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**UNIVERSITAT
ROVIRA i VIRGILI**

**INTERNATIONALIZATION PLAN FOR THE SPANISH PLANT-BASED FOOD
COMPANY HEURA**

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ABSTRACT

Plant-based diets are increasing in popularity worldwide due to growing environmental sustainability, ethical concerns, and health consciousness; Sweden is a prime example of this trend. As a result, Heura Foods, a well-known business recognized for its innovative and environmentally friendly plant-based products, wants to take advantage of this chance. To support Heura's entry into Sweden, this thesis develops a practical market entry plan and offers pertinent information. After thoroughly examining the competitive landscape, customer behavior, and market dynamics in Sweden, it was decided that direct export is the best entry approach. This strategy enables the business to quickly address feedback from customers while keeping control over the quality of its products and brand reputation.

Keywords: Heura Foods, plant-based foods, market entry strategy, Sweden, consumer trends, competitive analysis, direct export, international expansion.

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1. Introduction

Statista's research expert Nils-Gerrit Wunsch states (2024):

Meat has been the staple protein in our diets for centuries. Yet, with the world's population expected to reach at least nine billion people by 2050, future demand for food will likely outpace production if rates of output remain continuous, according to the Global Harvest Initiative. Differences in wealth are making this tendency worse. Even though a growing middle class is driving demand for a healthy diet, a much larger portion of the world suffers from extreme malnutrition brought on by starvation or unhealthful 'modern' diets (Statista).

Wunsch highlights (2024) people's dependency on meat, and how this dependency, combined with population growth and economic gaps, creates significant problems in the supply of it. As a result, consumer perceptions of meat are shifting: more and more individuals are now becoming vegetarians and vegans. For example, an online survey conducted by Statista in 2016 showed that 13% of European consumers avoid red meat and/or beef.

The rise of plant-based diets in Europe can be due to a few factors. First, because of the environmental element of current meat production. Livestock production, as indicated by Gerber et al. (2013), contributes to 14.5% of the global carbon emissions. Within Europe, this industry is responsible for 85% of agricultural emissions, according to Leip et al. (2010), and creates up to 17% of the region's overall emissions, as stated by Bellarby et al. (2013).

Second, it is important to understand the health benefits associated with plant-based diets. A meta-analysis conducted by Feskens et al. (2013) examined the correlation between different types of meat consumption and various diseases, revealing a significant correlation. The study confirms that people who eat processed meat have a 32% higher risk of developing type 2 diabetes mellitus (T2DM) and coronary heart disease (CHD). Even though meat consumption itself is not a direct reason why people die, according to Sinha et al. (2009), all the related problems, such as diabetes, obesity, chronic liver disease, and cirrhosis, affect meat intake and overall mortality.

In contrast to meat-based diets, plant-based diets offer plenty of health benefits. The research done by Van Vliet et al. (2021) showed that plant-based animal product alternatives samples, or PBAPA samples, contained vitamin C, phytosterols, and several antioxidants. Moreover, the main argument to support the idea of health benefits in the study by Evelyn Medawar et al. (2019) is that, when comparing an omnivorous diet to a plant-based diet, studies with subjects with Type 2 Diabetes Mellitus (T2DM) and/or obesity, as well as those with healthy subjects, have consistently demonstrated more significant weight loss and metabolic improvements, such as decreased levels of glycated hemoglobin (HbA1c), low-density lipoproteins (LDL), high-density lipoproteins (HDL), and total cholesterol (TC).

Third, the study by De Backer and Hudders (2015) explores the connection between morality and dietary choices, specifically investigating how attitudes towards animal and human welfare and donation behaviors, can predict the adoption of a meat-eating, flexitarian, or vegetarian diet. The study looks at the relationship between morality and dietary choices. The results of the poll, which included 299 respondents, show that food choice is highly influenced by worries about animal health as determined by the Animal Attitude Scale. Flexitarians are in the middle, with full-time meat eaters displaying the least amount of anxiety and vegetarians displaying the highest degree.

Finally, the objective of my thesis is to develop an effective internationalization plan for the Spanish company Heura with a focus on producing plant-based food products.

The research questions to successfully determine an internationalization plan are: what are the key factors influencing consumer acceptance of plant-based food products in Europe; how do regulatory environments vary across target regions, and what implications do they have for Heura's market entry; and what are the most effective marketing and distribution channels for promoting Heura's products in another country?

2. Literature review

To begin, the studies that will be discussed below contribute to a comprehensive understanding of plant-based diets, consumer preferences, and market trends. They provide valuable data and insights that can inform strategic decision-making related to exporting plant-based food products, including market selection, consumer targeting, and product positioning.

First, according to Aschemann-Witzel et al. (2020), addressing the issues of global food security, the article looks at the importance of plant-based diets. It talks about the advantages of plant-based diets over animal-based diets in terms of accessibility, environmental sustainability, and nutritional content. This study assesses the potential benefits of plant-based diets in reducing global hunger, malnutrition, and environmental damage. The article provides policy suggestions and workable techniques to improve food security through adopting plant-based diets.

Second, the article by Cusworth et al. (2021) explores the complexities surrounding sustainable food systems in Europe, with a focus on legumes as a key component of plant-based diets. It delves into the potential of legumes to address environmental concerns and enhance food security while simultaneously acknowledging the challenges and conflicts inherent in promoting sustainable food systems. Through critical analysis, the article examines socio-political, economic, and cultural factors influencing the adoption of legume-based diets and agricultural practices. Overall, it contributes to understanding the challenges and opportunities in transitioning to sustainable plant-based food systems in Europe.

Third, research by Van Loo et al. (2020) suggests that although lab-grown meat seems like a promising way to alleviate food scarcity, it is not as effective as plant-based alternatives in resolving issues related to animal rights and the environment. Even while lab-grown meat could be a more environmentally friendly alternative than conventional meat production, it still needs a lot of energy and resources, which degrades the environment. Furthermore, there are moral questions regarding animal welfare raised by the procedure of extracting stem cells from living creatures. Plant-based substitutes, on the other hand, need fewer resources and eliminate animal

exploitation, making them a more cruelty-free and ecologically beneficial choice. When it comes to tackling food scarcity and promoting sustainability, plant-based alternatives continue to be a better option than lab-grown meat, both ethically and environmentally.

Fourth, statistics and facts by Statista (see sections Comparison between chosen countries, and Sweden's analysis) can provide visual insights about meat consumption, the percentage of people avoiding eating meat in Europe, veganism, and vegetarianism by country in the EU, the share of consumers buying meat alternatives in selected European countries, etc. All these data can and will be used to justify the decision to export Heura's products to another country.

Fifth, the study by Safdar et al. (2022) explores the current state of plant-based meat alternatives, including consumer perceptions and shifting trends. It examines factors influencing adoption, such as health, environmental concerns, and ethical motivations, while also highlighting emerging industry trends and challenges.

And finally, Joseph et al. (2020) describe that global meat and poultry consumption is on the rise, but there is a growing interest in alternative proteins, such as plant-based options (insects, and lab-grown meat). While the alternative protein segment is small compared to traditional meat, it is experiencing rapid growth, driven by consumer preferences like a flexitarian diet. According to the Oxford English Dictionary (2014), "flexitarian is a portmanteau of "flexible" and "vegetarian," referring to an individual who follows a primarily but not strictly vegetarian diet, occasionally eating meat or fish." This presents an opportunity for the meat industry to assess global trends, consumer research, and technological advancements in alternative proteins. The aim is to meet the challenge of feeding a growing population sustainably by 2050.

3. Methodology

The methodology of the thesis includes situational analysis and SWOT analysis. For a deeper understanding, the situational analysis will first include a PESTEL assessment to conduct a detailed examination of the macroenvironmental factors influencing Heura. This includes addressing political, economic, socio-cultural, technological, environmental, and legal factors

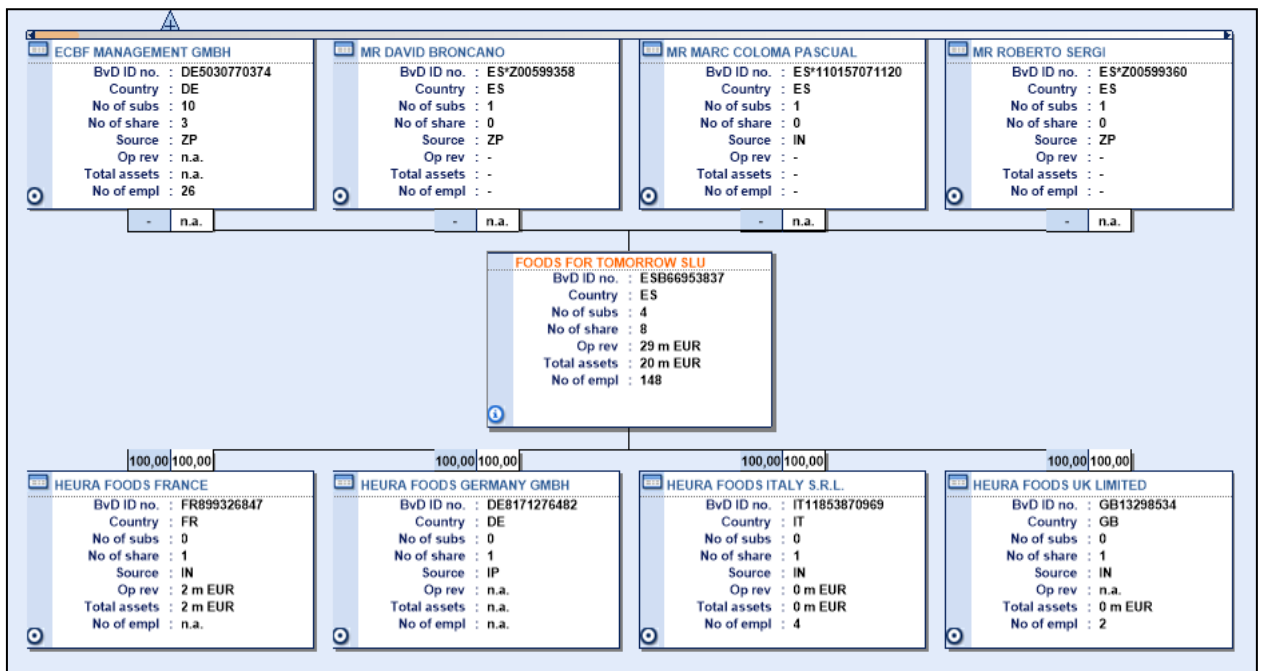
impacting the plant-based food industry. Following, the nature, size, and extent of demand will be analyzed to consider current and projected demand for plant-based food products in key markets. After that, the industry's structure will make it easier to evaluate the competitive environment of the plant-based food sector in general. Then, competitor analysis will help to define Heura's competitors in the plant-based food sector and Heura's place among those players. Lastly, the SWOT analysis will answer the following questions: what are Heura's strengths (analyzing the company's comparative advantage); what are Heura's weaknesses; what kind of opportunities does Heura have; what kind of threats does Heura have (managing the company's risks)?

4. About the Company

Heura Foods, based in Barcelona, Spain, was founded in 2017 and quickly became a leader in the field of sustainable food manufacturing (Marketing 4 Commerce, 2022). The company is managed by Marc Coloma Pascual, who has both the positions of president and director to ensure its unique aim is to transform the global food industry. Heura Foods has established a strong presence in important European markets due to its subsidiaries in France, Germany, Italy, and the United Kingdom (Heura, 2019). Despite the company's global reach, its primary operations are based in Barcelona, where 148 employees work to provide delicious, nutritious plant-based alternatives. Heura's mission is also supported by smaller, but equally committed, teams in Italy and the UK, numbering four and two, respectively as shown in Figure 1.

Figure 1

Company's organizational structure



Source: Sabi Informa¹

Driven by a strong commitment and a focus on making great food, Heura Foods is changing how people think about what they eat. They're creating tasty and eco-friendly products that make it easier for everyone to enjoy healthier options (Foods and Wines from Spain, 2024). From the start, Heura Foods' goal has been to encourage customers to choose sustainable foods. Drawing inspiration from the Mediterranean diet, the company prioritizes the use of quality ingredients like olive oil, known for its nutritional benefits and rich flavor (Heura, 2019).

The innovative focus of Heura is on its focus on plant-based meat alternatives made from legumes. Through careful processing techniques, the company achieves textures and flavors that compete with traditional meat products, without compromising the taste or quality. Heura Foods places a strong emphasis on maintaining high standards throughout its operations. By sourcing premium ingredients and adhering to strict quality controls, the company ensures that its products meet the expectations of consumers (see section About the company's products for a full list of their products).

¹ https://sabi.informa.es/version-20230626-916/Report.serv?_CID=233&product=sabiinforma&SeqNr=0

With distribution networks expanding across multiple countries, from Mexico to Poland. Heura Foods is poised to make a significant impact on the future of the food industry. Overall, the company represents a blend of innovation, sustainability, and culinary tradition, offering accessible and flavorful food options for consumers worldwide.

4.1. About the company's products

Heura offers a wide selection of plant-based products made to fit various cooking styles and preferences. Among their product offerings are shown in Table 1.

Table 1

Heura's product line

	Name of a product	Description
Plant-based Chicken	Original Chick'n Strips	These are versatile and work well with a variety of marinades and sauces. They work well in tacos, salads, and sandwiches since they are thinner than pieces.
	Chick'n Pieces Mediterranean	These chunks have an aromatic flavor reminiscent of Mediterranean cuisine as they are marinated in tasty spices including oregano, thyme, basil, and rosemary. They are also suitable for a variety of recipes.
	Nuggets Original	Plant-based food made of soy protein with 1.6% extra virgin olive oil.
	Breaded Chick'n Fillets	Plant-based protein made of soy and wheat, with 1.9% extra virgin olive oil.

	Chick'n Pieces Spiced	These chunks have a stronger flavor because of a combination of spices including cardamom, paprika, chili pepper, and pepper.
	Chick'n Fillets Burgers	Soy protein plant-based product with extra virgin olive oil 1.9%.
	Chick'n Pieces Original	The most adaptable flavor, to which you may add your marinades and sauces. Ideal for any kind of dish.
Plant-based beef	Ground Mince	Plant-based soy protein product with 3% extra virgin olive oil.
	Chorizo Burgers	Soy protein-based vegetable product with 3.5% extra virgin olive oil.
	Homestyle Mince	Vegetable product based on pea protein with extra virgin olive oil 5.76%.
	Meatballs Originals	Heura's Original Meatballs are incredibly versatile and can elevate a variety of dishes, from mini-burgers to stews and sandwiches. Providing a tasty plant-based substitute for traditional meatballs, they offer a satisfying option for both vegetarians and meat lovers alike.
	Burgers Originals	Heura's Original Burger offers a delicious option for those who crave the taste of meat but prefer plant-based alternatives. With its juicy, tender texture and striking similarity to traditional meat

		burgers, there's no compromise on flavor.
Plant-based Pork	York Ham Style	Plant-based food made of soy protein with 3.1% extra virgin olive oil.
	Spanish Chorizo Sausages	All the flavor of traditional Spanish chorizo, but is made with plants and crafted in the Mediterranean with love.
	Sausages Original	These sausages are 100% meat experience. A must.
Plant-based Fish	F'sh Fingers	Vegetable food in the form of fish sticks that contain 2.4% extra virgin olive oil and soy protein.
	F'sh Filets	Soy protein plant-based battered fish style fillet with extra virgin olive oil 2.6%.

Source: Heura's website²

5. Market analysis

The market for plant-based food has experienced significant growth in recent years, driven by various factors including shifting consumer preferences, growing awareness of health and environmental concerns, and advancements in food technology (Clayton, 2023; Tachie et al., 2023). For example, according to an analysis by Bloomberg Intelligence (2021), the market for plant-based meals could reach up to 7.7% of the global protein market by 2030, valued at over \$162 billion, compared to \$29.4 billion in 2020. This market analysis aims to provide insights into the current state of the plant-based food market, key trends, opportunities, and challenges.

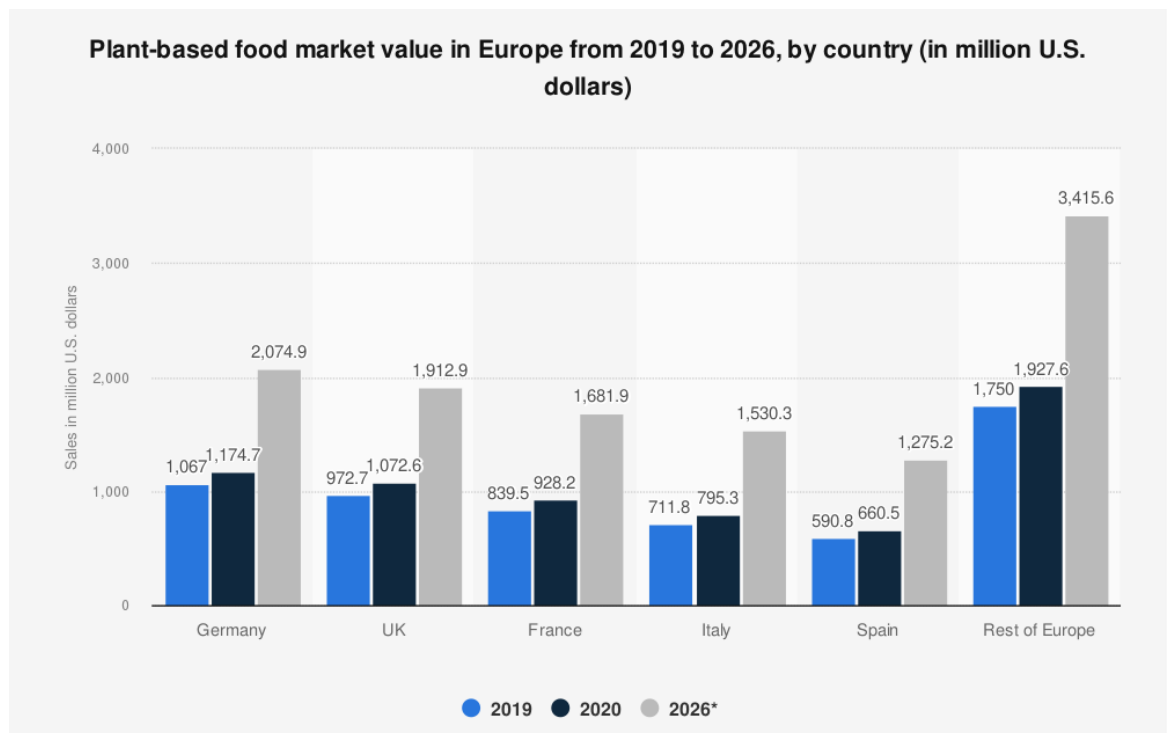
The survey by MRFR (2020) showed that there is a rising demand for plant-based food in Europe. Particularly, Germany and the UK, are now leading the market for plant-based foods, with

² <https://heurafoods.com/products>

projected sales of \$2 million each by 2026. This growth reflects a growing preference for healthier and more sustainable food options, presenting promising opportunities for companies in this industry as shown in Figure 2.

Figure 2

Plant-based food market value in Europe from 2019 to 2026, by country



Source: Statista based on MFR³

5.1. Key Trends

The article by Aschemann-Witzel (2020) explains that there are at least five key trends that favor plant-based food products. These five trends will be elaborated in the subsections below.

5.1.1. Consumer trends

Consumer trends refer to two significant consumer trends in the food industry: plant proteins and clean-label foods. Plant proteins also known as "freedom foods," this movement is

³ <https://www.statista.com/statistics/1284367/plant-based-food-market-in-europe-by-country/>

driven by some factors. First off, compared to proteins that come from animals, plant proteins are believed to be better for food safety and health as well as more ecologically friendly. Animal protein consumption has been linked to health risks, including overconsumption, which has caused many consumers to switch to plant-based diets (Landbrug and Fødevarer, 2017). Furthermore, the significance of environmental, sustainable, and animal welfare factors has grown, particularly among younger customers.

Clean-label foods are foods that are viewed as “free of ‘chemicals’ additives, having easy-to-understand ingredient lists, and being produced by the use of traditional techniques with limited processing” (Edwards 2013). So, consumers would much prefer to buy plant-based food with a Nutri score of “A” than real meat with preservatives, according to the study by Jennifer Lacy-Nichols et al. (2021)

5.1.2. Plant-based products and meat substitute sales

Plant-based products and meat substitute sales explain that Europe in the past years has experienced a rapid growth of plant-based food products (EUVEPRO 2019). For example, according to Euromonitor International 2019, Germany has emerged as a global leader in the sales of plant-based vegan diet alternatives, having increased from 14.000 tonnes in 2014 to 20.000 tons in 2018.

5.1.3. Plant-based dietary choices and consumer intentions

Plant-based dietary choices and consumer intentions interpret the increase in vegetarians and vegans in Europe (Stata 2023). “The Vegan Society describes that the vegetarian population in Italy increased by 94.4% between the years 2011 and 2016. In Germany, 7% of the population lived mainly plant-based in the year 2018, mirroring an increase from only 1% in the year 2015 (The Vegan Society 2018).”

5.1.4. Changes in sales of meat

Changes in sales of meat can be explained by the current trends in the country of Denmark. For instance, market research conducted by the Danish retailer COOP indicates that sales of fresh

meat have decreased by 5% since 2015. According to Euromonitor International (2019), customers credit global market challenges, such as sustainability, for favoring plant-based diets. As consumers and governments become more conscious of sustainability, there will be an increase in demand for plant-based protein substitutes.

5.1.5. Policy and regulations

Firstly, there is a debate that environmental concerns should be taken into consideration while creating nutritional guidelines (Behrens et al., 2017). In this case, healthy foods are equal to sustainability and vice versa. For instance, in accordance with the United Nations Food and Agriculture Organization (2020), in 2015, Sweden approved the corresponding amendment to the recommendations. These kinds of guidelines may have an impact on consumer demand as they promote plant-based diets and reduce the importance of dairy and meat (Food and Agriculture Organization of the United Nations, 2020). Secondly, the governments along with other organizations' climate targets might lead to actions that increase the demand for plant-based diets and animal substitutes. The European Climate Law created a law, according to which the European Union should achieve climate neutrality by 2050 even in the agricultural sector. European Commission (2024) states that “the law sets the intermediate target of reducing net greenhouse gas emissions.”

There is a growing global demand for alternatives to traditional animal-based goods, as evidenced by the growing customer demand for clean-label food and plant-based proteins as well as the increased sales of plant-based products and meat replacements, according to Aschemann-Witzel (2020). Furthermore, the change towards sustainable eating habits is further shown by the increased trend in plant-based dietary choices and the fall in meat sales. It is a good time for Heura to enter new markets and take advantage of the rising demand for plant-based products as laws and regulations support sustainability and plant-based diets more and more. With its creative and environmentally conscious products, Heura can effectively enter new markets and establish itself

as a key player in the plant-based food sector by leveraging current trends and catering to consumer preferences.

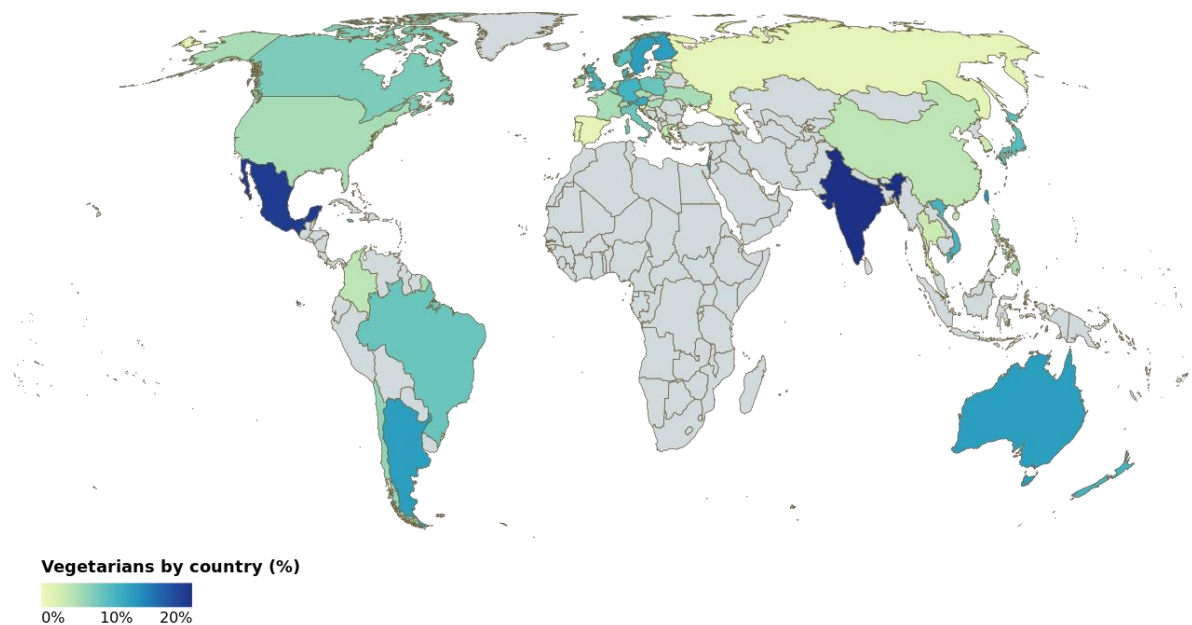
6. Potential markets to enter

It's difficult to define a new market in which to sell a product. The fast-growing market for plant-based goods is an example of how this difficulty is particularly noticeable in industries where customer tastes and developing trends are changing. Heura's current presence in important European and international markets, such as those near Spain like France, Germany, Italy, and the United Kingdom, further complicates these issues.

A key factor in determining where and why Heura should enter new markets in Scandinavia is statistical evidence (Lani, 2021). The proportion of vegetarians per nation is shown in Figure 3, which shows that the Nordic region has the highest numbers, which range from 10 to 20 percent. Finland and Sweden are at the top of the list, with about 12% of the population in each country identifying as vegetarians.

Figure 3

Vegetarians by country

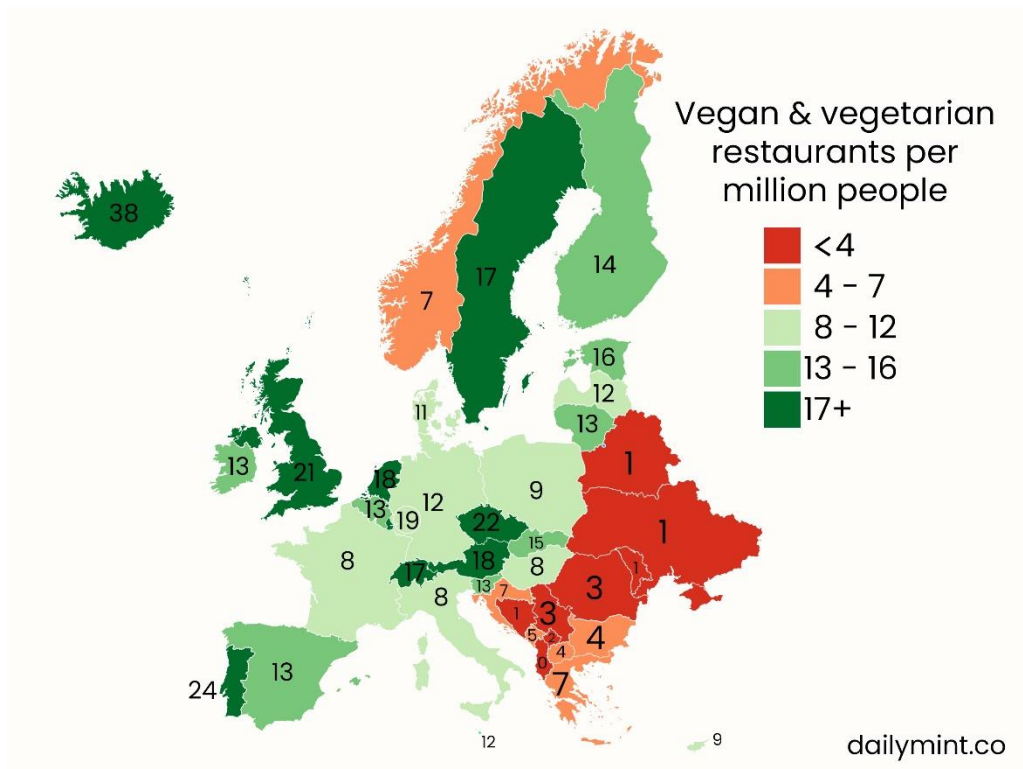


Source: Observablehq⁴

The information in Figure 4 provides insight into the distribution of vegan and vegetarian restaurants in Europe per million people. With 38 restaurants, Iceland is the leader in this trend, followed by Portugal with 24 and the Czech Republic with 22 per one million people. Sweden is particularly interesting because it has more restaurants per million people than its Scandinavian neighbors, indicating a significant demand (Dailymint.co, 2020). This empirical data highlights the growing popularity of plant-based food alternatives, indicating an important opportunity in Sweden for companies like Heura to expand into new markets.

Figure 4

Vegans and vegetarian restaurants per million people



Source: Dailymint.co⁵

⁴ <https://observablehq.com/@georift/vegetarians-and-vegans-by-country>

⁵ <https://www.dailymint.co/blog/map-of-vegetarian-friendly-european-countries/>

The statistical evidence suggests Finland and Sweden are two possible countries where Heura may have a good chance of succeeding. Both nations provide favorable conditions for the launch and adoption of plant-based products like Heura's since they have large percentages of vegetarians and relatively dense populations of vegetarian and vegan restaurants (Gupta & Gupta, 2022; Hazal, 2021). These elements point to a potential market environment that is well-aligned with Heura's goals and product line and is marked by an accepting customer base and a growing plant-based food culture.

6.1. Comparison between chosen countries

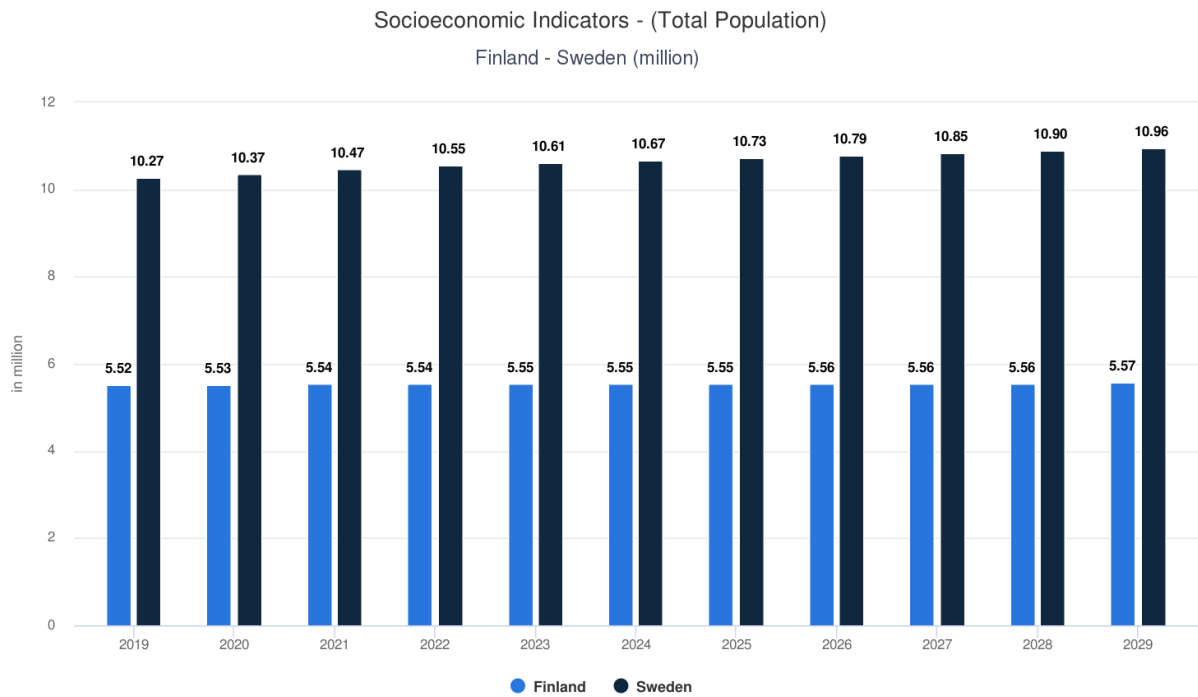
To ensure a thorough comparison between Finland and Sweden, it is essential to establish key indicators. These important metrics will provide Heura with the knowledge it needs to decide which nation to establish its company. Selected indicators are population size, GDP per capita, disposable income, consumer spending habits, percentage of vegans and vegetarians, and some health and wellness indicators. Each of these indicators will be discussed below.

6.1.1. Population size

In 2023, Sweden's population peaked at 10.61 million, while Finland's population stood at 5.55 million. This significant disparity, with Sweden's population doubling that of Finland, suggests a more substantial market potential for business expansion. As this trend is projected to persist, Sweden emerges as the more favorable option for penetrating new markets as can be seen in Figure 5 below.

Figure 5

The total population in Sweden and Finland



Source: Statista⁶

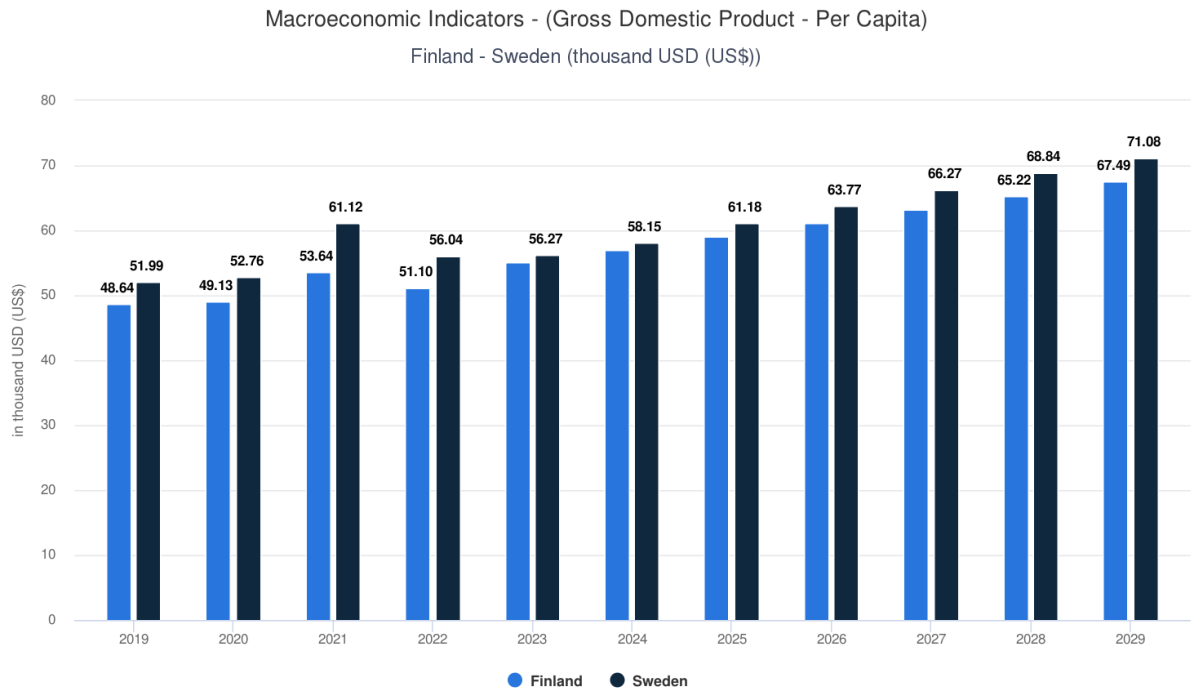
6.1.2. GDP per capita

Sweden's GDP per capita is expected to rise from 51.99 to 71.08 thousand USD, indicating a substantial increase in the country's general level of wealth. Finland, on the other hand, will experience an increase from 48.64 to 67.49 thousand USD. Although the economies of both Sweden and Finland are growing, Sweden's GDP per capita is greater, indicating that its population is somewhat wealthier than Finland's. Please see the Figure 6 below.

⁶ https://www-statista-com.sabidi.urv.cat/outlook/co/socioeconomic-indicators/custom?currency=usd&locale=en&token=ATXHGFH-ljS7S_Q5yrAg0PC24kfoLCSuOIF6XHxKjXwsg6ZdX2QQ19nllNeUAluxVTE_qgxtUpxY53ulSA5bY0JNQeGvYA%3D%3D#demography

Figure 6

GDP per capita in Sweden and Finland



Source: Statista⁷

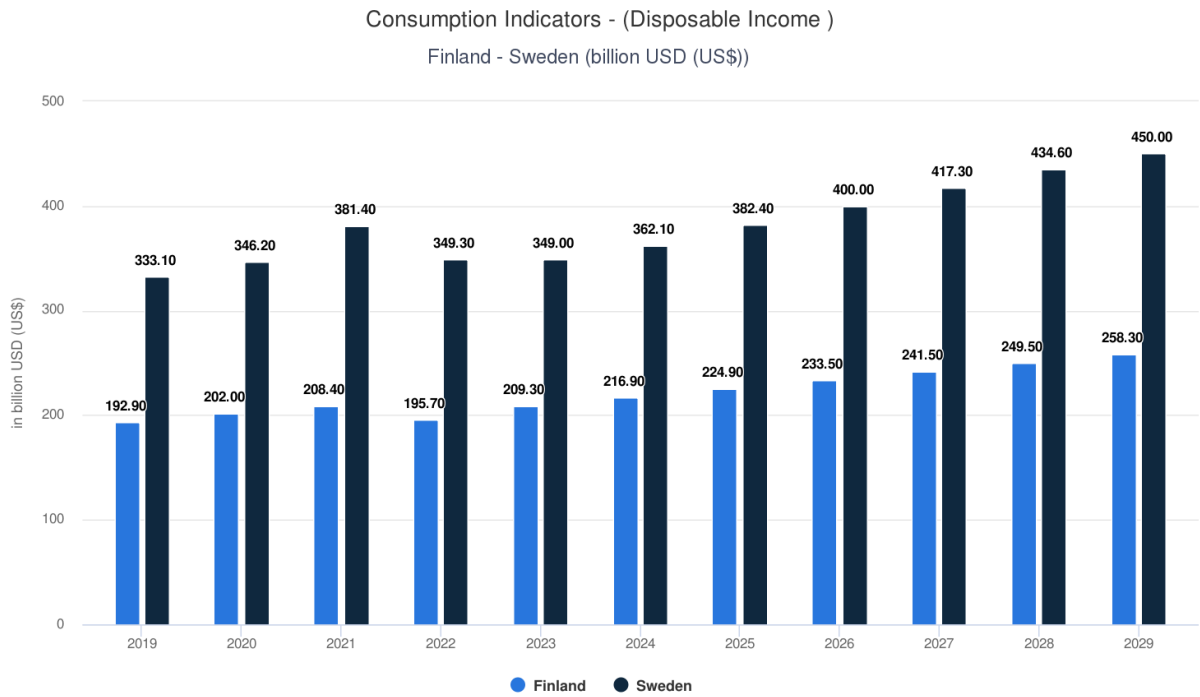
6.1.3. Disposable income

Sweden's disposable income has increased greatly, rising from 333.10 billion USD to 450.00 billion USD. Finland's gain, from 192.90 billion USD to 258.30 billion USD, is equally notable although somewhat less. This difference highlights Sweden's more robust economic growth and possibly higher spending power of its consumers in comparison to Finland see Figure 7 below.

⁷ https://www-statista-com.sabidi.urv.cat/outlook/co/socioeconomic-indicators/custom?currency=USD&locale=en&token=qNebowiSGz8P-GvQf12a2iyPWonUxwg_2srBXMnpuPTgS1JE_8Xlkcjnmmn0rPviDX9rHgXIEo3rOGvyjMMw5h3pYDtqIQ%3D%3D#demography

Figure 7

Disposable income in Sweden and Finland



Source: Statista⁸

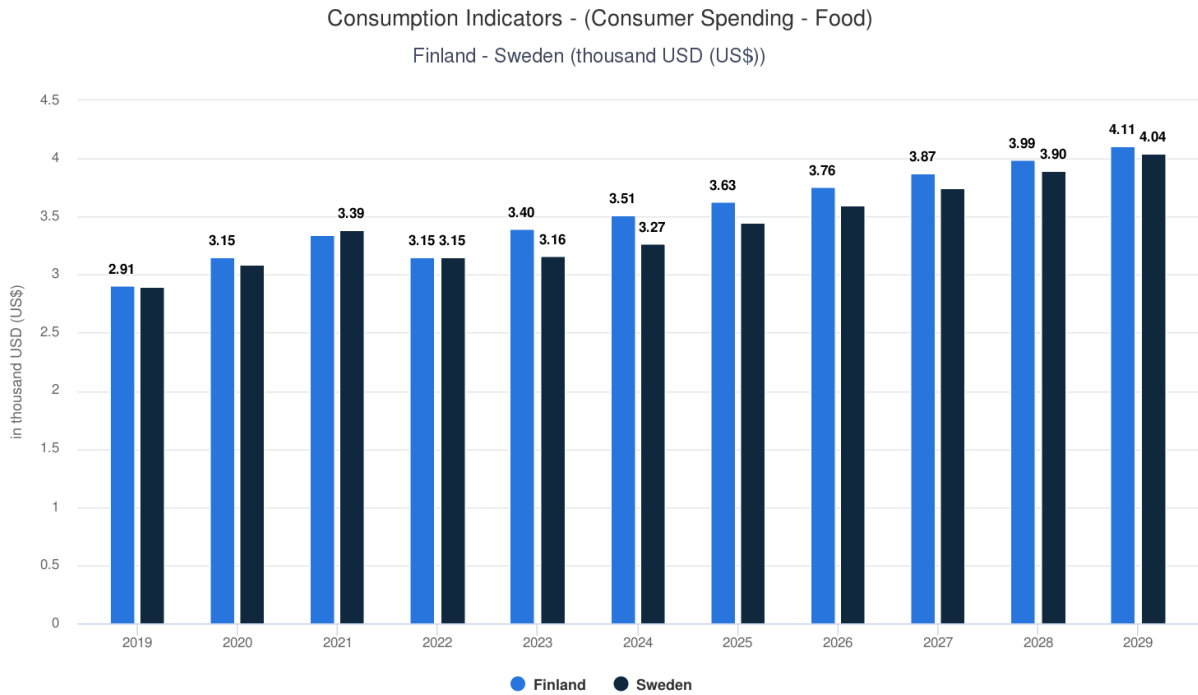
6.1.4. Consumer spending habits

The average expenditure in Sweden on food increases from about 2.91 to 4.11 thousand USD, indicating a major increase in consumer spending in this area. Finns will also notice an increase in their estimated food expenditure, going from 3.15 to 4.04 thousand USD. Even with these similar trends, there may be subtle variations in consumer behavior and market dynamics between the two nations.

⁸ https://www-statista-com.sabidi.urv.cat/outlook/co/consumption-indicators/custom?currency=usd&locale=en&token=ATXHGFH-ljS7S_Q5yrAg0PC24kfoLCSuOIF6XHxKjXwsg6ZdX2QQ19nllNeUAluxVTE_qgxtUpxY53ulSA5bY0JNQeGvYA%3D%3D#household-income

Figure 8

Consumption indicators in Sweden and Finland



Source: Statista⁹

6.1.5. Health and wellness

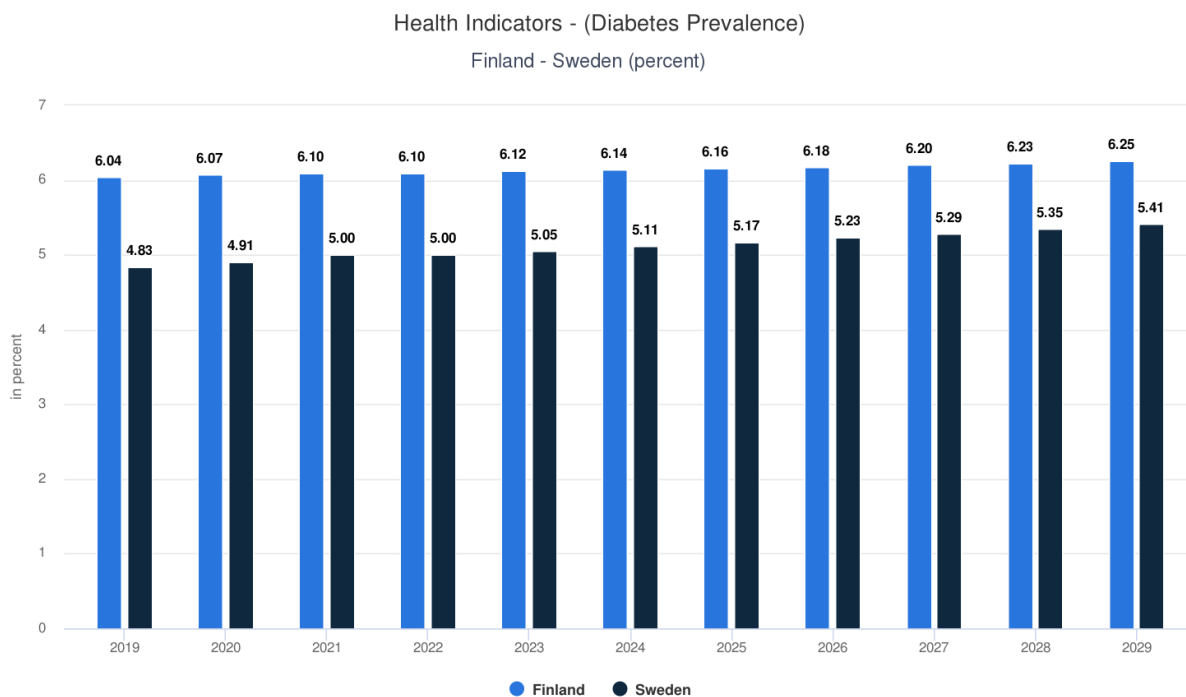
The increase in the prevalence of diabetes in Sweden from 4.83% to 5.41% and Finland from 6.04% to 6.25% represents a concerning trend in both countries' health landscapes. These statistics, projected from 2019 to 2029, indicate a growing burden of diabetes within the countries' populations. Andersson et al. (2015) state that the rise of diabetes in Sweden is “a result of demographic changes and improved survival among people with diabetes”. According to Arffman et al. (2020), there is a correlation between the aging population and the rise in diabetes cases in

⁹ https://www-statista-com.sabidi.urv.cat/outlook/co/consumption-indicators/custom?currency=usd&locale=en&token=ATXHGFH-ljS7S_Q5yrAg0PC24kfoLCSuOIF6XHxKjXwsg6ZdX2QQ19nllNeUAluxVTE_qgxtUpxY53ulSA5bY0JNQeGvYA%3D%3D#household-income

Finland. This suggests that demographic transitions are a major factor contributing to the growing incidence of diabetes. See the Figure below.

Figure 9

Diabetes prevalence in Sweden and Finland



Source: Statista¹⁰

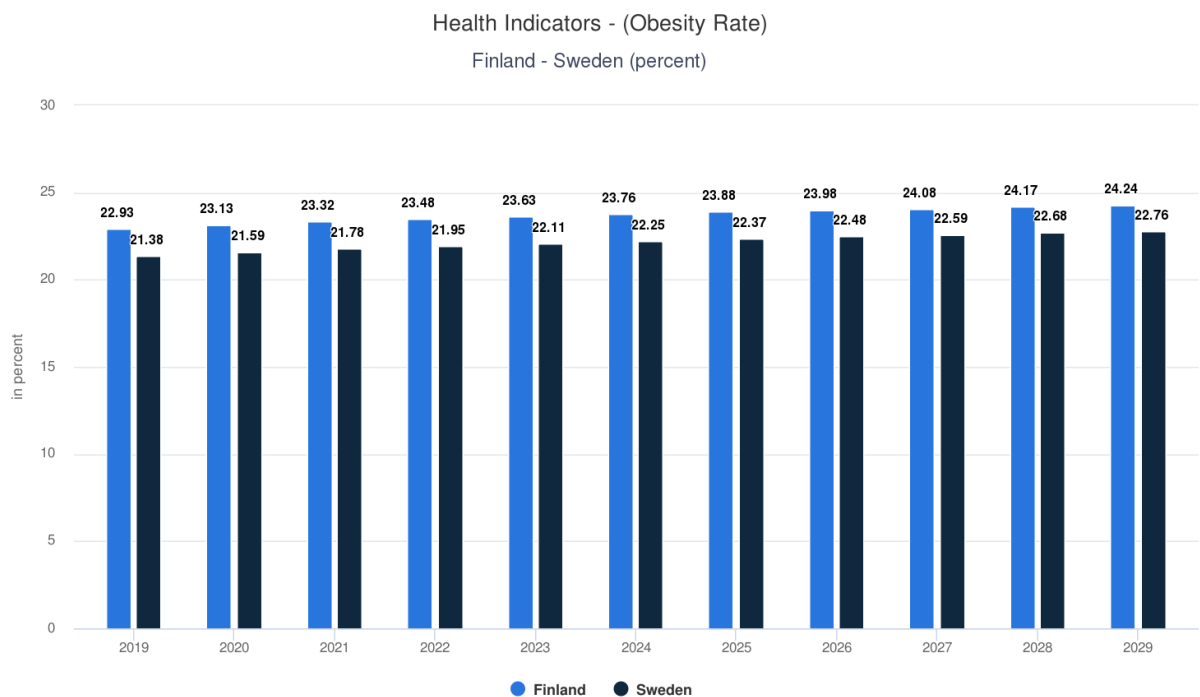
The data in Figure 10 projects a moderate increase in obesity rates for both Sweden and Finland from 2019 to 2029. Sweden's rate is expected to rise from 21.38% to 24.24%, while Finland's starts slightly higher at 22.93% and increases to 24.17%. According to the Finnish Institute for Health and Welfare (THL) (2023), social and individual causes cause Finland's rising obesity rate. Living standards have increased, and it led to the promotion of an "obesogenic"

¹⁰ https://www-statista-com.sabidi.urv.cat/outlook/co/health-indicators/custom?currency=usd&locale=en&token=ATXHGFH-ljS7S_Q5yrAg0PC24kfoLCSuOIF6XHxKjXwsg6ZdX2QQ19nllNeUAluxVTE_qgxtUpXy53ulSA5bY0JNQeGvYA%3D%3D#health-determinants

environment by technology. This way of living involves eating more foods high in energy, exercising less, and consuming bigger portions. Obesity is also influenced by social, cultural, psychological, and economic variables. E. Andersson et al. (2022) identify the same reasons for the prevalence of obesity in Sweden. Please see the Figure 10.

Figure 10

Obesity rate in Sweden and Finland



Source: Statista¹¹

Sweden appears as a better choice for several important reasons. First, compared to Finland, its population is larger and richer (as can be seen from Figures 5, 6, 7, and 8), indicating a wider range of consumers and more spending power. Furthermore, patterns in the occurrence of

¹¹ https://www-statista-com.sabidi.urv.cat/outlook/co/health-indicators/custom?currency=usd&locale=en&token=ATXHGFH-ljS7S_Q5yrAg0PC24kfoLCSuOIF6XHxKjXwsg6ZdX2QQ19nllNeUAluxVTE_qgxtUpxY53ulSA5bY0JNQeGvYA%3D%3D#health-determinants

diabetes and obesity suggest that there may be greater demand for healthier food options in Sweden, such as plant-based fish and meat substitutes (as seen in Figures 9 and 10 above). This idea is further supported by the significant increase in both disposable income and food expenditure, suggesting that Swedes may have more money to spend on specialized or premium food items. As a result, Sweden offers a bigger market with more income potential for a business that specializes in plant-based food items, according to this thorough data research.

6.2. Sweden's analysis

Francis J. Aguilar wrote *Scanning the Business Environment* (1967), and in it, he proposed the ETPS analysis, which evaluated the technological, political, social, and cultural elements that affect firms. This approach has developed into the popular PESTEL analysis throughout time, covering a wider range of elements: political, economic, social, technological, environmental, and legal/regulatory factors.

A comprehensive PESTEL study is crucial for a business like Heura that wants to grow more globally. It gives Heura an understanding of the outside factors influencing the business environment, which helps them foresee obstacles and capture chances in the Swedish plant-based food industry. Heura may improve its chances of success in this rapid and competitive business by proactively modifying its internationalization plan due to the PESTEL analysis's conclusions.

6.2.1. Political factors

Sweden, also known as the Kingdom of Sweden, is a Nordic nation in Northern Europe that is situated on the Scandinavian Peninsula with its capital Stockholm. It is both a parliamentary democracy and a constitutional monarchy, with the 349-member unicameral Riksdag holding legislative authority. With 290 municipalities and 21 counties, it is a unitary state (Sweden – EU Country Profile | European Union, n.d.). It scores extremely well in quality of life, health, education, preservation of civil rights, economic competitiveness, income equality, gender equality, and prosperity; it also holds the 14th-highest GDP per capita in the world (OECD, 2013; World Economic Forum, 2013). Sweden ratified the EU on January 1st, 1995. Additionally,

Sweden is a member of various international organizations, including the Schengen Area, the World Trade Organization (WTO), NATO, the Organization for Economic Cooperation and Development (OECD), the United Nations, the Nordic Council, and the Council of Europe.

Several essential political variables may influence a country's business climate. The Worldwide Governance Indicators address six primary dimensions: "Political Stability and Absence of Violence/Terrorism," "Government Effectiveness," "Regulatory Quality," "Rule of Law," "Control of Corruption," and "Voice and Accountability." These measurements can and should be used as a tool for companies to assess whether the potential country has a favorable business climate based on the Doing Business Indicator (2020).

According to Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, the creators of the Worldwide Governance Indicators (2002), each parameter means:

1. Control of Corruption refers to the degree to which people perceive that public authority is used for personal benefit; this includes both small-scale and large-scale corruption, as well as elites' and corporate interests' "capture" of the state.
2. Government effectiveness measures how well public services are perceived, how independent the civil service is from political pressure, how well policies are formulated and carried out, and how credible the government is in sticking to its policy commitments.
3. The Political Stability and Absence of Violence/Terrorism indicator evaluates perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.
4. Regulatory Quality measures how the public perceives the government's capacity to create and implement sensible laws and rules that support and encourage the growth of the private sector.
5. The concept of Rule of Law refers to how much people believe in and follow social norms, particularly those about the strength of property rights, contract enforcement, police, and judicial systems, as well as the probability of crime and violence.

6. Views of freedom of expression, freedom of association, and free media, as well as the degree to which a nation's citizens may choose their government, are captured by Voice and Accountability.

These indicators are measured with a governance score (-2.5 to +2.5), where higher values of these variables indicate greater governance.

Additionally, the World Governance Indicators use a percentile rank system with 0 being the lowest rank and 100 representing the greatest rank, to show a country's position among all other countries. As can be seen in Table 2 below.

Table 2

The World Governance Indicators of Sweden

The World Governance Indicators of Sweden			
Indicator	Year	Governance (-2.5 to +2.5)	Percentile rank
Control of Corruption	2022	2,06	97,64
Government Effectiveness		1,57	94,81
Political Stability and Absence of Violence		0,9	80,19
Regulatory Quality		1,68	96,23
Rule of Law		1,69	93,87
Voice & Accountability		1,68	96,62

Source: Based on The World Governance Indicators¹²

Sweden's impressive governance scores reflect transparency, efficiency, and integrity in its institutions, making it ideal for Heura's market penetration. The country's absence of violence and political stability offer a secure foundation for investment. Moreover, its commitment to regulatory quality and the rule of law ensures a fair business environment. Sweden's democratic values, including high levels of voice and accountability, support civil liberties and encourage civic participation, further enhancing its attractiveness for businesses like Heura.

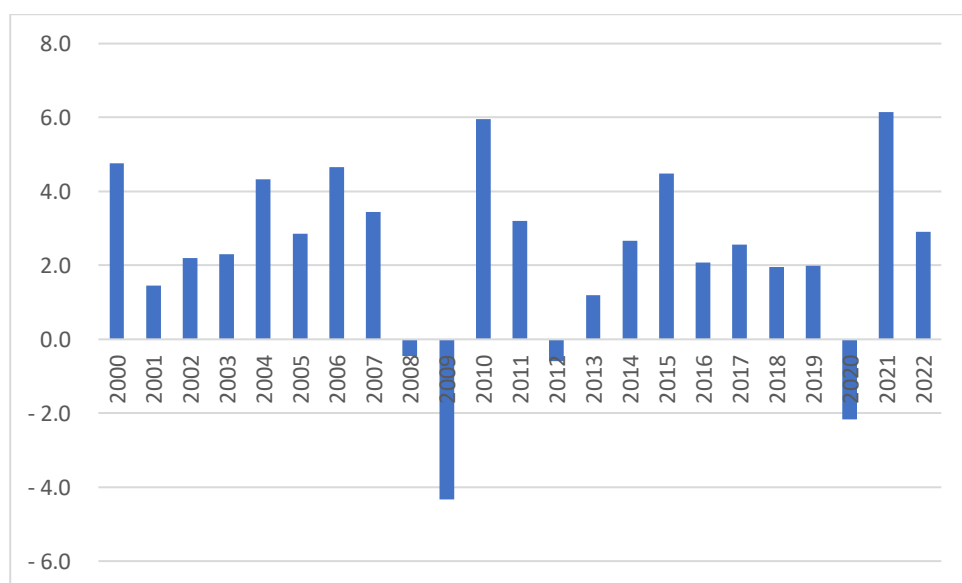
6.2.2. Economic factors

¹² <https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access>

Figure 11 illustrates the annual real GDP growth rate in Sweden from 2000 to 2022. It highlights the fluctuations in economic performance, with notable peaks and troughs over the years. Significant declines are evident in 2009 and 2020, corresponding to the global financial crisis and the COVID-19 pandemic, respectively. In contrast, there were substantial growth spikes in 2010 and 2021, reflecting periods of robust economic recovery.

Figure 11

Real GDP growth rate



Source: OECD¹³

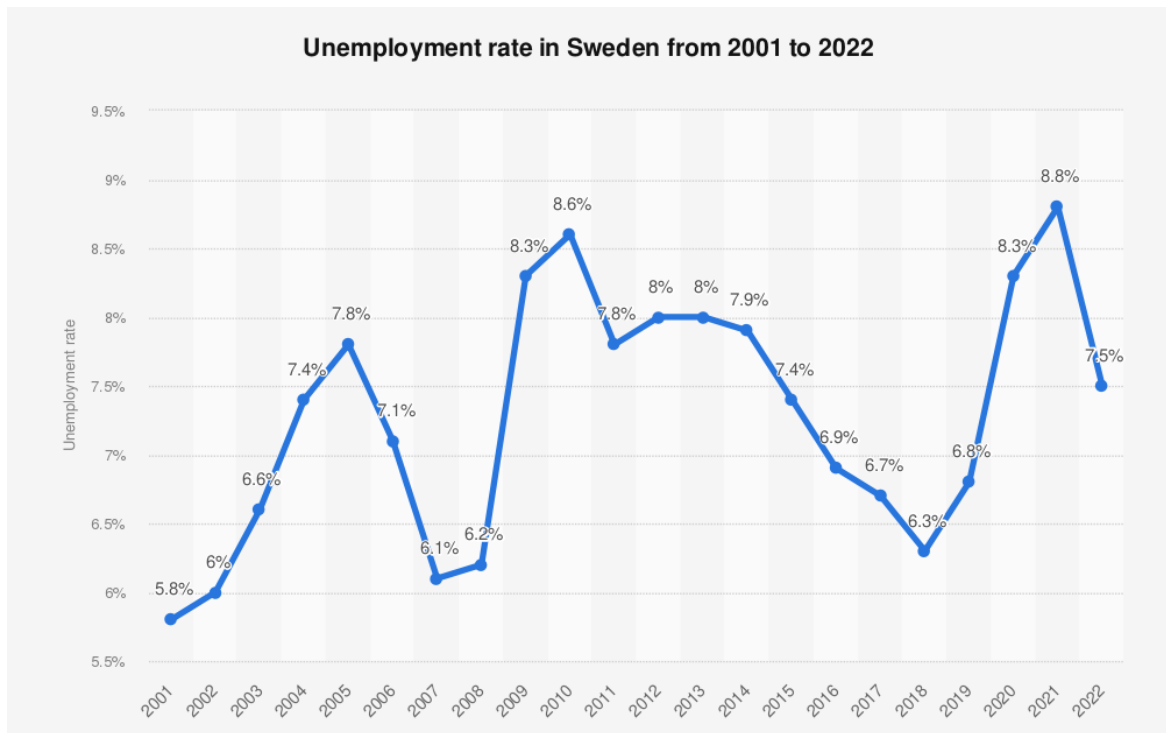
The unemployment rate in Sweden is shown in Figure 12 for the years 2001 to 2022. The rate varies, reaching highs of 8.6% and 8.8% in 2010 and 2021, respectively, and the lowest point of 6.3% in 2018.

¹³ [https://data-](https://data-explorer.oecd.org/vis?df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_NAMAIN10%40DF_TABLE1_EXPENDITURE&df[ag]=OECD.SDD.NAD&df[vs]=1.0&lo=20&lom=LASTNPERIODS&dq=A.SWE...B1GQ....PC...&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb)

[explorer.oecd.org/vis?df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_NAMAIN10%40DF_TABLE1_EXPENDITURE&df\[ag\]=OECD.SDD.NAD&df\[vs\]=1.0&lo=20&lom=LASTNPERIODS&dq=A.SWE...B1GQ....PC...&ly\[cl\]=TIME_PERIOD&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_NAMAIN10%40DF_TABLE1_EXPENDITURE&df[ag]=OECD.SDD.NAD&df[vs]=1.0&lo=20&lom=LASTNPERIODS&dq=A.SWE...B1GQ....PC...&ly[cl]=TIME_PERIOD&to[TIME_PERIOD]=false&vw=tb)

Figure 12

The unemployment rate in Sweden



Source: Statista¹⁴

Since 2010, Sweden's unemployment rate has steadily declined following the previous year's financial crisis. Nonetheless, following the COVID-19 outbreak in 2020, the employment rate increased from 2018 and reached about 9% in 2021. It dropped to 7.5 percent in 2022. It can be attributed to post-pandemic recovery efforts, government support programs, economic growth, labor market dynamics, structural changes, and policy measures promoting job creation and skills development, according to the Labour Force Surveys (LFS) (2022).

6.2.3. Social factors

Understanding the social factors that can influence consumer's choice to eat plant-based food is a critical aspect of deciding to enter a new market. They include health status (Figure 13),

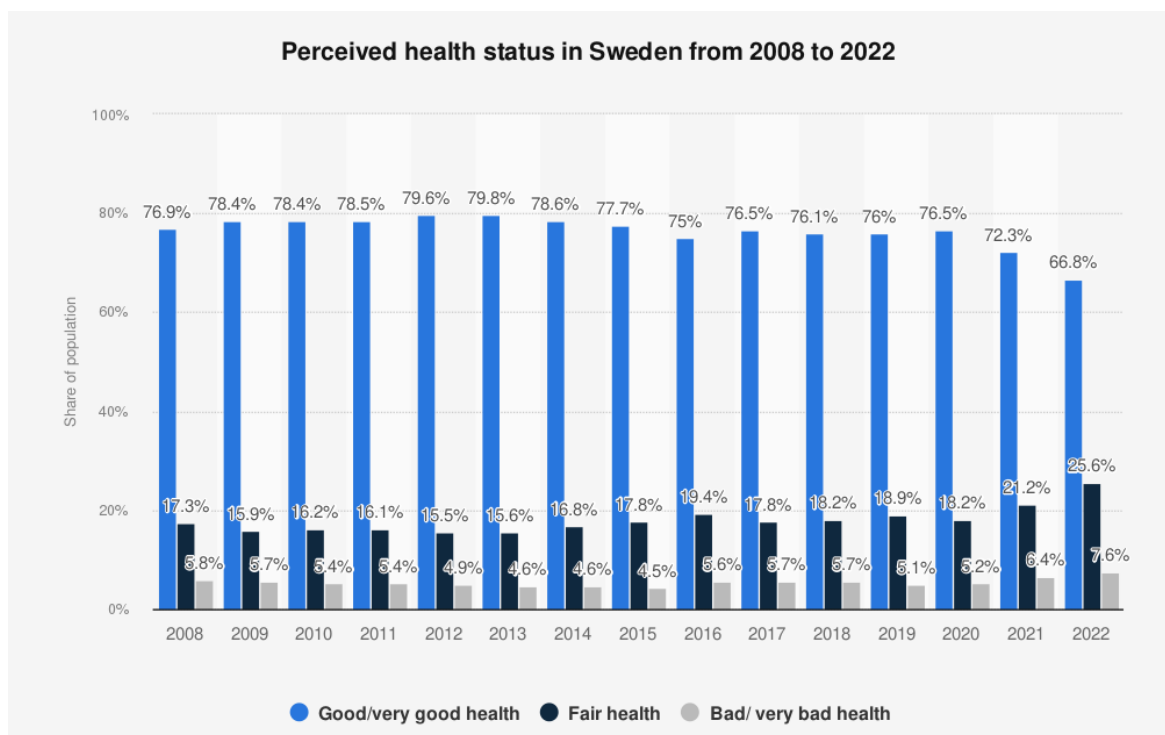
¹⁴ <https://www-statista-com.sabidi.urv.cat/statistics/527288/sweden-unemployment-rate/>

avoidance of meat eating (Figure 14), consumption of meat substitutes (Figure 15), and the most important thing when buying plant-based food (Figure 16).

Health status is important because it affects public health planning, society productivity, individual well-being, and economic stability. It impacts living quality, worker productivity, medical expenses, and crisis resilience.

Figure 13

Health status in Sweden from 2008 to 2022



Source: Statista¹⁵

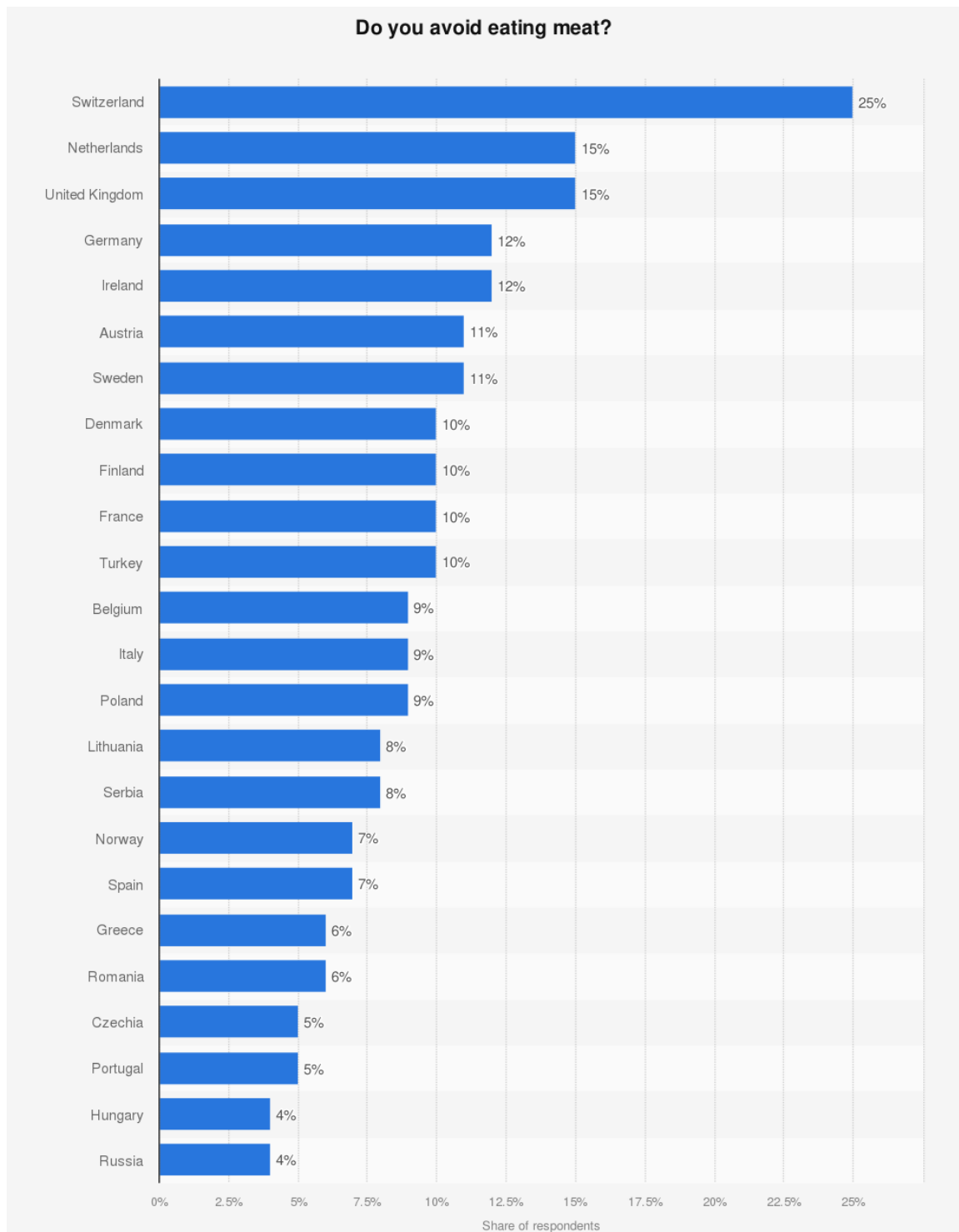
In the past 13 years, from 2008 to 2021, the percentage of individuals aged 15 and above reporting good or very good health consistently exceeded 70%. Despite a slight decline to 67% in 2022, based on the latest available data, this trend underscores a significant emphasis on health among the Swedish population.

¹⁵ <https://www-statista-com.sabidi.urv.cat/statistics/940421/perceived-health-status-in-sweden/>

Next, for Heura's internationalization plan, the percentage of avoidance of meat intake is vital because it supports the company's goals of offering sustainable, cruelty-free food alternatives, environmental preservation, and improved personal health.

Figure 14

Avoidance of meat eating



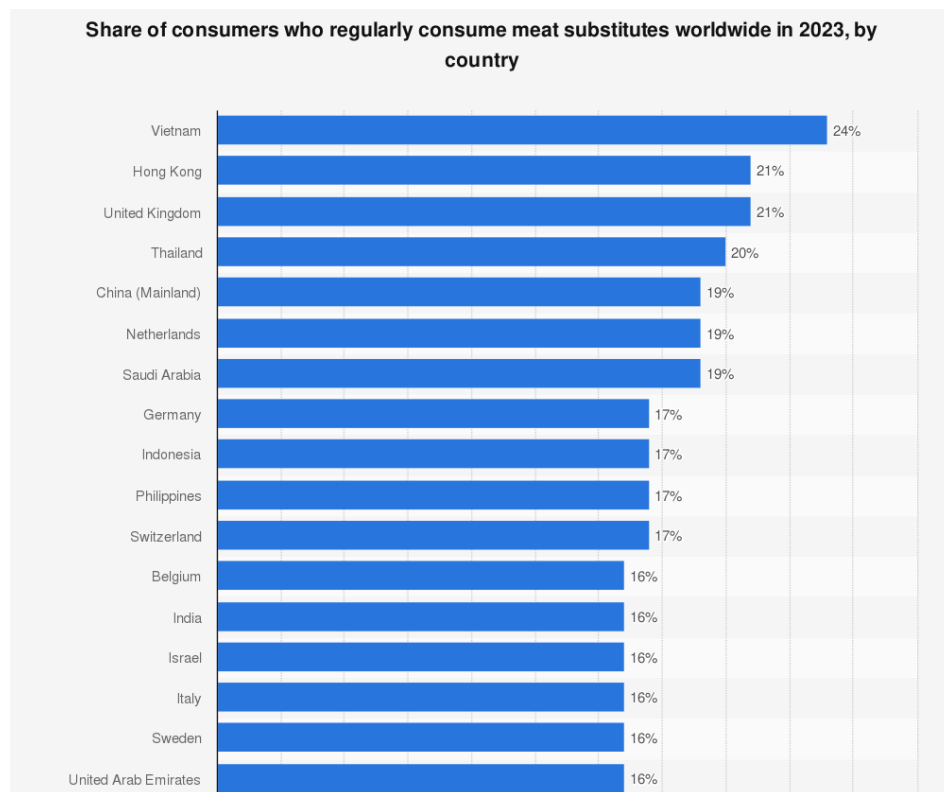
Source: Statista¹⁶

Sweden ranked 7th on this indicator, with 11% of the population opting to avoid meat consumption. Sweden comes up at number seven on this index, with 11% of people choosing not to consume meat. Sweden is an attractive market for Heura's products to be exported according to this data. The comparatively large number of people who avoid meat suggests that there is a rising market for plant-based substitutes, which could be favorable for Heura's products.

Then, the share of consumers who regularly consume meat is essential for determining market demand, coordinating sustainability initiatives, and tracking the decline in meat consumption.

Figure 15

Share of consumers who regularly consume meat substitutes



¹⁶ <https://www-statista-com.sabidi.urv.cat/forecasts/1256592/share-of-non-meat-eaters-in-european-countries>

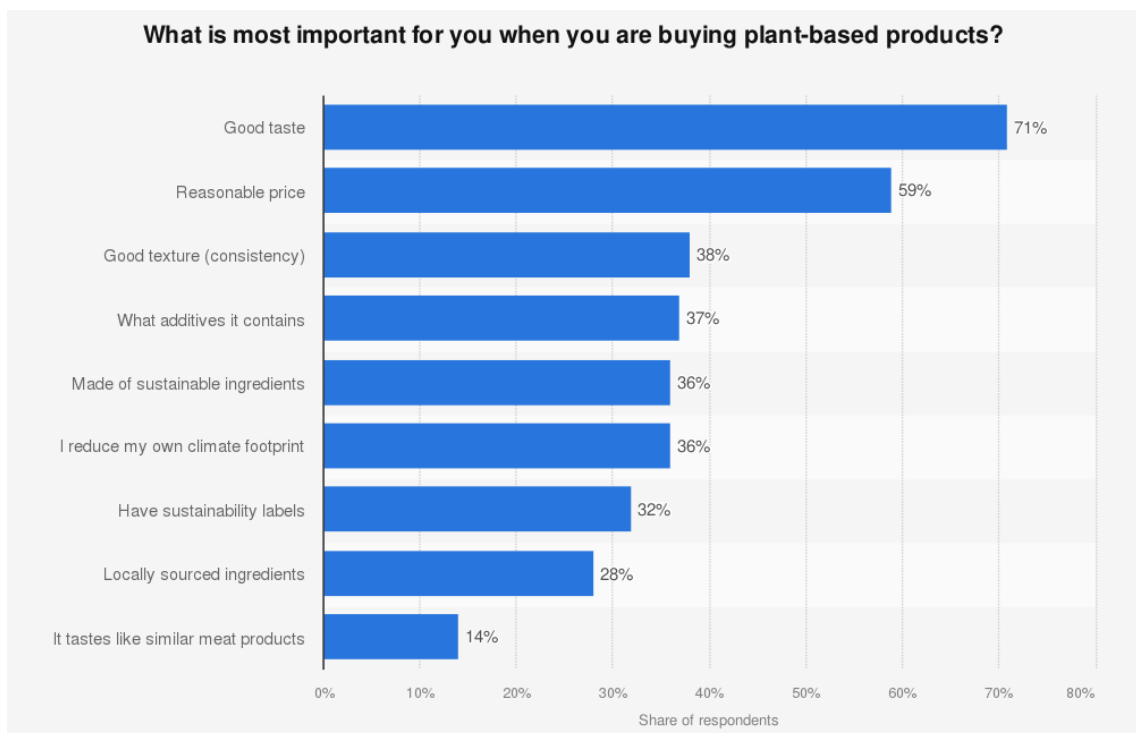
Source: Statista¹⁷

According to Statista (2023), 16% of the Swedish population consumes meat substitutes regularly, positioning Sweden as a leader among Nordic countries in terms of vegan and vegetarian demographics. This data not only highlights a sizable market of potential consumers but also underscores a prevailing trend towards health-conscious lifestyles and wellness practices within Swedish society.

Last, knowledge about consumers' most important preferences when buying meat substitutes is a key indicator for Heura to adjust its food product to the local market effectively. Adapting to local preferences reinforces Heura's commitment to consumer satisfaction and responsiveness to market dynamics.

Figure 16

The most important thing when buying plant-based food



¹⁷ <https://www-statista-com.sabidi.urv.cat/statistics/1448910/regular-consumption-of-meat-substitutes-by-country/>

Source: Statista¹⁸

Additionally, the data provided by Statista (2021) explains that the two most important things for buying plant-based products in Sweden are good taste and reasonable prices, which gives Heura a tactical advantage in entering and succeeding in the Swedish market. By delivering products that are superior in these major categories, Heura can stand out from competitors and lure in new customers looking for tasty yet affordable plant-based substitutes.

6.2.4. Technological factors

The modern manufacturing and transportation infrastructure inside the European Union (EU) greatly simplifies the technological elements affecting Heura's market entry into Sweden. As both Spain (where Heura is based) and Sweden are both EU members, this significantly reduces the bureaucratic and legal barriers that are usually involved in international trade.

Heura wins from advanced manufacturing techniques that guarantee the effective and superior manufacture of plant-based goods. Heura's production methods already meet Swedish rules because of the EU's strict requirements for food safety and quality, eliminating the need for any adaptations (European Commission, 2020; European Food Safety Authority, 2018). Heura is also able to consistently produce high-quality food because of technological developments in the food industry. This is an important aspect of establishing and maintaining customer trust in a new market (Afodel Blog, 2023; Ojo et al., 2020).

The single market structure, which permits the free movement of products without customs inspections or duties, facilitates shipping inside the EU. Heura can effectively manage its supply chain and keep on-schedule delivery due to this legal framework that makes logistics easier (European Commission, 2019; European Union, 2020). Spain's relative proximity to Sweden

¹⁸ <https://www-statista-com.sabidi.urv.cat/statistics/1265996/important-factors-when-buying-plant-based-products-in-sweden/>

further minimizes transportation expenses and delays, enabling Heura to react swiftly to supply requirements and market demand.

Heura's capacity to efficiently manage its supply chain is further improved by the use latest logistics technology, such as real-time tracking and inventory management systems (Vadi et al., 2021). By giving buyers and sellers in Sweden insight and control over shipments, these technologies guarantee that goods arrive in perfect condition.

Therefore, the technological factors related to manufacturing and shipping within the EU single market provide Heura with a sturdy foundation for its market entry into Sweden. The advanced manufacturing capabilities and efficient logistics infrastructure within the European Union promote a seamless and cost-effective entry process, supporting Heura's strategic objectives and operational efficiency in the new market.

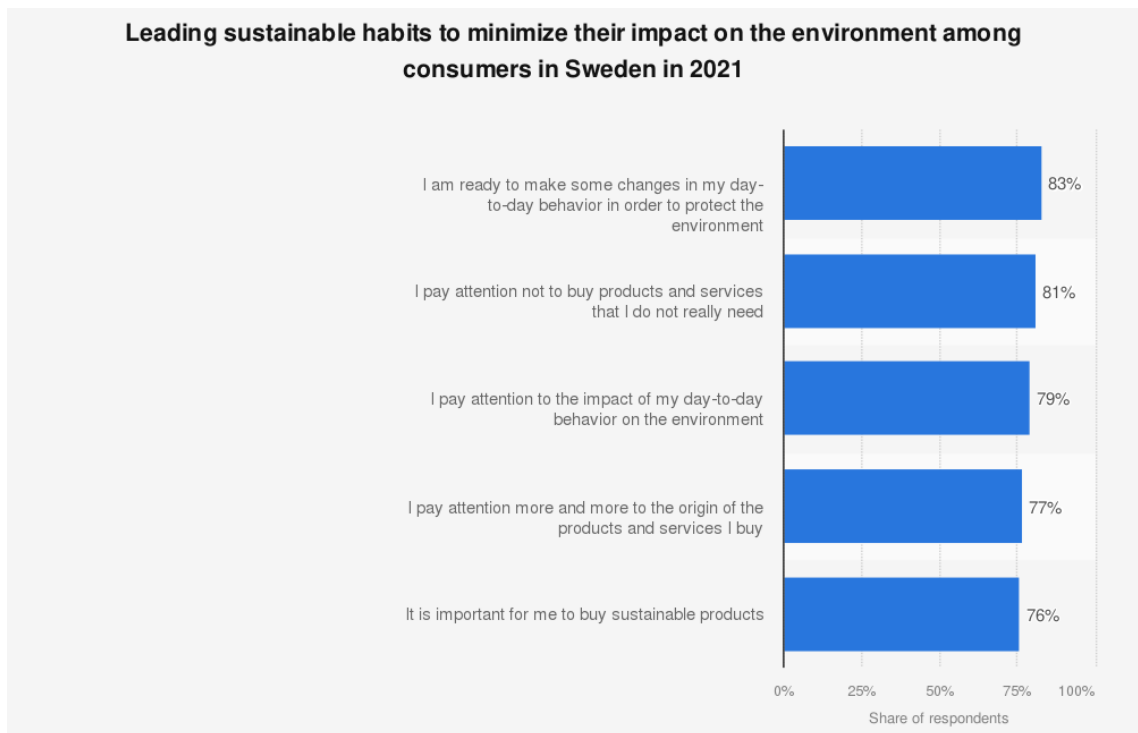
6.2.5. Environmental factors

Environmental problems play a huge role in why Heura was founded and why consumers started shifting from eating real fish and meat to eating meat and fish alternatives.

First, growing consumer concerns about environmental sustainability have led to a growing need for eco-friendly products that reduce carbon emissions as seen in Figure 17.

Figure 17

Leading sustainable consumer habits to minimize their environmental impact in Sweden



Source: Statista¹⁹

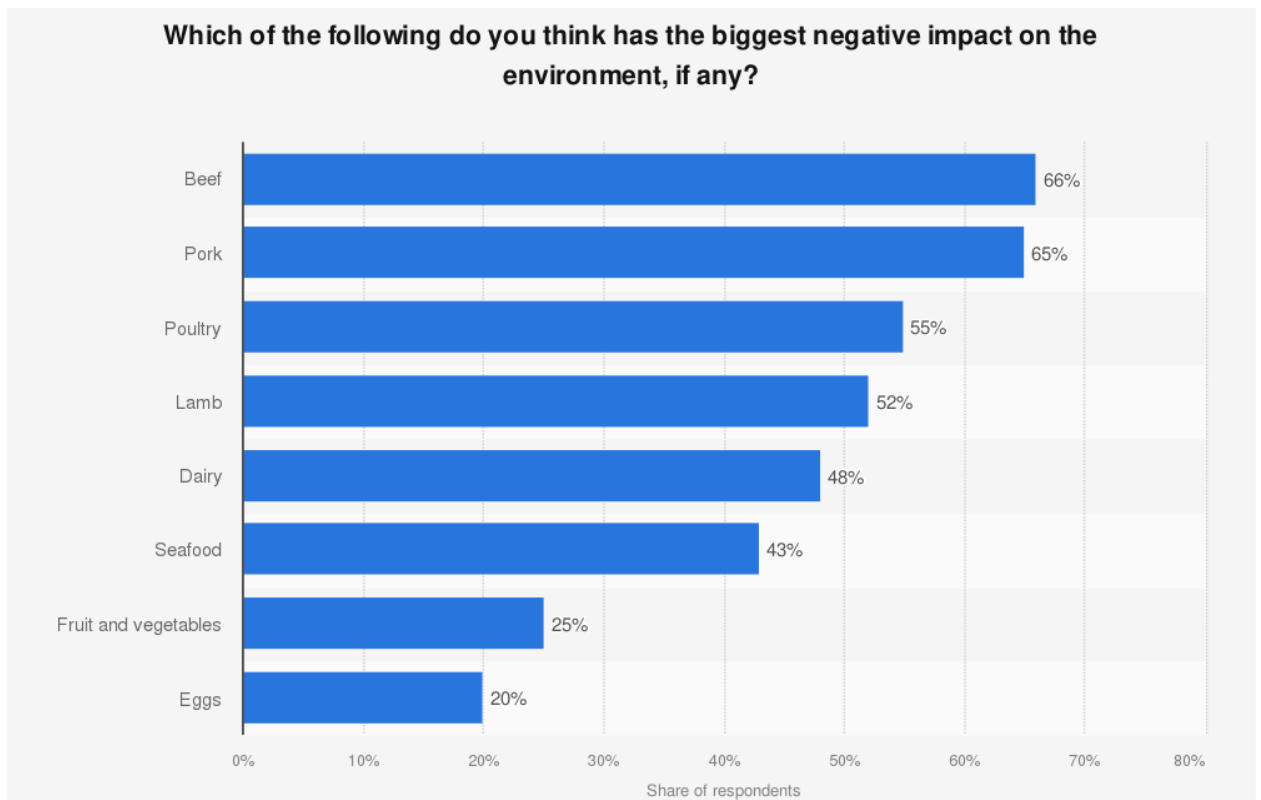
The high level of environmental awareness among the Swedish population presents a significant opportunity for Heura's internationalization strategy. With 83% of respondents above 18 years old expressing a willingness to make sacrifices in their daily lives for the sake of becoming more eco-friendly, and 76% recognizing the importance of investing in sustainable products, Sweden emerges as a receptive market for Heura's offerings. This alignment between consumer preferences and Heura's commitment to sustainability positions the company well to profit from Sweden's expanding need for environmentally friendly products.

Second, the opinions of respondents on which types of food they believe have the biggest negative impact on the environment are illustrated in Figure 18.

Figure 18

The opinions on which types of meat have the biggest negative impact on the environment

¹⁹ <https://www-statista-com.sabidi.urv.cat/statistics/1272102/sustainable-habits-among-consumers-in-sweden/>



Source: Statista²⁰

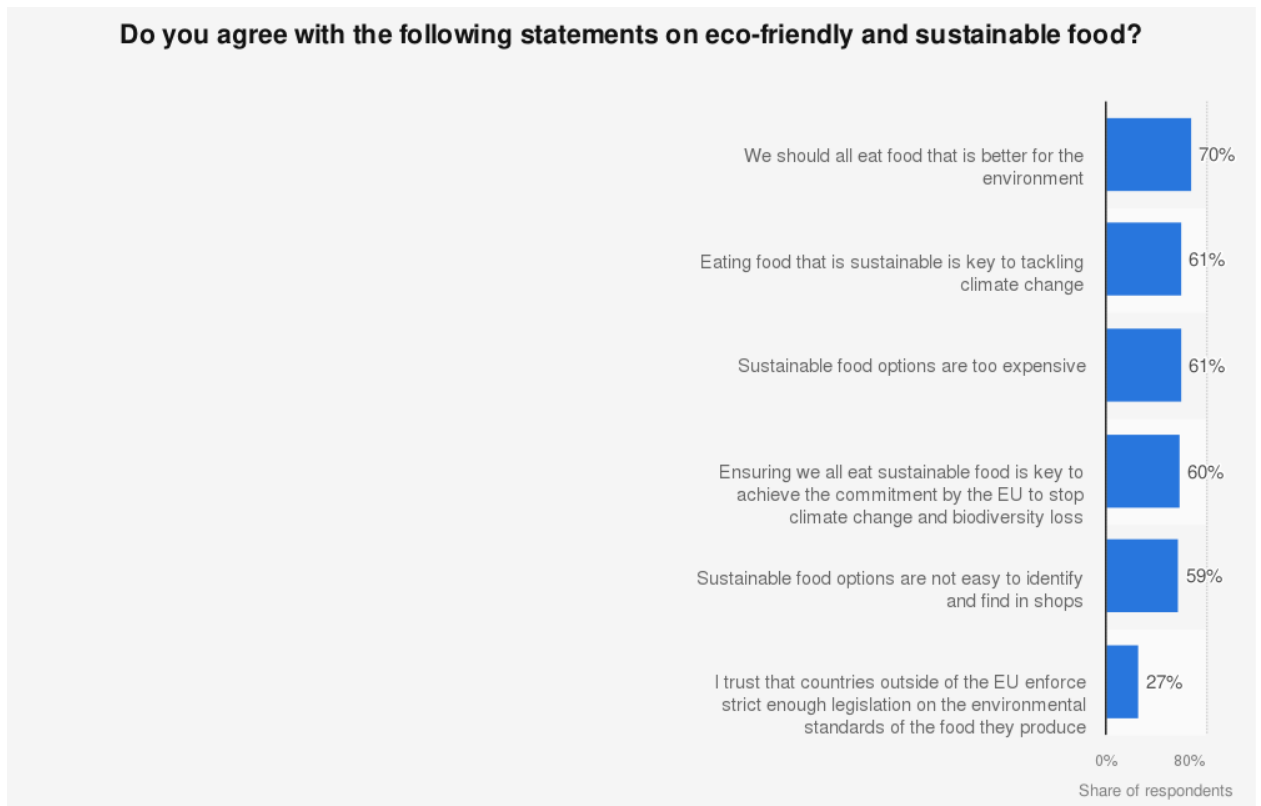
Furthermore, the findings by Statista (2021) graphs above reveal that Swedish respondents identify beef (66%), pork (65%), and poultry (55%) as having the most harmful effect on the environment. This aligns with the eco-friendly behavior exhibited by Swedish consumers, presenting Heura with an ideal opportunity for successful market penetration. By offering plant-based alternatives that resonate with the environmentally conscious preferences of Swedish consumers, Heura stands poised to capitalize on this market demand and establish a strong foothold in Sweden.

Figure 19 represents respondents' levels of agreement with various statements regarding eco-friendly and sustainable food, with 70% agreeing that everyone should eat food that is better for the environment and only 27% trusting that non-EU countries enforce strict environmental legislation for food production.

²⁰ <https://www-statista-com.sabidi.urv.cat/statistics/1366767/food-with-the-biggest-negative-impact-on-the-environment-in-sweden-by-type/>

Figure 19

Respondents' levels of agreement with statements about eco-friendly and sustainable food



Source: Statista²¹

Heura's plant-based meat substitutes offer a solution to the environmental concerns associated with food consumption in Sweden. With approximately 70% of Swedes recognizing the role of dietary habits in global environmental issues, there is a growing demand for sustainable alternatives. By providing environmentally friendly and nutritional options, Heura can address this demand and contribute to the reduction of food production and consumption's environmental impact in Sweden.

6.2.6. Legal factors

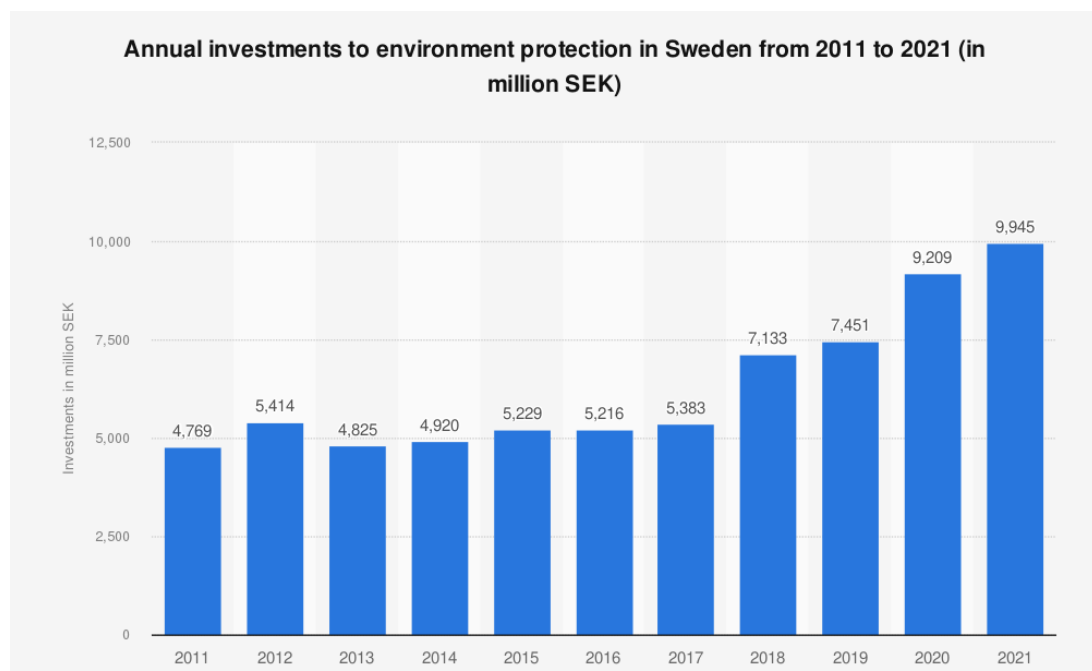
²¹ <https://www-statista-com.sabidi.urv.cat/statistics/1367325/opinions-on-eco-friendly-and-sustainable-food-in-sweden/>

Environmental protection is one of the most important topics in Sweden. The Swedish Environmental Code (1999) was created to encourage sustainable development and protect a healthy environment for current and future generations. It provides guidelines for:

1. Preserving the environment and public health against pollution and other negative effects.
2. Saving priceless natural and cultural settings.
3. Preserving the diversity of life.
4. Supporting long-term ecological, social, cultural, and economic management, and ensuring responsible use of land, water, and the physical environment.
5. Encouraging recycling, reusing, and other methods of managing materials and energy to create and preserve natural cycles.

Figure 20

Annual investments in environmental protection in Sweden from 2011 to 2021



Source: Statista²²

²² <https://www-statista-com.sabidi.urv.cat/statistics/535719/sweden-environmental-protection-investments/>

Sweden's annual investments in environmental protection remained relatively stable, hovering around five billion Swedish kronor from 2011 to 2017. However, a significant shift occurred in the following four years, marked by a substantial increase in investments. By 2021, these investments nearly doubled, reaching almost 10 billion Swedish kronor.

6.3. PESTEL result

Overall, Sweden proves to be a favorable market for a company like Heura, with stable politics, a strong economy, a health-aware society, advanced technology, eco-consciousness, and supportive laws. These factors combined make Sweden an attractive choice for Heura's expansion in the plant-based food sector, promising opportunities for growth and success.

6.4. Swedish market analysis

For a better understanding, it is important to look at the overview of Europe-wide plant-based category sales in the recent available data, for the year 2022. Relevant to Heura's internationalization strategy, the data shows the sales of many plant-based food categories throughout Europe in 2022. The market for plant-based foods in Europe was valued at €5.8 billion in 2022, after increasing by 21% in 2020 and 6% in 2021. Plant-based milk and meat make up significant categories. Meat's sales reached €2.0 billion, increasing by 3% in 2021 and 19% in 2020, with a total of 846 million units sold. Overall, this data shows a growing demand for plant-based foods in Europe, indicating Heura's potential to gain more market shares. Please see Figure 21.

Figure 21

Overview of Europe-wide plant-based category sales summary in 2022

Overview of Europe-wide plant-based category sales summary, 2022						
	2022 sales value	2021-2022 sales growth	2020-2022 sales growth	2022 unit sales	2021-2022 unit sales growth	2020-2022 unit sales growth
Milk	€2.2 B	7%	19%	1.3 B	6%	20%
Meat	€2.0 B	3%	19%	846 M	1%	21%
Yoghurt	€515 M	-0.4%	8%	255 M	-3%	10%
Spreads	€247 M	13%	40%	140 M	4%	26%
Meals	€181 M	20%	79%	72 M	14%	71%
Ice cream	€174 M	8%	14%	57 M	8%	15%
Cheese	€165 M	4%	56%	61 M	4%	62%
Cream	€139 M	7%	7%	109 M	0%	1%
Dessert	€88 M	6%	27%	58 M	5%	40%
Seafood	€43 M	60%	326%	14 M	67%	343%
Total	€5.8 B	6%	21%	2.9 B	4%	21%

Source: GFI EUROPE²³

The difficulties surrounding international commerce, and inflation all contributed to a different macroeconomic climate that must be taken into consideration when analyzing the sales performance of plant-based categories in 2022 in Europe. The retail market for plant-based foods grew less rapidly in 2022 than it did in 2021, yet despite these difficulties, customer demand for these items was evident in the increase of both euro and unit sales. The most high-in-demand categories are milk and meat with sales values of 2 billion euros and even more.

In Sweden, the situation is a little bit different (see the Figure below). The data demonstrates that Sweden's plant-based category sales for 2022 had a mixed result. Other categories, such as meat, yogurt, and cheese, had decreased, although the milk category saw a little increase in both value and unit sales. In 2022, the total sales value in euros was €196.2 million, indicating a 3% decrease from 2021 to 2022. During the same period, there was a 4% drop in unit

²³ https://gfieurope.org/wp-content/uploads/2023/04/2020-2022-Europe-retail-market-insights_updated-1.pdf

sales as well. Nonetheless, there was a little positive increase of 1% in unit sales during the two years between 2020 and 2022, suggesting a longer-term trend that is more consistent.

Figure 22

Sweden plant-based category sales summary in 2022

Sweden plant-based category sales summary, 2022

	2022 krona sales	2022 euro sales	2021-2022 sales growth	2020-2022 sales growth	2022 unit sales	Unit sales growth (21-22)	Unit sales growth (20-22)
Meat	982.1 M kr	€86.7 M	-5%	-4%	24.6 M	-10%	-8%
Milk	975.5 M kr	€86.1 M	2%	9%	54.7 M	0.4%	9%
Yoghurt	185.1 M kr	€16.3 M	-13%	-14%	6.6 M	-17%	-21%
Cheese	80.3 M kr	€7.1 M	-6%	-1%	2.5 M	-7%	-5%
Total	2.22 B kr	€196.2 M	-3%	0.3%	88.4 M	-4%	1%

Source: GFI EUROPE²⁴

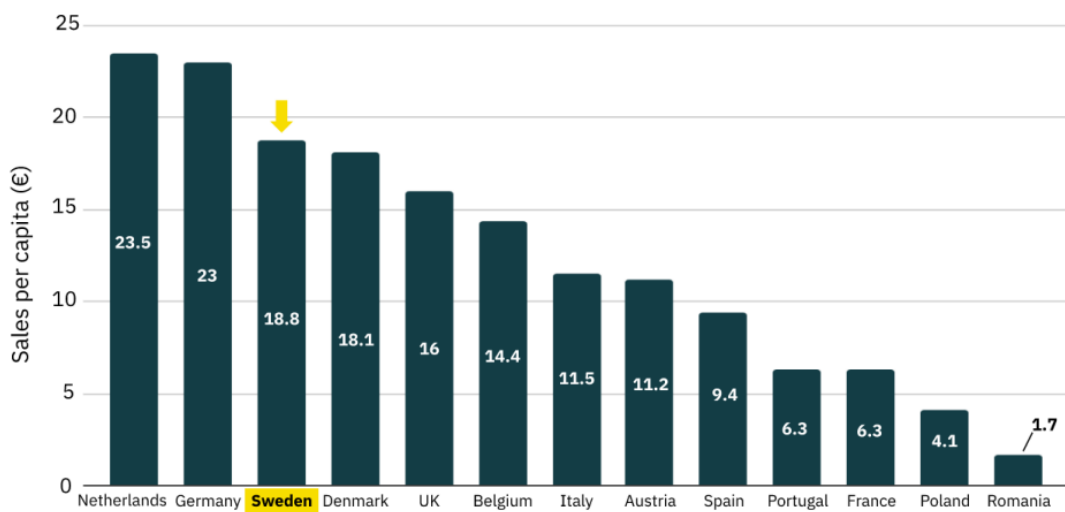
Still, plant-based meat and milk are the most bought categories in Sweden surpassing 975 million of national currency Swedish krona (€86.1 million) sales. Yet, across Europe, Sweden has the third highest sales of plant-based food per capita with 18.8 euros in sales per capita.

Figure 23

Europe-wide average plant-based food spend per country per capita in 2022

²⁴ https://gfieurope.org/wp-content/uploads/2023/04/2020-2022-Europe-retail-market-insights_updated-1.pdf

Europe-wide average plant-based food spend per country per capita (in euros), 2022



Source: GFI EUROPE²⁵

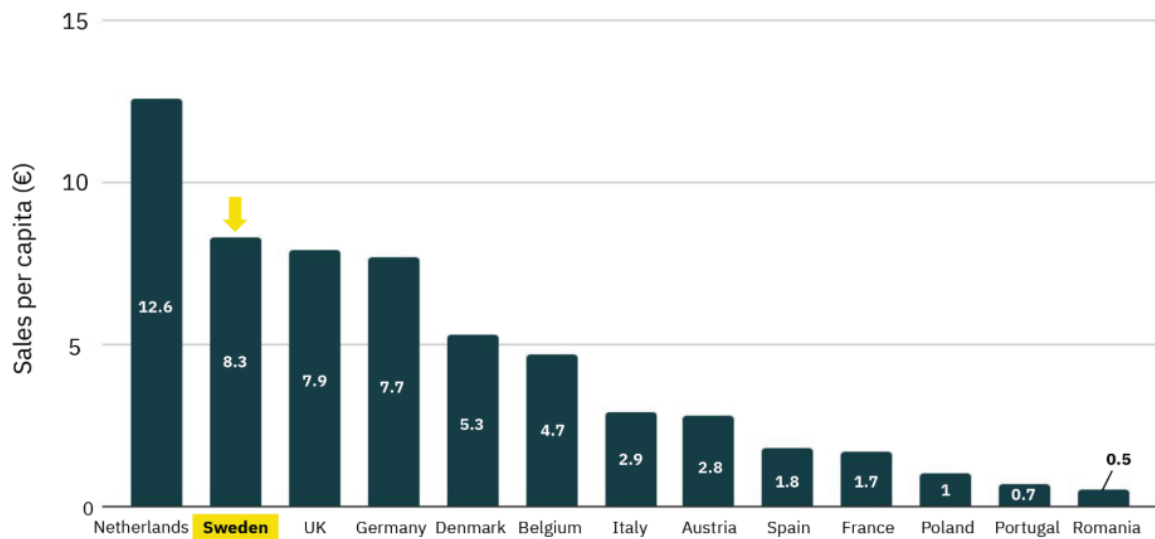
Swedish plant-based meat, including products mimicking the appearance and taste of animal-based meat and non-analogues, e.g. vegetable-based patties, had a 5% market share of the total retail pre-packaged meat category, according to Nielsen (2023). Simultaneously, the most popular plant-based meat forms are strips/pieces (10%), sausage (13%), burgers (12%), and mince (which accounts for 25% of sales by value). Interestingly, the only format to have an increase in sales value in 2022 was strips and pieces. (GFI Europe, 2023). However, Sweden has the second highest sales of plant-based meat per capita in Europe with 8.3 euros in sales per capita, behind the Netherlands with 12.6 euros per capita.

Figure 24

Europe-wide average plant-based meat spend per country per capita in 2022

²⁵ https://gfieurope.org/wp-content/uploads/2023/04/2020-2022-Europe-retail-market-insights_updated-1.pdf

Europe-wide average plant-based meat spend per country per capita (in euros), 2022



Source: GFI EUROPE²⁶

7. Competitors analysis

Zahra and Chaples's (1993) definition of a competitive analysis is "the process by which a company attempts to define and understand its industry, identify its competitors, determine the strengths and weaknesses of its rivals, and anticipate their moves" (p. 19-20). With competitors' analysis Heura can determine their strategies, product range, and positioning in the market.

The potential competitors are from around the world: Swedish-based companies Oatly AB and Anamma, Beyond Burgers and Impossible Foods from the USA, and Garden Gourmet from Switzerland. However, Sweden's company Oatly AB should not be considered as a competitor as the company focus is only on milk alternatives though the brand Oatly is popular not only in Sweden but in Europe and North America in general.

²⁶ https://gfieurope.org/wp-content/uploads/2023/04/2020-2022-Europe-retail-market-insights_updated-1.pdf

Table 3*Competitors analysis*

Competitor's name	Product range	Quality	Price	Of what is it made of	The place of origin
Heura	Meat and fish substitution	Nutri score of A	22,68 euros/kg	Pea protein	Spain
Anamma	Meat substitution	Nutri score of A	9,50 euros/kg	Pea protein	Sweden
Beyond Burgers	Meat substitution	Has a food additive (maltodextrin)	22,52 euros/kg	Pea protein	USA
Garden Gourmet (Hälsans kök)	Meat substitution	Nutri score of A, B	14,5 euros/kg	Pea protein	Switzerland

Heura emerges as the standout option among its competitors due to its impressive Nutri score of A, indicating superior nutritional quality. While priced slightly higher at 22.68 euros/kg, its transparent use of pea protein aligns with the demand for clean and sustainable ingredients. In contrast, competitors like Beyond Burgers compromise on quality with additives like maltodextrin. Despite Garden Gourmet's Nutri score of A and B, Heura maintains its edge as the top choice for health-conscious consumers seeking a high-quality meat and fish substitution. For example, according to Long and Lapatza (2023), to reduce food waste in the food-tech sector, Heura has developed an innovative scientific technique that makes the most of underused plant sources. Rather than concentrating only on protein extraction from certain plant sections, its subsidiary, Good Rebel Tech (GRT), investigates the possibilities of entire plants as well as food manufacturing waste. Heura can use the nutrients that are naturally present in plants and cut down on waste during manufacturing because of its comprehensive strategy. Utilizing advances in scientific research and plant physiology, Heura seeks to create plant-based products that are low-

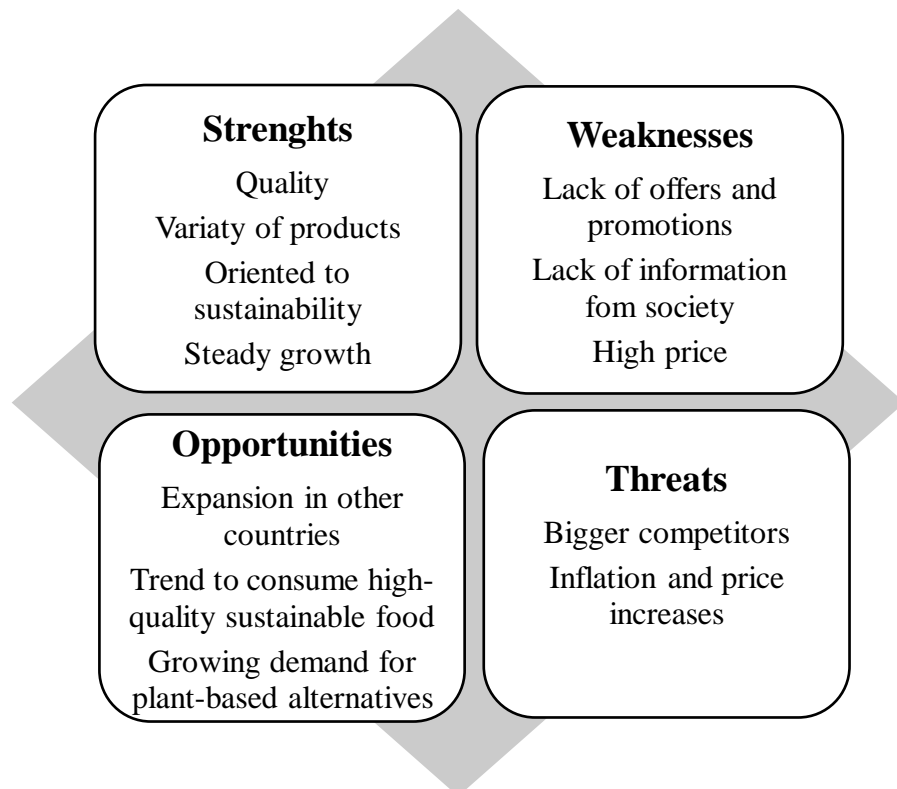
impact on the environment while offering great nutritional value. Heura's dedication to sustainability and innovation in the plant-based food sector is reflected in this effort.

8. SWOT analysis

A thorough examination of a company's internal resources and competencies is part of the internal environment study. It is an integral part of SWOT analysis. The concept of SWOT analysis originated in the 1960s at the Stanford Research Institute, developed by Albert Humphrey as a tool for strategic planning (Puyt et al., 2023). A strategic planning technique known as SWOT analysis examines the four categories of variables that impact a business: opportunities, threats, weaknesses, and strengths (SWOT). Businesses may assess their existing situation and develop plans to take advantage of strengths, address weaknesses, seize opportunities, and reduce risks using SWOT analysis. It is often used in risk management, product development, marketing, and strategic planning.

Figure 25

Heura's SWOT analysis



8.1. Strengths

Strengths distinguish an organization apart from other companies and showcase its areas of expertise. Here's Heura's strength:

1. Quality. Heura makes its products with no artificial colors or preservatives, low in saturated fat, high in protein, iron, fiber, and vitamin B12, and gluten-free.
2. Variety of products. Heura makes plant-based chicken, beef, and fish products. Even these categories have subcategories from chicken strips to meatballs.
3. Oriented to sustainability. Founders of Heura claim that "all of our products are 100% plant-based, to avoid using excessive natural resources". Heura's products are also 99% less water, 80% less emissions, 86% less land space, and 85% fewer grains.
4. Steady growth. Heura reported that in 2023 they gained Spain's leadership with a +25% market share and growth in France at 73%.

8.2. Weaknesses

An organization can't operate at its best when it has weaknesses. To remain competitive, the company has to make improvements in these areas. Here are Heura's weaknesses:

1. Lack of offers and promotions. Heura does not run specials or promotions on its products, in contrast to other companies.
2. Lack of information from society. Both the negative effects of meat production and the available market alternatives continue to be unknown to a large number of individuals.
3. High price. Heura is an expensive meat and/or fish substitute with a price of 22,68 euros per kilogram for a plant-based hamburger while a hamburger made from real beef would cost only 12 euros per kilogram in Sweden.

8.3. Opportunities

A competitive advantage can be provided to a business by favorable external factors known as opportunities. Heura's opportunities may include:

1. Expansion in other countries. Heura can explore new markets by expanding its operations into other countries, for example, Sweden, to broaden its customer base and increase brand visibility.
2. Trend to consume high-quality sustainable food. According to Forbes (2020), 65% of consumers seek products that support sustainable and socially responsible lifestyles.
3. Growing demand for plant-based alternatives. According to a survey by Alpro (2023), in the next 6 months, 40% of Europeans express a desire to increase their consumption of plant-based alternatives to dairy, meat, and fish. Also, for 37% of Europeans, switching from dairy to plant-based alternatives is the second most preferred option.

8.4. Threats

Threats are factors that can damage an organization. Heura's threats include:

1. Bigger competitors. The composition of the market share of the leading meat substitute brands in Western Europe in 2020 were led by British company Quorn with 16.7%, and Garden Gourmet had 4.9% of the market share.
2. Inflation and price increases. The biggest increase in over 70 years has occurred in food costs in Sweden over the last year, with a 20 percent increase, according to Statistics Sweden (2023). Food and non-alcoholic beverage prices increased by 20.95 percent between February 2022 and February 2023 as compared to the same time the previous year, according to Statistics Sweden's Consumer Price Index (CPI).

Heura has a strong brand that makes it a good fit for growth abroad, especially in countries like Sweden. Its focus on quality control, a wide range of products, and commitment to sustainability provide a strong platform for expanding into new areas. Heura is well-positioned to capitalize on current trends supporting sustainability and plant-based dietary choices despite the natural challenges of pricing tactics and competitive dynamics. These kinds of calculated expansion projects reflect not just changing customer preferences but also Heura's advancing position in the worldwide market. This is a critical turning point in the company's trajectory toward increased market share and long-term success.

9. Market entry mode

Direct export appears to be the optimal method for Heura to enter the Swedish market for several reasons that are discussed below:

1. **Increased Control and Feedback.** By directly exporting, Heura retains greater control over its products, brand image, and distribution channels. This control allows for quicker adaptation to market demands and better feedback mechanisms, which can inform future product development and marketing strategies (Houlton, 2023).
2. **Marketing Activities.** Direct export facilitates an increased number of marketing activities tailored specifically to the Swedish market. This targeted approach is likely to generate greater sales volume by resonating with local consumers and addressing their needs effectively.
3. **Flexibility in Market Selection.** Direct export provides Heura with the freedom to select and enter markets according to its criteria and priorities. This flexibility allows the company to focus on markets where demand for meat substitutes is high and where it can establish a strong foothold.
4. **Learning and Experience.** Direct export involves direct engagement with the

market, which facilitates the acquisition of valuable experience and know-how. This firsthand experience enables Heura to better understand the nuances of the Swedish market and adapt its strategies accordingly, leading to more effective market penetration and long-term success.

While other methods such as using distributors or agents offer certain advantages like concentrated production and cost savings, direct export aligns more closely with Heura's goals of international expansion and maintaining control over its brand and products. By directly managing export activities through its own export departments, Heura can ensure a comprehensive and strategic approach to entering the Swedish market, ultimately increasing its chances of success.

10. Conclusion

This thesis examines market dynamics, consumer trends, competition positioning, and entry tactics to provide a comprehensive analysis of Heura's strategic entry into the Swedish market. Utilizing analytical frameworks like SWOT, PESTEL, and competitive analysis, it defines the elements that are essential for Heura to succeed in Sweden.

Barcelona-based company has a great chance to capitalize on the worldwide movement toward plant-based diets, which is being driven by ethical, environmental, and health concerns. The significant market for vegetarian and vegan products in Sweden fits in perfectly with Heura's product line and brand image, creating a winning combination.

A clear trend can be seen when analyzing the market dynamics and consumer trends in Sweden: there is an evident movement towards plant-based diets, which is mostly caused by increased environmental and health consciousness. This trend not only shows Heura a promising future but also highlights how its purpose and the changing tastes of Swedish customers are in line.

Heura has an obvious competitive advantage thanks to its inventive product line and strong brand recognition, even in a market with many well-established competitors. Notably, Heura

strategically positioned itself to efficiently manage possible market problems as a result of its concentration on quality, innovation, and brand identification.

The thesis suggests that direct export is the best way to penetrate the Swedish market when developing a market entry plan. Heura can adapt to local consumer demands while maintaining control over the quality of its products and brand image because of this strategic strategy. The company can improve its market share and foster brand loyalty by customizing marketing techniques and product offers, which will help it get a firm footing in the Swedish market.

The strategic recommendations that are presented include focused marketing campaigns, product personalization, establishing local relationships, and ongoing innovation. These suggestions, which are based on a thorough analysis of the dynamics of the Swedish market, are intended to capitalize on Heura's fundamental advantages to create a strong market presence.

Heura Foods is well-positioned to benefit from Sweden's growing interest in plant-based diets. The thorough market entrance strategy provides a logical road map for Heura's growth and is supported by in-depth analysis and strategic planning. This calculated step contributes to a more sustainable and health-conscious food sector environment while also being in line with Heura's sustainability and innovation mindset and laying the groundwork for future worldwide expansion.

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