Risks and Opportunities: The Development of Business from migration. A Case Study in France

*Riesgos y oportunidades: el desarrollo de negocios desde la migración. Caso de estudio en Francia*

*Riscos e oportunidades: desenvolvimento de negócios a partir da migração. Estudo de caso na França*

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Abstract
Migration processes increasingly generate new economic and social dynamics. One of these dynamics is migratory entrepreneurship. This article seeks to understand the processes, profile, and relationship with the environment of migrant business owners in the commercialization sector of ethnic or specialized products from their countries of origin in Paris, France. It was found that elements such as the elaboration of financial, risk and marketing analyses are not performed by most entrepreneurs, increasing the risk of bankruptcy. However, with the increase of French consumers, migrant employment in these types of companies generates a greater obligation for foreign personnel to adapt in order to communicate with their potential customers.

Keywords: Migratory Entrepreneurship, Ethnic Consumption, Ethnic Products, Migration.

Resumen
Los procesos migratorios cada vez más generan nuevas dinámicas económicas y sociales. Una de estas dinámicas es el emprendimiento migratorio. Este artículo busca entender los procesos, el perfil y la relación con el entorno de los empresarios migrantes en el sector de la comercialización de productos étnicos o especializados de sus países de origen en París, Francia. Se encontró que elementos como la elaboración de análisis financieros, de riesgo y de marketing no son realizados por la mayoría de los empresarios, aumentando el riesgo de quiebra. Sin embargo, con el aumento de consumidores franceses, el empleo de migrantes en este tipo de empresas genera una mayor obligación de adaptación del personal extranjero para comunicarse con sus clientes potenciales.

Palabras clave: emprendimiento migratorio, consumo étnico, productos étnicos, migración.

Resumo
Os processos migratórios geram cada vez mais novas dinâmicas econômicas e sociais. Uma dessas dinâmicas é o empreendedorismo migratório. Este artigo busca compreender os processos, o perfil e a relação com o meio ambiente dos empresários migrantes do setor de comercialização de produtos étnicos ou especializados de seus países de origem em Paris, França. Constatou-se que elementos como a elaboração de análises financeiras, de risco e de marketing não são realizados pela maioria dos empresários, aumentando o risco de falência. No entanto, com o aumento dos consumidores franceses, o emprego de migrantes neste tipo de empresas cria uma maior obrigação de o pessoal estrangeiro se adaptar para se comunicar com seus clientes potenciais.

Palavras-chave: empreendedorismo migratório, consumo étnico, produtos étnicos, migração.
Introduction

One of the most common activities is the purchase of products in a supermarket. It’s an activity that aims to be purely economic. It describes the exchange of goods for money. These goods may be necessary for survival, and others may be desirable goods, which can be acquired for pleasure and purchasing power. But what happens when purchases are made in a supermarket in another country, possibly labeled in another language and often not recognized? This happens to millions of migrants around the world, and when a product from their country of origin is found, the transaction ceases to be purely economic, it becomes social and cultural. However, finding such a product in a local supermarket is almost impossible, so you must go to the stores of ethnic or specialized products created for a specific audience, which allows the customer not only to acquire their goods but to remember their past, roots, and origins. This article analyzes the reality of migrant entrepreneurs versus the processes taught for business creation, and what the social and economic challenges are when creating a store of ethnic products in Paris, France.

This article is divided in four parts; in the literature review, the approach to migration issues, the consumption of ethnic products, and the establishment of migrant enterprises is carried out. On the other hand, the migration statistics in France are indicated, especially in the urban region of Paris, being the region of interest for this study, as France is characterized as a developed country, with job opportunities for skilled migrants and social support, with opportunities for migrants seeking refuge, being the seventh country with the highest number of migrants in 2015 (Pison, 2019). Finally, the traditional steps of business creation and the processes indicated by the French government for new ventures. At the methodological level, semi-directive interviews with four owners of specialized stores in countries such as the United States, Colombia, Russia, and Mali are favored. The chosen process and its execution are shown, followed by the results of interviews with the owners of four stores specializing in ethnic products in the Paris region. Finally, a general discussion and a conclusion are presented pointing out the characteristics of ethnic enterprises according to the evidence analyzed.

Migration and Consumption

The migration process begins by looking for new opportunities and a better quality of life in a new country, region, or city. At the time of reaching this new place of life, an acculturation process is generated. This process is defined by Johnson (2011) as
“the exchange of cultural characteristics that result when groups of individuals who have different cultures come into continuous contact firsthand; The original cultural patterns of one or both groups may be altered, but the groups remain different” (p. 7). Carcelén et al. (2009) points out that, in the Spanish case, the phenomenon of immigration has three positive contributions to the country such as the economic, the social and the cultural contribution. In this process, among the multiple cultural learnings, there is a particular one in the new patterns of consumption. A mixture of their original practices is carried out with the new guidelines imposed by their new place of residence. According to Merino quoted by Carcelén et al. (2009) notes that, “immigrants experience segregation, that is, they get used to living and shopping in places that are physically separated from Spanish consumers” (p. 115) and an ethnic grouping process begins. On the other hand, Carlson et al. cited in Gilbert and Khokhar (2008) defines an ethnic group as “a group of people smaller in number than majoritarian categories and their customs, language, race, values and group interests differ from the majority population” (p. 203).

In recent years there has been an increase in the popularity of some of the ethnic products. The distribution of these products takes place mainly in large cities, through specialized ethnic stores. They are used both for domestic consumption and for ethnic restoration. This popularity has allowed changes in both the immigrant population and the local population (Gilbert & Khokhar, 2008).

Carcelén et al. (2009) mentions that, at the advertising level, immigrants find two types of advertising focused on them. Social advertising, promoted by government entities, associations, etc., to improve integration; and advertising campaigns specialized in promoting the consumption of immigrants. Two of the examples given by the author are: Ads of the GOYA brand in the Latin newspaper, and Western Union offering the services for sending money to their country of origin. For the author,

integration occurs mainly in two ways: on the one hand, for the acquisition of rights (slow process) and, on the other hand, for the incorporation of the immigrant in the consumer society (fast process); that is, when you can work, reach a certain level of purchasing power and buy the same as a Spanish citizen, without any difference. (Carcelén et al., 2009, p.132)

Gilbert and Khokhar (2008), distinguishes several factors affecting consumer habits of immigrants. The factors of interest for this article are shown in table 1.
Table 1. Factors affecting the consumption habits of immigrants

<table>
<thead>
<tr>
<th>Factors</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food availability</td>
<td>Ethnic food products may not exist in the host country, or they may be sold by specialty stores at expensive prices.</td>
</tr>
<tr>
<td>Income</td>
<td>Immigrants usually do not have a strong purchasing power, so their eating habits can affect their purchasing decisions. However, in the case of Afro-Caribbean immigrants, it was found that they usually spend more money on the purchase of ethnic products, due to their cultural preference. In the French case, elements such as education, experience and duration within a company play an essential role in obtaining a salary (Aeberhardt et al., 2010). These elements are difficult to achieve as an immigrant arriving in a new country.</td>
</tr>
<tr>
<td>Food Beliefs</td>
<td>Beliefs relative to medicinal properties of certain foods, herbs, etc., native to the origins of immigrants.</td>
</tr>
<tr>
<td>Diets and religion</td>
<td>Different diets around the world restrict the consumption of some foods, such as strict vegetarian, vegan diets. On a religious level the biggest restrictions are at the level of meat and spirits.</td>
</tr>
<tr>
<td>Generations and age</td>
<td>Traditional food consumption is stronger in older adults. However, young people have fewer restrictions on trying common and local foods from their new place of residence.</td>
</tr>
</tbody>
</table>

Source: Own elaboration from Gilbert and Khokhar (2008).

On the other hand, the study conducted by Wang and Lo (2007), presents the case of Chinese migrants living in Vancouver, and identifies that,

-driven by their strong ethnic identity, many Chinese people living in areas with few Chinese stores, they traveled at least half of the time to the most distant Chinese stores instead of buying only from stores more conveniently located in their neighborhoods. For culturally distinct groups of immigrants, ethnic identity plays a fundamental role in the choice between ethnic and conventional companies, and the social use of ethnic shopping places indicates a complicated relationship between purchases, economy, and ethnicity. (p. 695)

While ingredients can be found at low prices elsewhere, migrants do not usually buy products simply by using them, but by their connection with their place and their culture of origin (Webster, 2017). This type of consumption is known as nostalgia consumption, driven by consumers who seek products from their roots when they are far from their country of origin (Romero & Monterde, 2018). As indicated by Vázquez and Medina (2015), in ethnic markets, where normal transactions take place, these go beyond a simple exchange, “in a migrant context, it can be regarded as a sort of sanctuary where the inherent nostalgia of displacement is healed by a collective sensory experience” (p. 144).
According to Garcés (2012) in the ethnic economy, commercial activities are carried out between specific groups, with a fixed cultural identity. Within this type of ethnic economy, businesses not only generate benefits, but also social cohesion, where elements such as “fields of relationship of the migrant collective, places of access to resources, scenarios of a certain social mobility” (p. 29) are found. In this case, the businesses analyzed in this study are found in the first branch of activity of the ethnic economy: “those that respond to the demand of the migratory phenomenon itself (products from the countries of origin)” (Gomes cited by Garcés, 2011, p. 12).

At the socio-economic level, ethnic businesses are a source of job creation and economic and social development in the places of implementation. The purpose of these businesses is to serve the migrant market, through the understanding and knowledge of their customers’ consumption and the place of origin of their products. This type of business not only contributes to the economy, but also to diversity and social life (Yang Liu et al., 2014). According to the study by Liargovas (2012), the determining factors for generating migrant ventures are: “family survival needs; immigrant community ties; personality features or traits; and market infrastructure and general conditions” (p. 637). By the other side, Deller et al. (2019) indicates that the creation of businesses by migrants can generate a strategic advantage, because migrants as outsiders can understand differently the needs of the community in which they live. Generally, the elderly migrant population that has managed to have savings, is the population that invests in opening their own business. However, Wessels (2017) notes that in the case of South Africa, there is some local hostility from locals towards migrants by the perception of the loss of employment, although the IRR Research found that migrants businesses generate on average three jobs par venture. According to Romero and Monterde (2018), for emerging countries, the market for ethnic products is highly attractive, since there is the possibility of exporting to developed countries and supplying the demand for products that generate nostalgia.

**Company Creation Processes - Company in France**

Although the business creation processes have been studied and defined within the management of organizations, the reality can be very far away to the follow-up of the steps and processes indicated by the great authors. As Campa Planas (2009) indicates, “there are numerous business plan models, just as there are countless business ideas” (p. 20). We will take as a reference the González model (2012), for the
creation of a company, this model has certain processes summarized in Figure 1 and broken down below:

![Figure 1. Company creation process](Source: Own elaboration from González (2012)).

To analyze the viability of the business idea, González (2012) recommends carefully analyzing points such as: business type, company location, social object, potential customers, final consumers, location of potential customers and final consumers, sectors to which customers and consumers belong, product or service specifications, needs, habits and motivations of customers, differential advantages, marketing and distribution, expected results, approximate investment, and expected profitability. To be clear about the viability of the idea, the company plan should contain (table 2):

**Table 2. Elements of company plan**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic plan</td>
<td>Company identification, objectives, target market, customers, etc.</td>
</tr>
<tr>
<td>Marketing plan</td>
<td>Sales policy, prices, communication, distribution, product.</td>
</tr>
<tr>
<td>Financial plan</td>
<td>Economic and financial structure of the new company, Estimation and forecast of costs and revenues, etc.</td>
</tr>
</tbody>
</table>

**Source:** Own elaboration from González (2012).

Finally, for the constitution and start-up, the procedures and legal operating obligations and documents of the company must be reviewed (González, 2012). The University of Illinois Institute for Rural Business presents a guide to start and operate grocery stores. This guide seeks to facilitate the creation of this type of business through certain processes such as:

- Carrying out a feasibility study: Ask yourself the reasons why the business is carried out, check if you have the personal and financial capabilities to enter a business and plan the general project to open and operate the business.
• Carrying out a market analysis: This market study seeks to identify the physical area where the business should be established, the power of affordability of the potential customers of the store and to know the community to which they intend to offer their products.

• Operation and inventories: Small stores must be very careful with the inventory they have. Generally, several types of suppliers are used for this type of business, such as production factories, wholesalers, and distribution centers. While manufacturers are cheaper than wholesalers and distributors, the wholesalers sell in smaller quantities (Illinois Institute for Rural Affairs, 2014).

The French government, through the Direction of Legal and Administrative Information (2018), indicates a similar process to open a business, this process is shown in Figure 2:

![Figure 2. Company creation process suggested by the Direction of Legal and Administrative Information of France](image)

Source: Own elaboration based on the Direction of Legal and Administrative Information (2018).

In addition to these steps, the opening of a company is subject to administrative formalities (inscription in the register of commerce and companies [rsc], declaration to tax services, etc.) which, for the most part, are assumed by the center of corporate formalities (CFE), placed in the Chamber of Commerce and Industry (CCI).

The merchant can choose a state to trade as independent worker, entrepreneur, franchise, street trader in case of activity outside the municipality of the main place of business, and non-sedentary merchant who sells on public roads (market, fair...). For the interest of this study, we will review shops with independent worker status.

Migrant population in France

The National Institute of Statistics and Economic Studies of France, notes that the population of migrants living in France in 2018 is 6.5 million people. And it presents the following information of continent of origin (Table 3), and country of origin (Table 4) of the migrant population (INSEE, 2019).
Table 3. Continent of origin migrant population in France

<table>
<thead>
<tr>
<th>Continent</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>46.1</td>
</tr>
<tr>
<td>Europe</td>
<td>33.5</td>
</tr>
<tr>
<td>Asia</td>
<td>14.5</td>
</tr>
<tr>
<td>America and Oceania</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Adapted from INSEE (2019)

Table 4. Main countries of origin migrant population in France

<table>
<thead>
<tr>
<th>Africa</th>
<th>%</th>
<th>Europe</th>
<th>%</th>
<th>America</th>
<th>%</th>
<th>Asia</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>13.0</td>
<td>Portugal</td>
<td>9.2</td>
<td>Haiti</td>
<td>1.7</td>
<td>Turkey</td>
<td>3.8</td>
</tr>
<tr>
<td>Morocco</td>
<td>11.9</td>
<td>Italy</td>
<td>4.3</td>
<td>Brazil</td>
<td>1.0</td>
<td>China</td>
<td>1.6</td>
</tr>
<tr>
<td>Tunisia</td>
<td>4.4</td>
<td>Spain</td>
<td>3.7</td>
<td>USA</td>
<td>0.6</td>
<td>Vietnam</td>
<td>1.2</td>
</tr>
<tr>
<td>Senegal</td>
<td>1.7</td>
<td>United Kingdom</td>
<td>2.2</td>
<td>Colombia</td>
<td>0.4</td>
<td>Sri Lanka</td>
<td>0.8</td>
</tr>
<tr>
<td>Comoros</td>
<td>1.7</td>
<td>Romania</td>
<td>1.9</td>
<td>Surinam</td>
<td>0.3</td>
<td>Cambodia</td>
<td>0.7</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>1.5</td>
<td>Germany</td>
<td>1.8</td>
<td>Canada</td>
<td>0.2</td>
<td>India</td>
<td>0.7</td>
</tr>
<tr>
<td>Congo</td>
<td>1.3</td>
<td>Belgium</td>
<td>1.8</td>
<td>Peru</td>
<td>0.2</td>
<td>Lebanon</td>
<td>0.6</td>
</tr>
<tr>
<td>Cameroon</td>
<td>1.3</td>
<td>Poland</td>
<td>1.4</td>
<td>Mexico</td>
<td>0.2</td>
<td>Syria</td>
<td>0.5</td>
</tr>
<tr>
<td>Mali</td>
<td>1.2</td>
<td>Serbia</td>
<td>1.2</td>
<td>Argentina</td>
<td>0.2</td>
<td>Armenia</td>
<td>0.5</td>
</tr>
<tr>
<td>Madagascar</td>
<td>1.1</td>
<td>Russia</td>
<td>1.1</td>
<td>Chile</td>
<td>0.2</td>
<td>Laos</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: Adapted from INSEE (2019)

According to INSEE, in 2012, the immigrant population was mostly located in the large urban areas. 38% of that migrant population went to the urban Parisian area (INSEE, 2016). This large urban area is contained in the region of the Isle of France (Île-de-France), and represents the 2% of the French territory, home of 18% of the French population and where 31% of the country's GDP is generated (INSEE, 2019).

Methodology

For this case study, the decision was to conduct semi-structured interviews with four owners of different stores selling overseas specialized products, in some cases called exotic products by the local population. Table 5 represents the country of origin of the specialty products, the gender of the interviewee and the language in which the interview was conducted. Out of the four interviews, three were conducted face-to-face, one was conducted by email at the request of the owner. The interviews were...
developed with the help of an interview guide made up of 14 questions, which sought to understand whether the creation of these companies responded to the business model processes described above. On the other hand, since it is an ethnic market, we wanted to know if parameters of market, financing and acculturation represent any challenge for the establishment of this type of commerce. Attempts were made to interview specialized stores of American, Asian, and African products. A preliminary list of merchants of this type of products was obtained through Google maps, the contact was made via e-mail, telephone and physical contact, and interviews were conducted with the owners who had the time and availability to carry them out.

Table 5. Main characteristics of the research group.

<table>
<thead>
<tr>
<th>Store country of origin</th>
<th>Interviewee gender</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner 1</td>
<td>USA</td>
<td>Male</td>
</tr>
<tr>
<td>Owner 2</td>
<td>Colombia</td>
<td>Male</td>
</tr>
<tr>
<td>Owner 3</td>
<td>Mali</td>
<td>Male</td>
</tr>
<tr>
<td>Owner 4</td>
<td>Russia</td>
<td>Female</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

For the realization of this case study, the questions were divided into five fundamental fields, four corresponding to the traditional business creation processes:

1. Business idea and viability / feasibility studies
2. Marketing research
3. Operation and logistics
4. Finances

And the rest were dedicated to the perception of the establishment of a grocery store specialized in ethnic products focused on a migrant population:

5. Immigration and acculturation.

Results

Out the owners of specialized product stores interviewed, three created their company from a personal business idea, while the remaining owner purchased the business from a close friend, however, he claims that he changed its name. The owners indicate
that their business idea was primarily aimed at showcasing the culture of their home country and creating a sense of community.

Two of the interviewees indicated that they had carried out studies in management, economics, or finance, which would allow them to have the knowledge to open and develop their business; these studies were carried out in French "schools of commerce". The remaining two owners said they had studies in other fields, such as foreign languages and catering.

None of the interviewees requested the help of specialized personnel to create a business plan and create the company. On the legal, financial, taxes, etc., rules and norms, regarding the creation of the stores, two of the owners indicated that they fully know them (owners 1 and 3). Owner 2 declared not knowing any kind of regulation when buying the business "it was the first business, I came with my eyes closed, I ran into certain difficulties because one thing is to say -I have a business and another to manage it-". The remaining owner said he had approximate knowledge. Finally, in this category none of the owners conducted a viability or feasibility study at the time of opening their business. This draws our attention, since owners 1 and 3 indicated that they have business studies and know all the procedures indicated by the French government for the creation of a company.

At the level of physical implantation of the company, the interviewees were asked if they knew the neighborhood where they would establish their store, all the interviewees said they knew the place well, two of them knew the place because it was close to their housing (owners 1 and 3), none of the cases cited market reasons. About this, owner 1 declares: "I did it for quality of life, my parents live 1 km from here, my wife and my son also live 1 km from here, I did my studies not far from here (...) we do not bet on the pedestrian passage ". Owner 4 points out that she chose her location because of its proximity to her home, but especially because of the surrounding migrant community (embassy, church, etc.). Owner 2 claims that his decision of implantation was for his market sense "I knew that in this sector there was a diaspora (migrant)... people who came (migrants) were looking for these sectors because the rent was cheaper". At this point, we return to the stance of owners 1 and 3 with studies in commerce, who indicate that they did not carry out any type of market study for the location, but only based their decision on the ease and proximity to their residence. At this point, it seems to us that, owners 1 and 3, take greater risks by not conducting this type of study, even knowing that it is necessary, while owners 2 and 4 locate in places where they think they could have a greater influence on the target market.

Of the owners surveyed, three responded that they conducted marketing studies, owner 3 declares that he did it because "it is thus indispensable to be able to
present the documents to a bank”, while the others declares that they did not do this type of studies. At the advertising level, two of the owners indicate that they have some kind of advertising with their allies, while the other two do not currently carry out campaigns.

In the third category, participants indicated two possible types of supply of ethnic products, the first through wholesalers in nearby regions (Madrid, Spain) or even in the Paris region. The second method is the direct import from the country or region of origin. Two of the participants responded that they used both methods, and the other two responded only working with wholesalers. All of them agreed that there is a higher risk associated to the direct importation of products because of the expired dates or the damaged in the transit. Owner 3 states: “We are establishing a logistics corridor (…) to import certain products directly. It is necessary to have a contact in the place and go from time to time. You also have to bribe (customs, for example) to speed up the process”.

With relation to how the company’s creation was financed, two of the interviewees said they had chosen to finance their business 100% with their own resources, they claimed to use savings stemming from their salaries when they were workers. The other two argue a financial mix of own funds and bank loans. The percentage of the loan was greater than or equal to 50% of the necessary resources.

According to respondents, the most difficult barriers to open their businesses were money and some minor physical standards of the commercial premises. Currently, two of the owners said that hiring efficient staff is one of the challenges.

Finally, in the category of immigration and acculturation, French is the mother tongue of two of the respondents, and the other two have advanced French with an accent of their regions of origin. Everyone can speak, write, read, and understand the French language. However, the situation of some of its employees is different, Table 6 represents the origin and French level of the employees. It is important that all employees speak the language of the region where ethnic products come from. In all cases, the ethnic businesses presented allow the employability of migrant personnel, even if they are not fully adapted to their new place of habitation, thus generating an economic possibility of livelihood for these employees.
Table 6. Origin and level of French of employees

<table>
<thead>
<tr>
<th></th>
<th>Owner 1</th>
<th>Owner 2</th>
<th>Owner 3</th>
<th>Owner 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>French</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Migrant</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>French level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good level</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Low level</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 0</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

On the usual clients, the percentage of French and migrant clients was inquired, Table 7 summarizes the percentages given by the interviewees.

Table 7. Origin of clientele and percentage of frequenting

<table>
<thead>
<tr>
<th></th>
<th>Owner 1</th>
<th>Owner 2</th>
<th>Owner 3</th>
<th>Owner 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frances - Local</td>
<td>85%</td>
<td>25%</td>
<td>65%</td>
<td>40%</td>
</tr>
<tr>
<td>Migrant</td>
<td>15%</td>
<td>75%</td>
<td>35%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

We can determine that in two of the businesses, French customers are closer and know a little more about the products. While in the other two, consumption by foreigners is higher, which may be determined by nostalgia consumption. This type of consumption will be analyzed in a future case study.

When discussing the difficulty of opening a business as a foreigner, especially in the procedures and documents that must be submitted, all respondents replied that being a foreigner did not present any problem in this case. The important thing was to have the money and the necessary documents. Owner 1 argues: “The complicated thing is to find the right place and get the money from the bank. If you have the money, I don’t think having foreign origins is a problem to rent the place”.

Finally, we discussed rejection from the local community and from their surroundings. One of the interviewees refrained from responding (owner 3), two others responded that they have never felt any rejection (owners 2 and 4) and the last (owner 1) alleged that in some cases there has been a bit of hostility because of the components of their products (GMO’s, sugars, fats) and pollution for bringing merchandise from so far away.
Discussion

While the process of migration and acculturation is not easy, most migrants miss regional products from their place of origin. They are even willing to pay more for these products than for other types of supplementary goods that they can find in the local market. When these ethnic groups are created with certain consumption habits, new business opportunities are established, taking the form of stores dealing ethnic or specialized products. In this case, ethnic or specialty stores make it possible to meet the demand for nostalgic consumption that is generated at the time of leaving the country of origin. As noted by Webster (2017) “These companies arise from the history of the individual’s migration, where it develops daily through different physical, material and symbolic activities” (p. 225).

As evidenced in the interviews, these businesses are created without following the steps advised by the great authors of the business schools or the processes advised by the French government. Even owners who have studies in commercial areas are ignoring these processes. Above all, at the level of company viability, no feasibility study was carried out in which the owners ask themselves the simplest questions in view of the high risk they may have of losing their savings or becoming indebted. Although some of the interviewees had studies in the business area, not everyone knew well the legal regulations of this type of business. Many relied on empirical learning as their business time passed. As for the marketing studies, the majority responded that they had done it at that time, however, when evidencing the reasons for choosing their commercial location it was determined that the main cause was the convenience of being near to the place where they live, not because of market reasons.

As indicated by Mena and García (2014) for this type of process, the “nostalgic mix” would allow the owners of this type to improve their knowledge and diagnosis of the migrant clientele and their consumption, as well as flexibility towards the target market and the products more appropriate for this market. It is worth highlighting that with a population of 2.5 million migrant residents in the urban area of Paris, there are a lot of market opportunities for stores of this type, but the lack of marketing strategies for these businesses does not allow for their expansion.

On a financial level it is determined that in half of the cases all personal savings are invested, increasing the risk of losing everything in the attempt. Financial leverage is only performed by two of those interviewed. The question remains whether the decision to not to access the bank’s resources is caused by some type of personal aversion to the financial institutions. In all cases, supply is mainly carried out through a wholesale company. This process allows to eliminate the risk of losing products while
shipping from the place of origin of production, without counting the knowledge on imports that the owners who would like to implant this procedure should have. While it is a less risky process, it also increases intermediaries and increases acquisition and sales costs to the migrant public, who usually do not have the purchasing power to afford high-cost goods. The distribution strategies of this type of business apparently work best through this type of wholesale distributors, since “the owners do not need a large variety from which the customer can choose, but a precise variety that aims to supply the nostalgic consumption needs of the customers” (Roche, 2010, p. 14).

One of the challenges for migrants is the adaptation to their new place of residence, followed by the welcome of their new local neighbors. Thanks to this approach with the owners of ethnic stores, we were able to discover that the French population and the financial institutions have received in good way the implementation of these migrant businesses, no xenophobic representations have been seen against the premises or against employees of foreign origin, in contrary, the interviewees indicate that a large part of their clients are French, who dare to try new cultures and new products.

This participation of the French population allows for “the valorization of migrants and refugees, showing their abilities and achievements through these business ventures, can also help combat prejudices and negative representations of them” (Lugosi & Allis, 2019, p. 157). When hiring employees in this type of business, they want to have personnel who knows how to communicate with migrant clients, however, they also need to ensure that the staff can communicate properly with French clients, especially now that the curiosity for other cultures increases. It is important to show that these businesses have allowed the creation of employment not only for an ethnic group, but also for the French population in general.

**Conclusions**

This case study allowed us to understand the dynamics of establishment and operation of the different ethnic businesses reviewed. The creation of businesses from migrations is recurrent in developed countries. In the cases studied, governmental indications for the establishment of businesses were not followed, but rather they acted intuitively, which increased the risk of bankruptcy of the owners. A correlation was found between French-educated owners’ businesses and a higher reception by French clients. Elements such as a possible better adaptation to the French environment due to having studied in France and a range of appropriate products may be the elements that make them more attractive to French customers. The establishment of
this type of business allows the social and economic inclusion of different migrants, since the owners request personnel who can communicate with the foreign clientele, appeasing the sense of nostalgia generated by a life abroad.

References


