting the current state analysis. This showed the current environment and the sector. The fact that there were better ideas about competition around the business and many more give the ability to plan the budget while taking into consideration the CSA of this sector. It evaluates the situation in Turkey critically and points at the nature of this project whilst whittling the vision of the business. Validation was done in May 2021.

7.3 Closing Words

The thesis has come through during this difficult time of Covid-2019 pandemic. The last 6 months while doing the thesis and opening a new business in Turkey have been perplexing and very much eye opening. It is categorically the time that the thesis started to take form and has without a doubt opened the eyes and enrich the business acumen. The slow start was hypothetically the ideal solution as it allowed plenty of planning and reflection.

Now, an entrepreneur, the dream has finally come true, but not without endless nights coping with full time work, writing the thesis, and at the same time building a business in another country without physically being there.

From the remarkable and arguably one of the greatest brains to ever lived, Steve Jobs once said, *"If you really look closely, most overnight successes took a long time."* These words are with me forever.

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Appendix 1, Data Collection 1

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interview of the GM of Enterprise Finland |
| Thank you for having me, |
| Let's dig straight in, looking from outside and what we spoke about, in terms of the way you obtain this position, would you consider yourself an entrepreneur? |
| Yes i would |
| Many manager should do because they take more care, cost structure, driving revenue growth. |
| With your experience working abroad, how has Finland been to you, I am assuming the challenges has been huge, could you expand on them? |
| Language barrier, we both agree it is an issue, in all countries it is the same |
| Economy, business point of view, Finland is small, to make business Helsinki area is limited because the big cities are far away, long distance in between. |
| Culture? |
| Finnish are honest which makes business easier, so lawyer are less in use, very reliable |
| But now finns are more demanding when it comes to customer services. |
| But still not as open minded. Take a while to understand and make the right decision. |
| Effective, quick but now it is more of an affection included in the processes. |
| Learnt many things and change so many. |
| You have gone through an extreme growth process, starting by having a huge turnover of your fleet but most importantly, you have opened at least 7 more location in the last 8 months, right through the pandemic. Some people might say that would not be wise, some people might even call it arrogance and |

some would say, you are taking advantage from a volatile market. What can you say to that?

3 brands National Alamo Enterprise,

Leisure business and tourism

Challenges domestically.

Corporation with new products

Minilease for local market.

Wider products on offer.

But cost point of view, it was huge, but now we have a wider portfolio, as we do not only target tourism.

How do you lead your team?

At the beginning, we were close, setting up old process. Close by the process, serving customers. With this growth and all these location, it is not possible to be everywhere. I had to take a step back.

Phases where I had to be behind the desk.

It seems that the only thing left for you to do, is to now drive the business forward, we spoke about the 24 hours opening whereby the Helsinki airport would be the main hub and concentrating on outside the private individuals, such as insurance businesses, what is left for you to do?

Technology point of view

Efficiency, customers are changing constantly.

Personal contact will be less and less

Various tech for customers to use less contact

Other business opportunities, call center need.

Change to environment, adapt to these changes for example more hybrid and electric car.

Possibilities to start cars in various way

Where do you see this company in the next 3 years but most importantly, where do you see yourself in the next 3 years.

Establish the company, one of the top 3 or 4 when it comes to mobility in Finland.

Good company for future employees.

Do not miss opportunities in changes in environment,

We will try to be a step ahead with technology.

Finally, what is your main advice for someone who wants to start a business abroad?

I would learn the language before I start the business.

Always see your work as in investment, because sometimes you make one step forward but 10 back.

Confident, learn and ask a lot of question.

Educate yourself

Looking at technology

)

Appendix 2, Data Collection 2

| Market Research conducted from 5 th of April to 11 th of April 2021 throughout Antalya Turkey |
|--------------------------------------------------------------------------------------------------------------------------------------------|
| Sorular Aslı Güler Beauty |
| Bu anket manikür pedikür masaj kirpik uygulamaları ve diğer güzellik hizmetlerinin sunulduğu bir güzellik salonunun açılmasıyla ilgilidir. |
| 1.Güzellik merkezine gider misiniz? |
| Evet |
| Hayır |
| 2.Cinsiyet |
| Kadın |
| Erkek |
| Söylememeyi tercih ediyorum. |
| Other: |
| 3. Yaş |
| 15-20 |
| 20-25 |
| 25-30 |
| 30-35 |
| 35-40 |
| 40-45 |
| 45-50 |
| 50 ve üstü |
| 4.Mesleğiniz |
| 5.Yıllık kazancınız |
| 15000tl |
| 15000tl- 20000tl |
| 20000tl-30000tl |
| Söylememeyi tercih ediyorum |
| Other: |
| 6.Güzellik merkezlerini ne için kullanırsınız? |
| Manikür ve pedikür |
| Masaj |
| Tırnak ve kirpik tasarımı |
| Kalıcı makyaj uygulamaları |

)

| |
|------------------------------------------------------------------------------------------------------------------------|
| Lazer epilasyon |
| Cilt bakımı |
| Other: |
| 7. Aslı Güler Beautyde görmek isteyeceğiniz güzellik uygulamaları neler? |
| 8. Mevcut olan güzellik uygulamalarımızın hizmetlerini beğendiniz mi? 1= Çok kötü 1 2 3 4 5 6 7 8 9 10 10= Mükemmel |
| 9. Şuan ki güzellik uzmanlarımızın çalışmalarını beğendiniz mi? 1= Çok kötü 1 2 3 4 5 6 7 8 9 10 10= Mükemmel |
| 10. Son olarak Alı Güler Beautyde sizi neler mutlu etti ? |
| 10. Son olarak Alı Güler Beautyde sizi neler mutlu etti ? |
| |

Yanıtlar Aslı Güler Beauty

30 responses

Publish analytics

Güzellik merkezine gider misiniz? 30 responses

Evet

Hayır

96.7%

Cinsiyet 30 responses

Kadın

Erkek

Söylememeyi tercih ediyorum.

93.3%

Yaş 30 responses

15-20

20-25

25-30

30-35

35-40

40-45

45-50

50 ve üstü

13.3%

10%

16.7%

13.3%

40%

)

Mesleğiniz 26 responses

Architech

Dijital içerik üret...

Grafik tasarımcı

Mağaza soruml...

Mühendis

Oğrenci

Oğretmen

Serbest meslek

garson

Öğrenci

Yıllık kazancınız 30 responses

15000tl

15000tl- 20000tl

20000tl-30000tl

Söylememeyi tercih ediyorum

1500

650

16.7%

30%

20%

26.7%2 (7.7%) 1 (3.8%) 1 (3.8%) 2 (7.7%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 1 (3.8%) 5 (19.2%) 1 (3.8%)

Güzellik merkezlerini ne için kullanırsınız?30 responses

Manikür ve pedikür 20 (66%)

Masaj 9 (30%)

Tırnak ve kirpik tasarımı 20 (66.7%)

Kalıcı makyaj uygulamaları 4 (13.3%)

Lazer epilasyon 16 (53.3%)

Cilt bakımı 22 (73.3%)

Aslı Güler Beautyde görmek isteyeceğiniz güzellik uygulamaları neler?23 responses

G5

Laminasyon

Lazer epilasyon

Colt bakimi

Epilasyon, masaj

Lazer epilasyon

Kirpik tırnak masaj

Aslı'mı görmek yeterli

Tırnak tasarımı, cilt bakımı, lipoliz

20 (66.7%) 9 (30%) 20 (66.7%) 4 (13.3%) 16 (53.3%) 22 (73.3%)

Mevcut olan güzellik uygulamalarımızın hizmetlerini beğendiniz mi?27 responses

1

2

3

)

| | |
|----|------------|
| 4 | 1(3.7%) |
| 5 | |
| 6 | |
| 7 | |
| 8 | 1(3.7%) |
| 9 | |
| 10 | 25 (92.6%) |

Şuan ki güzellik uzmanlarımızın çalışmalarını beğendiniz mi?29 responses

| | |
|----|------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | 1(3.4%) |
| 8 | 1(3.4%) |
| 9 | |
| 10 | 27 (93.1%) |

Son olarak Alı Güler Beautyde sizi neler mutlu etti ? 24 responses

| |
|--------------------------------------------------|
| Everything |
| Güler yuz |
| Güler yüzlülük ve kalite. |
| Temizlik, hijyen |
| Samimiyet ve güzel uygulama. |
| Herşeyiyle harika bir deneyimdi |
| Samimiyet ve kalite |
| Aslı hanımın güzel sohbeti ve iş yerinin hijyeni |
| Güler yüzlülük, samimiyet, kaliteli, marka, |

Appendix 3, Data Collection 3

Interview with Head of AG Hotels, Antalya

Thank you for your time, and this is a great opportunity for me as a new business owner. As you know I am staying in your beautiful hotel which I understand has been opened only since February 2021.

Could you tell me more about the hotel and why this precise location?

Yes, so thank you for your compliment. This is a family owned hotel and the owners thought that the location would be perfect for business people like yourself who is just 3 stops by tram to the city centre. And as you can see, we are making it a better hotel as due to the COVID-19, we were not able to finish the spa and health centre as well as the swimming pool. So, this would be a much better hotel from December 2021.

That is great to hear and I look forward to come again as so far, everything has been good. I would like to ask you how has business been from your point of view in the last year?

Well it has been tough as you are aware, but the project started in 2019 and even though we had lots of setbacks with constant lockdown, we manage to pull this and make our grand opening. The owners made a calculated decision to pursue this project and took advantage of the market and the results speak for itself, we are on top of booking.com for reservations in Antalya.

How have you recruited such an amazing team of staffs?

There is a demand for work at the moment but getting the right people is never easy. We believe in giving chance to individuals who come out from hotel school and we do work with agencies due to the current situation and that there is no need of many full time as the hotel is just not busy enough.

As I mentioned earlier, I am opening a beauty salon and would be extremely interested in working alongside AG Hotels. What do you think about my salon being the sole provide to your customers but most importantly to your staffs?

We always look to support local businesses whenever so of course we can do that, what do you have in mind.

Well, I am thinking of a 25% discount to your customers on selected services and depending on availability, but also a 40% discount to your members of staff. Would this be of any interest?

Absolutely, do reach out to me whenever you have everything ready.

It has been a pleasure, thank you for a great experience and opportunity

Appendix 4, Data Collection 2

Market Research conducted from 5th of April to 11th of April 2021 throughout Antalya Turkey

Asli Guler Beauty

This survey is regarding the opening of a beauty salon, providing manicure, pedicure services, massage and other beauty services

1. Do you use beauty salon?

Yes

No

2. Gender

Female

Male

Prefer not to say

Other:

3. Age

15-20

20-25

25-30

30-35

35-40

40-45

45-50

50 or more

4. Occupation

5. Earnings per year Turkish Lira (tl)

15000tl

15000tl- 20000tl

20000tl-30000tl

prefer not to say

Other:

6. Why do you use beauty salon?

Manicure & Pedicure

Massage

Beauty- (nails, lashes)

Microbladding

Laser Epilation

Skin Care

Other:

7. If you change salon and come to Asli Guler beauty, what services would you want

8. Do you like the services of your current beauty salon?

1=very bad 1 2 3 4 5 6 7 8 9 10 10= perfect

9. Do you like the work of your current beauty master?

1=very bad 1 2 3 4 5 6 7 8 9 10 10= perfect

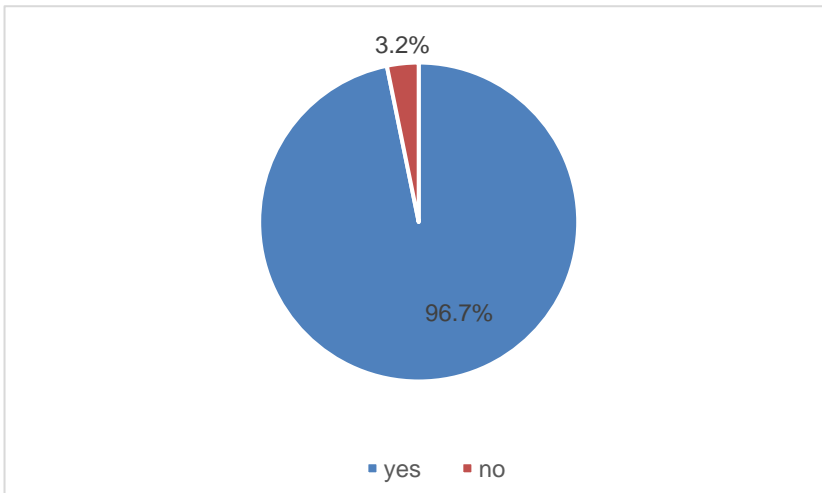
10. Finally, what would make you happy coming to Asli Guler beauty?

Asli Guler beauty -30 Responses

1.Do you use beauty salon?

Yes

No

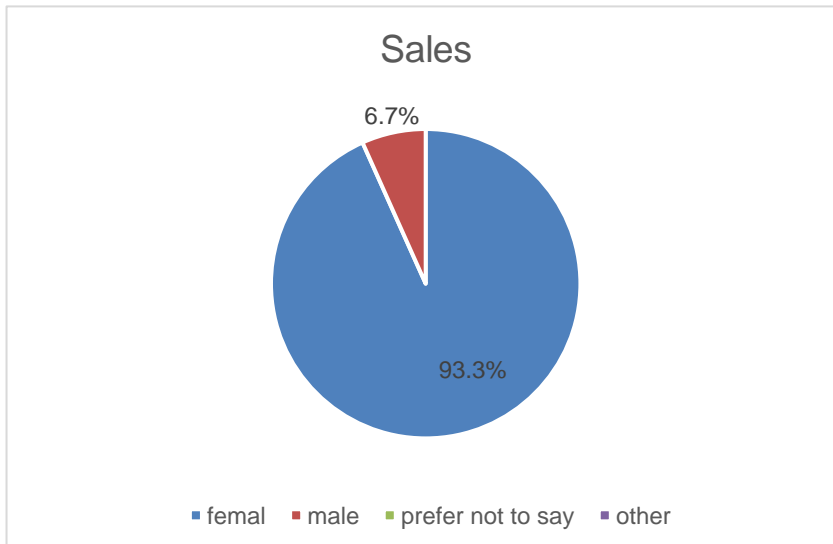


2.Gender
Female

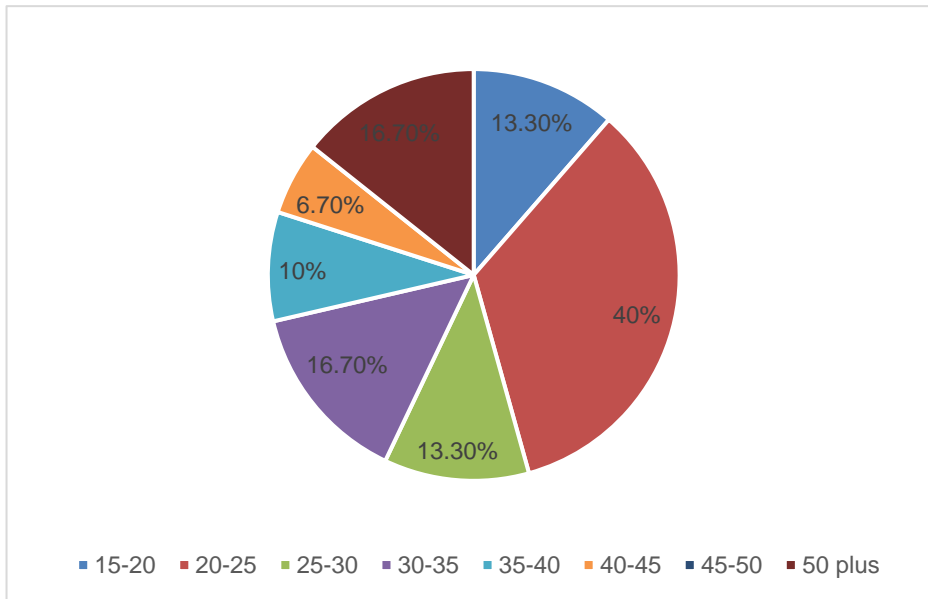
Male

Prefer not to say

Other:



3 Age



Architech

Create digital content

Graphic designer

In charge of the store

Engineer

Student

Teacher

Self-employment

waiter 5(19.2%)

Student

5.Earnings per year Turkish Lira (tl)

15000tl 16.7%

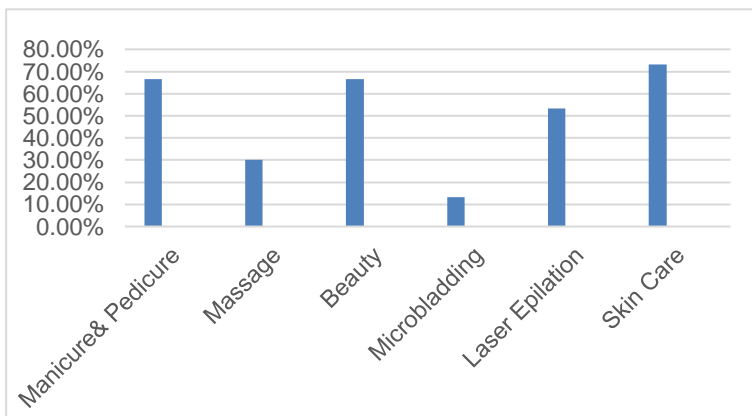
15000tl- 20000tl 26.7%

20000tl-30000tl 20%

prefer not to say 30%

Other: others answered less than in the question

6. Why do you use beauty salon?

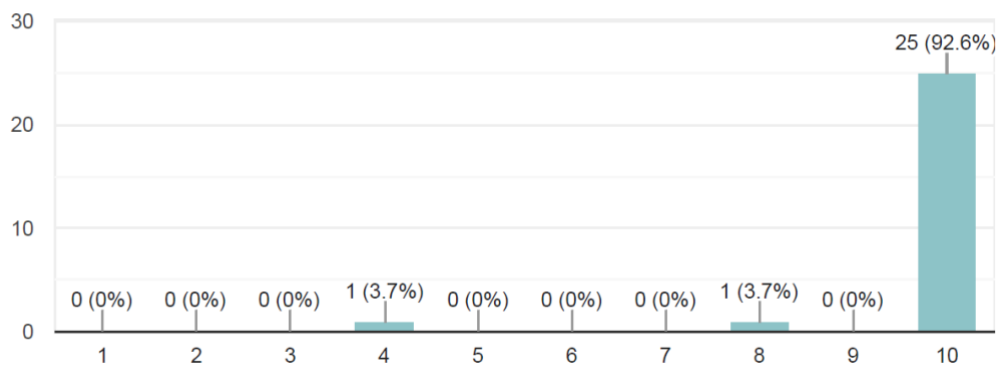


7. If you change salon and come to Asli Guler beauty, what services would you want?

- G5, Cellulite and slim machine
- Lamination
- Laser hair removal
- Colt care
- Hair removal, massage
- Laser hair removal
- Eyelash nail massager
- It's enough to see my original
- Nail design, skin care, lipolysis

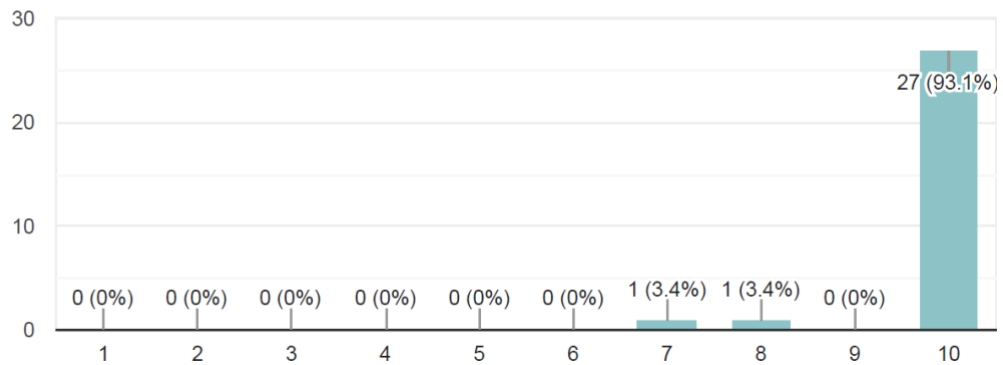
8. Do you like the services of your current beauty salon?

27 responses



9. Do you like the work of your current beauty master

29 responses



10. Finally, what would make you happy coming to Asli Guler beauty?

Everything

Smiling face

Friendliness and quality.

Cleanliness, hygiene

Sincerity and good practice.

It was a great experience with everything

Sincerity and quality

Nice chat and the hygiene of the workplace

Friendliness, sincerity, quality, brand,

Appendix 5

| List of Collaborators & Suppliers |
|-----------------------------------|
|-----------------------------------|

| |
|-----------------------------------------|
| Personal details removed due to privacy |
|-----------------------------------------|