The specificities of market entry strategies into a developing country

– A research study on the entry strategies of energy efficiency light industry

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PREFACE

We are grateful to the following people and acknowledge that without their valuable contributions, this thesis would not have been successfully finished.

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ABSTRACT

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Program	Masters in Marketing
Authors	Rubaiyat Raihan 840812 Shah Azeem 761210
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Title of the Paper	The specificities of market entry strategies into a developing country
Problem Statement	“What are the specificities of market entry strategies into a developing country?”
Purpose	To understand the market entry strategy of high tech product like energy efficiency light for the developing country taking into consideration the aspects discussed under problem discussion.
Delimitation	In our thesis paper, we are only discussed about the energy saving industry and more specific the light manufactures. Also, our paper is discussed only about the market entry strategies and entry barrier, not to measure the effect of it.
Methodology	The project is based on primary data retrieved in connection with the theoretical framework. A qualitative approach of research and questionnaire has been considered to reach the desirable result.
Conclusion	After investigating the factors of energy efficiency light industry, we can conclude that it will be a good idea for a company to expand their business in developing country as the industry and the countries have a lot of potential to offer. An Investment entry mode (Joint Venture) has been suggested.
Suggestion for Further Research	This research was focused on market entry strategy and entry barriers of energy efficiency light manufacturer, not the effect of

	entry barriers. Therefore, the next step should be to make in order to examine the effect of the barriers discussed in this research.
Key Words	International market entry strategies, energy efficiency light industry, entry modes and entry barriers.

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1 INTRODUCTION

Imagine or not, without light. Will we actually survive? It was all started on a day when one man was busy creating light. He was actually busy creating life. Imagine or not, without light on earth, like it would be without life. Technology immerged a century ago. Today we try to save more energy by saving money. This century is an evolution. Now people want quality light without threat to the environment or to the life. Energy efficiency lights glow to improve the both. Light originally made to upgrade life. Energy efficiency lights save more energy with better & controllable globe all most 4 times of CFL (Compact Fluorescent Lamp) & many times the regular one. It might cost a little more but also saves a lot more. Wasn't it life we are originally talking about? Have a quality life, have a quality light because light upgrades life.

In this introduction chapter, the topic and the research problem of the thesis are introduced as well as the purpose of the study. Finally, the delimitation is presented as well at the end.

1.1 Background

Under this thesis paper, we are presenting a detailed discussion by various researchers regarding the topic international marketing and entry barrier strategies, necessary to understand for those multinational companies who want to enter successfully into developing countries. Moreover, the topic also discloses the key social and business features of swift globalization. These days, companies want to increase their business volume even beyond the national boundaries of the country and also wish to become a successful global player. Globalization itself through different ways either indirect or direct investments into highly potential markets gives chances to conceptualize quick commercial enlargement. Initial competitive returns and growth potential in particular market segments could be able to give forecast for more expansion into other business areas of the company. Most importantly, the key to success is to choose the right time period, the right potential market place and the right method to enter into developing markets. These sorts of markets have big attractions for foreign investments in different economic segments. However, due to unstable political and legal situations plus cultural differences along with some other internal market conditions and factors prevailing under the developing countries, "A precise and careful analysis is necessary before entering a new market'' (Albaum & Duerr, 2008)

1.2 Problem Discussion

According to Welch & Luostarinen (1988), since Globalization, now a day has become very important and inevitable factor of any firm's strategy to get global recognition in an international market as well for ultimate success and reputation. Forsgren (2002), argues that although it is very much essential but at the same time it is still a very complex process or challenge for the companies interested in it.

According to Porter (2008), the basic cause for this complexity includes the internal and external issues regarding a firm, these issue or factors then act as barriers in the process of expansion of a firm. The internal factors includes: the kind and distinctiveness of the product or service offered; the opportunity, acquisition &/or switching costs involved within the processes in question (Albaum & Duerr, 2008; Freytag & Hollensen, 2001; Williamson, 1979), the necessity for skilled or knowledge-intensive specialized staff (Fellis, 2002), psychological factors that motivates or de-motivates managers (Albaum & Duerr, 2008); and as per Jolly (1992), the required capacity to collect and assess valuable information from the market.

As external factor; Porter (2008), also explains that the existing competitors in the intended market should be considered when entering a new market. Other external factors that persuade the globalization process includes: availability of marketing intermediaries (Armstrong et al., 2009); and economical, political, cultural and geographical factors that serve as opportunities or threats during the process of expansion (ibid).

According to Dichtl et al. (1984), these barriers and stimulus do not only decide about the globalization but they also act on its subsequent development within selected markets or economies.

According to Kwon & Konopa (1993), before entering into new markets, it is very much essential to make an exact and careful investigation. Under the theoretical chapter we will go into details regarding internationalization and entry modes.

1.3 Purpose

The purpose of the thesis paper is to understand the market entry strategy of high tech product like energy efficiency light for the developing country taking into consideration the aspects discussed under problem discussion.

1.4 Choice of Selection:

Lack of electricity is a big problem in developing countries. Almost every day, people suffer average 2-3 hours load shading which affects their regular life. Although the Govt. is trying to solve the problem but day by day the consumption is increasing. Now people are learning how to minimize their consumption of electricity & using new technologies like energy efficiency lights. Energy efficiency lights can save electricity up to 4 times more than a LED light & many more times than normal electric light. Since the demand of electricity is very high in such countries, therefore, this demand brings the energy efficiency light companies in such markets. The situation of the market and product demand have made us highly motivated and interested to work on this topic.

1.5 Delimitations

- In our thesis paper, we are only discussed about the energy saving industry and more specific the light manufactures.
- Our paper is discussed only about the market entry strategies and entry barrier, not to measure the effect of it.

2 THEORETICAL FRAMEWORK

Under this chapter, we presented the relevant theories from various authors regarding entry strategy and entry barriers.

2.1 View of Market Place

For a successfully entry into foreign market regarding the choice of entry mode depends on the available conditions and circumstances of the said market. Before the selection of any market, it is always recommended to analyze or investigate the attractiveness or the suitability of the market in which you are interested (Lasserre, 2007). The market and industry opportunities can be assessed on the basis of following factors, for instance, the market (growth, size), the competition (intensity, entry barriers, & profitability), incentives (subsidies, infrastructure) & resources (financial, material, human capital). These criteria have been reviewed through the model presented by (Lasserre, 2007, p.165).

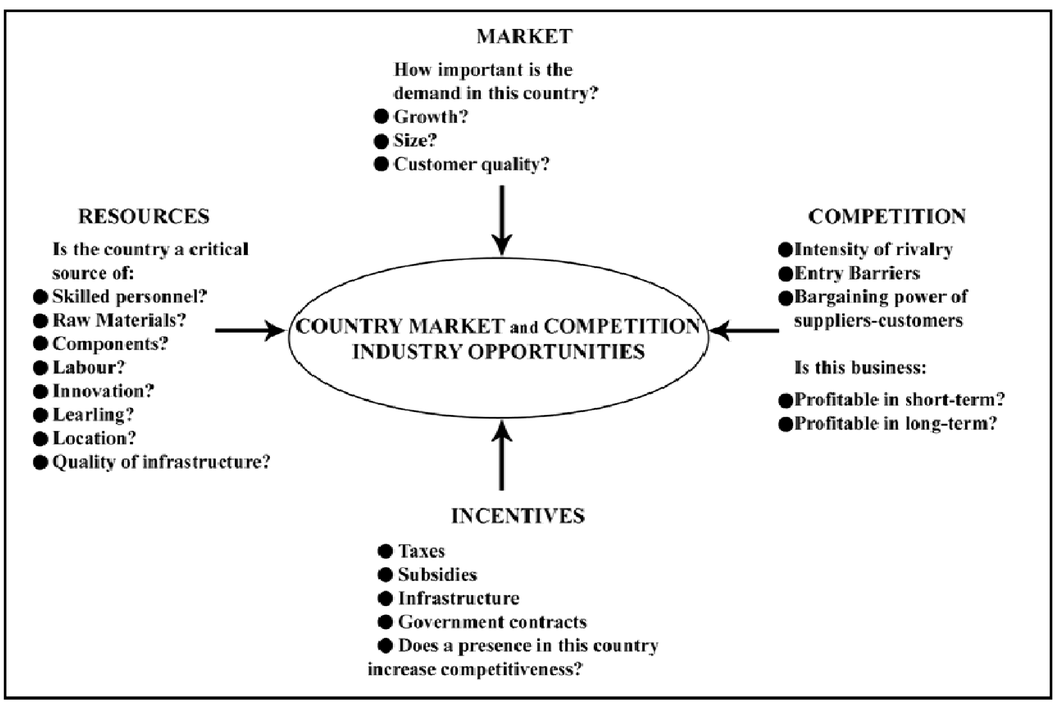

Figure 2: Framework for Country Market and Industry Attractiveness Assessment (Lasserre, 2007)

2.2 Decisions Regarding Foreign Entry Mode

The contingency model is frequently used in the strategy literature to give details regarding relationship between structure and strategy. It suggests that structure follows strategy, and that performance will depend on the structure used to implement the choice of strategy (Florin & Ogbuehi, 2004). As for the contingency model, the choice of Foreign Entry Mode (FEM) can be considered as a structural decision, since it deals with finding the appropriate institutional arrangement to facilitate the implementation of an international business strategy, given a firm's internal capabilities, its strategic goals, and various external environmental factors (Florin & Ogbuehi, 2004; Gao, 2004).

Gao (2004) summarized on the basis of a systematic review of the Foreign Entry Mode (FEM) decision literature, the contingency model to FEM decision making as consisting of three separate steps:

A. Use of different antecedent factors to forecast required major attributes or characteristics of foreign market entry mode,
B. Ranking, comparing or mapping various entry modes along those attributes,
C. Linking the antecedent factors to the entry mode based on the results of the first two steps. Figure 2 illustrates this framework.

In his contingency model, Gao (2004) further argues that the most important attributes regarding comparison or ranking different entry modes while entering into new market are the degree of control & the resource commitment, this situation can be best explained under the following contingency model for FEM.

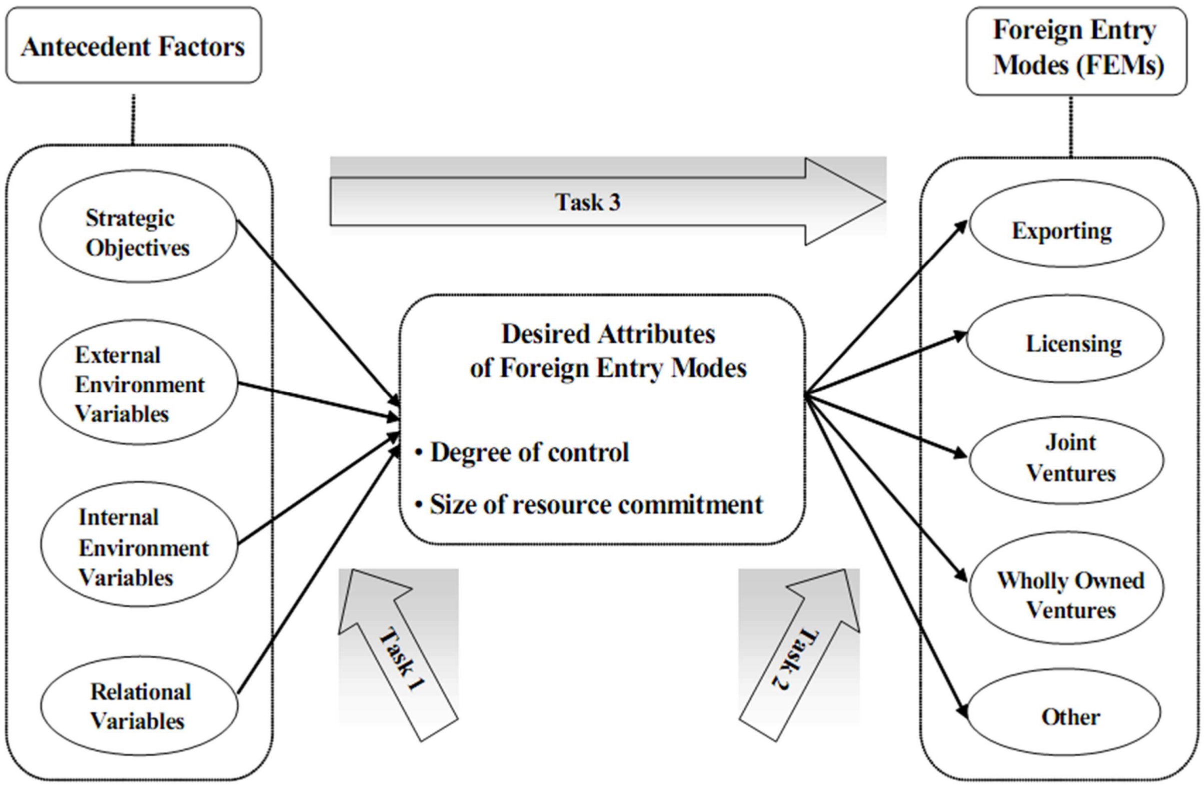

Figure 3: Basic Logic of the Contingency Framework for Foreign Entry Mode Decisions (Gao, 2004, p.40)

2.3 Antecedent Factors

Different antecedent factors are given below:

2.3.1 Strategic Objectives

Strategic objectives can be regarded as goals which are shaped by the company's traditions, industry specificities, or personal interests (Koch, 2001). Those goals determine the motive and the required level of control to achieve a firm's objectives in a foreign market (Ekeledo & Sivakumar, 1998).

2.3.2 External Environment Factors

In order to have a successful entry into an emerging market it is essential to understand and interpret the local conditions, and to mobilize the resources and skills required to develop a competitive position (Elg *et al*., 2008). Luo (2001) also suggests that entry modes should be chosen based on the external and internal environment variables. External environmental variables are those factors which cannot be controlled by the firm, such as the host country economic condition, the cultural and social environment, and the political and legal environment (Ekeledo & Sivakumar, 1998; Koch, 2001).

a) **Chosen Market Economic Situation:** According to Kouznetsov (2009), the economic environment, for example the size of the population, economic growth, consumption and purchasing power, determines to a great extent the market potential for international business. Firms are generally willing to commit substantial resources which offer the opportunity to realize a higher long-term profitability compared to non-investment modes if the country has a high market potential (Luo, 2001).
b) **Market Assessment:** The market structure in a host country can be competitive (many non dominant firms), oligopolistic (a few dominant firms), or monopolistic (a single dominant firm) (Ekeledo & Sivakumar, 1998). Ekeledo & Sivakumar (1998) explain that it is better to adopt an entry mode which requires low resource commitment in case of a competitive market, because such a market tends to be less profitable. However, committing more resources into oligopolistic or monopolistic markets is efficient, since they still have much market potential and opportunity for new entrants which can compete for market share (ibid).
c) **Condition Regarding Political and Legal Environment:** The political and legal system should create a stable environment for continuity and growth of businesses, and encourage private firms to invest. The level of protection of expertise, operations, assets, and personnel by local laws is also an important aspect of the political and legal environment (Ekeledo & Sivakumar, 1998; Kouznetsov, 2009).

d) **Cultural Space:** This external environment factor can be interpreted as the differences in language, social structure, etc. between the home country and the host country (Ekeledo & Sivakumar, 1998). A higher degree of cultural distance increases the cost of entry due to information costs and the difficulty of transferring competencies and skills to foreign markets (Tihanyi *et al.*, 2005; Shenkar, 2001). Therefore, a firm may favor a low control entry mode by cooperating with a local partner in order to utilize the partner's local knowledge if cultural distance is high (Shenkar, 2001).

2.3.3 Variables of Internal Environment

Internal environment variables are the factors that a firm can create and control, such as proprietary assets and corporate strengths and weaknesses, which can reflect the firm's competitive advantage (Ekeledo & Sivakumar, 1998).

a) **Proprietary Assets:** This kind of assets typically includes "A firm's proprietary knowledge, products, processes, brand name, product differentiation, marketing skills, etc." (Chen & Hu, 2002, p.194). Ekeledo & Sivakumar (1998) regard technology as one type of proprietary asset. A company with high levels of asset-specific know-how will favor a high-control entry mode, because this can reduce the opportunistic behavior of its cooperation partners. It can also help avoid the misappropriation of the company's knowledge by the joint venture partners (Chen & Hu, 2002). Luo (2001) explains when the property right system is weak; companies will usually choose the full-ownership entry mode.
b) **Corporate Strengths and Weaknesses:** A firm's strengths and weaknesses depend heavily on the firm's size and international experience (Ekeledo & Sivakumar, 1998). Firms need substantial financial and human resources to be able to engage in international business (ibid.). Pehrsson (2004) argues that the more a company is familiar with international market conditions, the easier it is to be competitive and seek out the appropriate position in the local market. Another perspective is that firms feel tempted to enter a market even without proper market knowledge if they perceive that the market fits to their firm-specific

advantages (Madhok, 1998). However, this market knowledge can be obtained through experience in the particular market as time progresses. In order to complement and reinforce the specific knowledge, a company generally decides to collaborate with a local partner (ibid.). Ekeledo & Sivakumar (1998) state that a firm which has accumulated more international experience prefers high control, whereas a firm with limited international experience enters foreign markets rather by a low control mode.

2.3.4 Relational Factors

Ekeledo & Sivakumar (1998) suggest that relational factors are the network aspects which encompass trust, relationships to partners, and the social context. The market entry mode selection requires the consideration of the role of networks (e.g. relations to the local government and to labor unions) (Elg *et al.*, 2008). The reason for this consideration is that the firm has to "To gain approval and the necessary support and to understand the adaptations those have to be made to obtain acceptance" (Elg *et al.*, 2008, p.675). During the entry process, the importance of the three kinds of networks (political, social, and business networks) is different. At the search and project phase, the social network and the political network play a very important role for conveying a positive image to the customers, and for providing support. When it comes to the establishment phase, the business network is most critical in order to establish trust and a working relationship at a micro level. As Lorenzen & Mahnke (2002) find, these relations aid the transfer of existing knowledge and the joint creation of new knowledge. However, the process is complicated and costly. Hence there is a great need to build mutual trust in the network. Uslaner (2001) argues that corruption is the opposite of trust, because these two theoretical constructs build on opposite views on the world. Corruption is based on a negative view on the world and humanity, whereas trust is founded on a positive view.

2.4 Entry Modes

Luo’s (2001) research finds that, when companies want to enter into an emerging market, the majority of them choose the joint venture or the wholly-owned entry mode. However, there are also other distinct entry modes which could be used by the companies to enter into those emerging markets. Those other entry modes comprise strategic alliances, licensing, and exporting (Johnson & Tellis, 2008). All these different types of entry modes have distinct characteristics in terms of their risk, control, and return effects (Luo, 2001).

2.4.1 Exporting

Exporting means that a company produces goods or services in the home market and then sells them to the target market through an entity which is located in the target market (Johnson & Tellis, 2008). Exporting is mostly used for entering into foreign markets if the firm manufactures physical products, especially when those target markets are in the earlier stages of internationalization (Khemakhem, 2010). Compared with the exporting of goods, the exporting of services is quite different, since services are intangible (Ekeledo & Sivakumar, 1998). While exporting of goods refers to a physical object to be transferred to the target market, exporting of a service requires that the service is first stored on a medium (e.g. book, CD, DVD), and then the service-embedded object is exported to consumers in the target markets (ibid.). Exporting, together with licensing, is recognized as a low control entry mode (Gao, 2004).

Albaum & Duerr (2008) stress the importance of building relations with customers, no matter what entry strategy a company chooses. One way of doing this, is by using an intermediary who already has extensive knowledge of the market and connections to customers. This helps minimizing the risk of the entry and operating in that market (Hessels & Terjesen, 2010). However, if the company itself has a good knowledge of the market an intermediate might be unnecessary. If this is the case then direct export might be more beneficial as an intermediary can cause additional cost to exporting (Hessels & Terjesen, 2010). The most common exporting strategy for SMEs is to start off by using indirect export to get a less risky start and also to collect information of the market while selling the product. When enough information has been acquired, the company can switch to direct export in order to maintain high control over the entire operations (Hessels & Terjesen, 2010). Taking a closer look at indirect export, two different types of wholesale intermediaries can be distinguished – merchants and agents. The big difference between the two is that the agent does not take ownership of the product before exporting (Albaum & Duerr, 2008).

Choo & Mazzarol (2001) argue that the best entry mode option when the market has high potential is the exporting entry mode but something to consider is the high investment risk. Choo & Mazzarol (2001) also argue that when SMEs decide to export it often lead to success but at the same time it is hard for the exporting company to have control over the external environment. According to Hessels & Terjesens (2010), "A company can export through two channels; direct or indirect export. Direct export is when a firm exports directly to the new market without any support from other intermediaries". The importance of that is to have full set of resources and capabilities and have a high knowledge of the market conditions. In that case the market is more suitable for using direct export. For indirect export the firm uses an intermediary to gain more knowledge about the market. There are a lot of advantages for hiring an intermediary in the export market. According to Hessels & Terjesens (2010), "The intermediary can easily identify the potential customers, distribution channels and providers and by that help the firm lowering the cost and reduce the risk associated with operating in that specific market". According to Doole & Lowe (2008) it is better to use indirect export when a firm has small resources and lack of competencies of a new international market. Still, it is important to remember that by the use of indirect export the firm has almost no idea how their products are being exposed and promoted.

Hessels & Terjesens (2010) state that for a long lasting establishment on an international market it is common to first use indirect export and then change to direct export. By the use of this strategy the firm can get a deeper understanding and control of the market before doing everything on their own. Another reason for this strategy is as Doole & Lowe (2008) explain in the theory; it costs more to use indirect export than direct export. Therefore the firm can save money by changing from indirect to direct export.

In general smaller companies face larger limitations when trading internationally, and also the need for foreign market information, knowledge and expertise increases when exporting (McLeay & Andersen, 2010). Small firms are more sensitive to environmental uncertainty then larger firms are due to the fact that small firms face substantial resource constraints. Therefore small firms often search for safer growth strategies. If exporting, the firm must consider how much can be exported for it to still be a safe international expansion strategy (Brouthers *et al*. 2009). Katsikea *et al*. (2005) argue that export is widely known as the most used form of internationalization strategy for SMEs. The reason for this is that it is less resource demanding then other modes of internationalization; it is also seen as having less impact on the domestic operations of the firm.

2.4.2 Licensing

The licensing mode is "a formal permission or right offered to a firm or agent located in a host nation to use a home firm's proprietary technology or other knowledge resources in return for payment" (Johnson & Tellis, 2008, p.6). According to Chen & Messner (2009), "It provides a method for profiting from a foreign market without committing sizable funds and taking rampant international construction risks".

Compared to joint venture projects and the wholly-owned entry mode, licensing has a high level of knowledge dissemination risk and a low level of control, which means that the host government can influence the activities or operations of a foreign subsidiary. Returns on investment as well as the investment costs are also on a low level (Ekeledo & Sivakumar, 1998). In addition, the lack of quality control is also a major disadvantage, since poor quality will undermine the licensor's trademark and reputation (Chen & Messner, 2009).

Licensing is when a company gives another company or individual the right to use their technology or knowledge resource (Fosfuri, 2000). By buying a license for a product or knowledge resource a company gains the right to use it as defined in the license contract (Yi, 1999). This means that the company that is selling the right to use a technology can still keep the patent and make sure that the other company cannot use the information bought in any other way then stated in the contract. Moreover it is possible to give another party the license to sell the product for you. As exchange, the other company or individual most often pays the original company for these usage rights (Chen & Messner, 2009). This is an easy way for a company to internationalize as it has basically no financial demands. There is also the opportunity to sell the license to several buyers without spending much more resources then it would require selling it to one buyer. However, one of the common downsides with licensing is that the original company, outside of the contract, has a very low level of control and a high level of knowledge dissemination (Chen & Messner, 2009). Even, if there are no financial investments involved in this option, it would be more profitable to sell the product directly to the customers, instead of giving the usage right to licensees (Chen & Messner, 2009).

2.4.3 International Joint Venture

An international joint venture means that two partners, one of which is located in the home market and one in the target market, share the ownership of a company, which is located in a host nation (Johnson & Tellis, 2008). Joint ventures are very common in the international markets, and they can be used to make the company strategically and organizationally flexible in the target market (Chen & Messner, 2009). Cost saving by using a foreign partner's infrastructure and liability limitation can also be recognized as the advantages of joint ventures (ibid.).

Luo's (2001) research shows that the probability at which managers choose the joint venture entry mode is positively correlated to the level of governmental intervention and environmental uncertainty. Luo (2001) also claims that the joint venture mode is the optimal choice for companies if the foreign entry mode shall improve risk diversification, and if the target market's asset intensity is high (ibid.). In order to build the capabilities in the target market and enhance the core business of the company, managers will prefer to use the joint venture mode, since it gives distinctive learning opportunities to partner firms (Luo, 2001). The level of control in joint ventures is lower than in case of a wholly-owned subsidiary, but higher than any other entry mode (Ekeledo & Sivakumar, 1998).

A joint venture is the creation of a joint business between two partners. Each party, ideally, controls 50% control of the enterprise and share the revenues, expenses and assets (Gong *et al.*, 2007). Joint ventures can be formed both within one country and between firms belonging to different countries. Therefore one of the benefits is that they can exchange knowledge about different markets. This has led to joint ventures being a popular choice for companies who are trying to internationalize (Wilson, 2006). Joint ventures are a good way to enter a new market but depend on two important factors. First, the two partners need to be a good match. Wilson (2006) claims that this is of utmost importance as the cooperation won't work otherwise. Second, both companies need to invest money into the joint venture and the amount invested needs to be approximately equal. This can be a problem since one (or both) of the two companies might not have the required resources (Wilson, 2006).

The term of Joint Ventures can be defined as "two or more organizations reaching a commercial agreement to co-operate in achieving a common goal. According to Munns & Aloquili (2000), "As far as the broader sense this could be taken to include any commercial agreement between two parties, because a degree of co-operation must exist along with a common goal".

Joint venture is an important entry mode when wanting to internationalize which can lead to business growth (Lu & Beamish, 2006). The benefits with this entry mode are for example the access to financial resources, wider distribution channels, and product development (Wilson, 2006). Also Kirby & Kaiser (2005) argue that joint ventures have become a popular entry mode for companies that want to internationalize their business. Some of the advantages of using joint ventures is that companies with less or limited resources can cooperate with other organizations in the new local market.

Thereby develop joint research, manufacturing, marketing, sourcing of inputs or cooperating in distribution (Wilson, 2006).

According to Kirby & Kaiser (2005) joint ventures can be seen as a successful entry mode, especially for small and medium sized companies with limited knowledge about the new foreign market. An advantage with joint ventures is that it gives insight and access in the new market because it is already embedded in an already existing organization in the foreign market. Other advantages with the use of joint ventures are the local expertise, the government, regulations, cultural differences and connections. To consider when choosing joint ventures is that it could be hard to find partners that fits your company's way of doing business. Wilson (2006) also argues that the joint venture partner is the "key" to success or not, thereby it is extremely important to find the right partner. This can be compared to theory by Kirby & Kaiser (2005) that state that it is difficult and almost impossible to enter a new foreign market without a local partner.

Steier (2001) argues that one disadvantage with joint ventures is the lack of control. The lack of control could arise when the other partner/organization manage their own way and do not cooperate with their joint venture partner. Li & Zhou (2008) explains that a main disadvantage with joint ventures is the capacity to rely on the foreign partners which in turn can lead to that the company maybe reduce their innovation activities.

2.4.4 Wholly-Owned Entry Mode

The "wholly-owned entry mode, which can be also called sole venture (SV) company, offers international contractors increased flexibility and control to set up and protect their own processes and procedures and expand as quickly as they want without the risk of teaming up with partners that do not share the same vision" (Chen & Messner, 2009, p.8). In other words, wholly-owned entry mode means that there is a complete ownership of an entity located in a host nation by a firm located in the home nation in order to manufacture or perform value addition, or sell goods/services in the host nation (Johnson & Tellis, 2008). Although establishing a sole venture company requires less time than in case of a joint venture company, which involves time consuming negotiations, it is still a lengthy, complex, and costly process (Chen & Messner, 2009).

Compared with the joint venture entry mode, when there are faint influences of property rights protection, companies always want to choose the wholly-owned entry mode (Luo, 2001). Moreover, the wholly-owned entry mode can also be considered in an open economic region, and in order to achieve long-term profitability when the asset intensity of a country is high (ibid.). When a company attempts to develop its unique resources or core competences, and enters into a dynamic emerging market, the wholly-owned entry mode will be favored in order to protect resources from uncompensated leakage to competitors (ibid.).

2.4.5 Strategic Alliance

A strategic alliance is a long-term inter-corporate association without an affiliated organization based on trust and mutual respect for each participant's business needs, used to further the common interests of the members that can include customers, governments, suppliers, engineers, financial institutions, and other contractors (Chen & Messner, 2009). As per Tse (1997), "A strategic alliance can help entrants to reduce investment risks, share technology, improve efficiency, enhance global mobility, and strengthen global competitiveness". However, its implementation cannot occur directly. This means that strategic alliances are always used in combination with at least one other entry mode (Chen & Messner, 2009).

2.5 Barriers about Entering into Foreign Market

Since the beginning of globalization, plenty of research has been done about entering host markets. One of the difficulties to enter these host markets is the presence of entry barriers. In the current discourse there is a lot written about these barriers. Unfortunately, there is not one specific way how to interpret the meaning of them. Pehrsson (2008b) gives the following definition: "Barriers imply disadvantages relative to market incumbents for firms trying to enter a particular market." According to the OECD (2007) multiple definitions may cause confusion in the understanding of entry barriers, therefore one should choose between these definitions. The definition of

Pehrsson (2008b) is “Consist of elements of the dominant theories about entry barriers and is therefore suitable for the use in this paper.”

Next to the on-going discourse about what definition of entry barriers is the best, there are many discussions about how to classify and group barriers. Different classifications are visible, some researchers separate particular barriers, others bring them together. A dominating theory about entry barriers is the taxonomy of barriers to entry by Shephard (1979). Shephard classifies barriers into two groups, namely endogenous and exogenous barriers. “Endogenous barriers are created by the established firms through their market strategies and their competitive behavior and are thus based on incumbents’ reactions to new entrants’ efforts to become established” (Pehrsson 2008, p.15). The second group consists of exogenous barriers. “Those barriers are embedded in the underlying market conditions and, in principle; firms are not able to control these barriers” (Pehrsson, 2008). For example, these barriers can be cultural differences; geographical isolation; government policy (Delmas *et al*., 2007); insufficient market size; customer’s switching costs (Gruca & Sudharsan, 1995); the number of competitors (Harrigan, 1981); distribution channel (Han *et al*., 2001); need for research and development (Schamalensee, 1983) and seller concentration (King & Thompson, 1982).

When entering a new foreign market, in a competitive environment, managers of firms must acknowledge the barriers to enter this particular market (Pehrsson, 2008). Stigler (1963) defined entry barrier as “A cost of producing which must be borne by a firm which seeks to enter an industry but is not borne by firms already in the industry”. Pehrsson (2008) reinforced the importance to consider barriers by saying that “Barriers imply disadvantages relative to market incumbents for firms trying to enter a particular market”. Consequently, if a company does not take into consideration entry barriers, this can lead to a failure when implementing the foreign market.

On the contrary, according to Pehrsson (2008), “Endogenous barriers are created by the established firms through their market strategies and their competitive behavior and are thus based on incumbents’ reactions to new entrants’ efforts to become established”. Gable *et al*. (1995) found that incumbents frequently increased advertising and sales promotion when reacting to market entrants. These measures enhanced the degree of production and service differentiation attributed to the incumbent. Consequently, Gable *et al*. (1995) stated that endogenous barriers of increased advertising and sales promotion reinforce the exogenous barriers of capital need and product differentiation.

2.6 Entry Strategy: Waterfall and Sprinkler

Kalish *et al.* (1995) defined waterfall and sprinkler strategies for the introduction of new products into the global marketplace. In the waterfall strategy markets are approached sequentially whereas in the sprinkler strategy, markets are entered simultaneously, there are several factors which influence the choice between the waterfall or sprinkler strategy such as; diffusion dynamics (the lead effect), economic factors (fixed costs of introduction) and competitive forces.

2.7 Five Forces: Porter's Model

Any company seek going internationally and bigger, step by step companies create their goals and they plan to achieve their targets and goals within specific period. So the company decides to expand and seek new markets. When the company's economies of scale are suitable for expansion and the company reveals some potential scope in a foreign place which seems to be missing in the domestic market and also when company finds the domestic market is being saturated, then it becomes a good thinking of global expansion (Benett & Blythe 2002, p.8).

Theories presented in this part or chapter is the base of the empirical framework, paper claims Porter's five forces and entry barriers theories. This paper discuss the green business and energy efficiency as products and how a company work in this business can open a new market in another country. The green products become very important now in life, making sustainable choices are an important component of green living, making sustainable choices means purchasing products that don't cause a negative impact on the environment and that will not make it more difficult for future generations to continue to sustain themselves (Clair Cambell, 2010).

Experience and psychic distance are the main determinants for internationalization decisions. The more experienced a firm gets in a particular market, the more resources it will be willing to commit. The psychic distance can be an obstacle if the company comprehends the market as psychologically distant. If the company decides to go abroad, depending on how the situation is perceived, it will have to decide on the amount of resources that it will commit (Cateora & Ghauri 2006, p.268). For this particular research work, we have developed our own theoretical framework. Here we present the framework:

Why is this model important?

The model helps to understand how value is shared among actors, and provides insight into redistribution of profits. The model takes a broader view on competition than only a firm's existing competing firms. The business unit level provides a context beyond a single product or range of products. Porter's model emphasizes an outside analysis of the organization's environment over an internal focus.

2.7.1 The Competitive Environment

Before getting into a market, every company should have an assessment of the market environment, how that market could react in different circumstances. Porter’s (1998) five forces model has the ability to determine the competitiveness of a market. As Porter explained the five forces and how these major forces identify the difficulties faced by the potential companies who decided to expand their business in new markets. However how the company can defend against the difficulties is also explained.

Porter’s five forces are as follows:

1. Barrier of entry
2. Bargaining power of customers
3. Bargaining power of supplier

4. Available substitutes
5. Level of existing rivalries

While entering in a market, it is important to assess the barriers that could create some hinders during the entry. Low entry barriers create high competition in the market and vice versa. Company's economy of scale that is the capability of entering with large scale investment can ease some entry barriers. If the existing companies have already created a unique brand positioning, then that could be a great barrier for new comers as it will force the new entrant to invest heavily to establish new brand image over the old ones. In this case, again heavy investment is required to nullify the threat. Necessity of heavy investment is a big hurdle. Many more things can create entry barrier.

Government can have policies that are tough for the entrants to go through. Distribution channels can be tied up by existing rivals and also price war among them can impose a pressure on the company to keep the price down (Porter 1998, p.21-25).

The company will have to face a threat from the buyer as the buyers in the market can act as a vital force. When the customers are few in number and switching to another company's product are easy for them, and then the customers are considered to be powerful. In this situation the company is always under the threat of buyer's specified price and also the possibility of buyer switching to another company. Buyer can be weak if higher switching cost can be ensured (Porter 1998, p.28-32).

When the company is supposed to design their product according to suppliers demand as the suppliers output is unique then the suppliers are considered to be powerful. If number of suppliers is large, then the suppliers become weak as the company have more option. Low switching cost can be one more reason for the supplier to be weak and vice versa.

In case of availability of greater substitutes, the firms are not able to raise the price as that could cause the customers to switch to another product (Bennett & Blythe 2002, p.20). In this situation, the companies are under pressure of reducing the price as there are possibilities of switching (Porter 1998, p.32). When a large number of existing rivals with equal power while the industry growth is slow, then this can be considered as HIGH level of competitive pressure (Porter 1998, p.33).

Even though, a business could be rated high by Porter's model. But in reality it could fail as many organizational and efficiency factors are there to be considered to become succeeded. Also the model gives a snapshot of a situation of a particular moment, but its predictability for future success is questionable (Bennett & Blythe 2002, p.21).

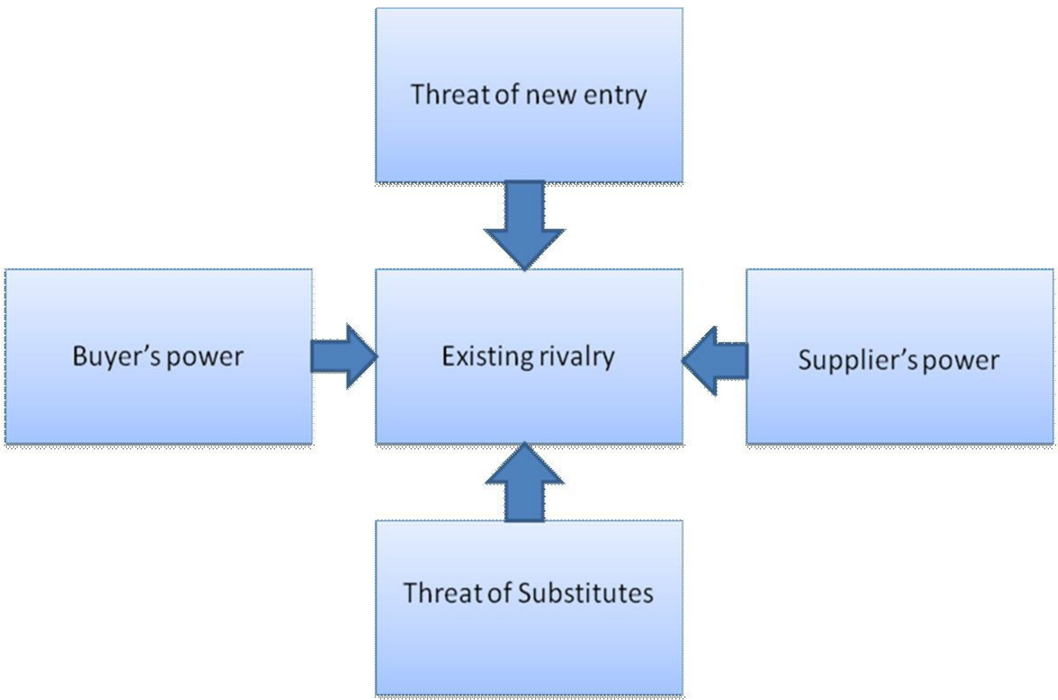

Figure 4: Porter's 5 forces in action

2.8 Theoretical Discussion

Based on the fact, as previously discussed, that there seems to be a lack of a conceptual framework which entails multiple theories in practice (Malhotra *et al.*, 2003), we took it as an inspiration to create our own model. This model has the purpose to provide a guideline in how to conduct a thorough market research and supply a foundation for a market entry strategy (see Figure 4).

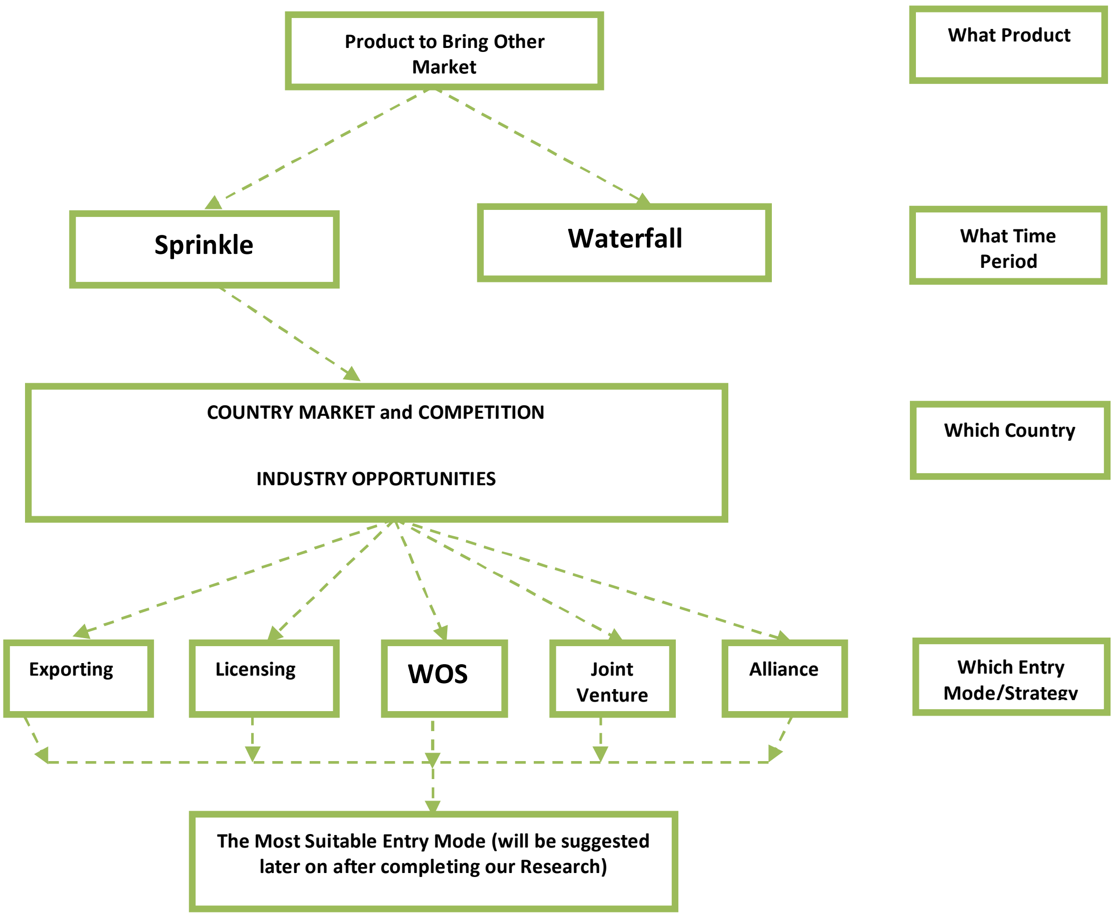

Figure 5: Framework for Selecting the Right Strategy (created by authors)

This framework entails several theories and models which are explained in the theoretical part of this paper and follow the sequential order of this framework. It further presents a structure divided in stages, which shows step by step how to conduct the research process. Stage one includes the decision that has to be made by the companies, whether to enter new markets step by step through the waterfall approach or several markets simultaneously according to the sprinkler approach. Since the theoretical discourse has proven that product based companies tend to use the waterfall approach, the model takes this fact as the starting base for further research.

The second stage involves the market opportunities and industry assessment of foreign markets. This is used to test the attractiveness of a market and contains all necessary key aspects which need to be kept in mind when doing a market analysis. Once the most attractive market has been chosen, the company can proceed to the third stage. This stage discusses the several market entry modes that are available to the company. Based on the external (market conditions, entry barriers) and internal factors (resources, managerial experience/knowledge) the firm can make the final decisions which entry mode to use. Summarized the research structure of the paper will be based on this framework.

2.8.1 State of the Art

We described the International Marketing Strategy and different entry modes in details in our thesis paper by various researchers like Khemakhem (2010), McLeay & Andersen (2010), Hessels & Terjesen (2010), Kouznetsov (2009), Chen & Messner (2009), Johnson & Tellis (2008), Albaum & Duerr (2008), Doole & Lowe (2008), Li & Zhou (2008), Lasserre (2007), Wilson (2006), Kirby & Kaiser (2005), Gao (2004), Pehrsson (2004), Benett & Blythe (2002), Koch (2001), Luo (2001), Ekeledo & Sivakumar (1998), Porter (1998) & Kalish *et al*., (1995).

Porter has a prominent position due to his research work among all of them. His research is empirically validated, therefore, his theory is considered as a dominating theory. But according to Doole & Lowe (2004), after the thorough studies, we get to know that there is not one commonly accepted definition on the international marketing strategy, even if most of them are similar. Each author has its own point of view regarding the choice of entry mode while entering into a new international market depending upon different conditions and situations of the particular market. Some authors suggest for exporting whereas others emphasis on joint venture and similarly some give importance to licensing or other entry modes. Though, most authors argue that exporting and joint ventures are comparatively better entry modes while entering into a new market and more beneficial for the companies.

Ekeledo & Sivakumar (1998) identified the process of the strategic objectives which discussed about the motivation and required level of control to achieve company's objectives in a foreign market. This process is empirically validated by Elg *et al.* (2008), Luo (2001) and Koch (2001).

Lasserre (2007) identified the different processes of selecting the market to internationalize the product. He discussed the market (growth, size), the competition (intensity, entry barrier and profitability), incentives (subsidies and infrastructure) and resources (financial, material and human capital). This is a new theory, which presents different factors regarding country market & industry attractiveness assessment and is not empirically validated by peers. That is why; it can be considered a gap which requires to be investigated.

In our thesis paper, we will study the specificities of market entry strategies in energy efficiency light industry.

2.9 Research Question

What are the specificities of market entry strategies for a developing country?

3 METHODOLOGY

This chapter describes how the paper was conducted, how the data was collected, what they are based on, the decisions made and the reasons behind them.

3.1 Research Approach

According to Saunders *et al*. (2009) there are two different ways for approaching a research, the inductive or deductive approach. Gummesson (2000) defined that "The deductive approach starts with existing theories and concepts and formulates hypotheses that are subsequently tested; its advantage point is received theory. Inductive research starts with real world data, categorizes, concepts, patterns, models. Eventually, theories emerge from this input" (Gummesson, 2000, p.63).

This research chose to use a deductive approach, where the research starts with theory, in order to test it. The deductive approach was chosen in order to investigate various entry modes, external entry barrier theory, such as cultural differences, distribution networks and governmental regulations etc. and its effects on the companies that want to enter into markets of developing countries.

3.2 Research Strategy

Within the methodological studies, researcher classifies a study as being quantitative or qualitative. According to Bryman & Bell (2007), the main difference between the two cited researches is the use of measurements or words. Partington (2002) further explains that quantitative management involves a survey or any other numerical method that can be analyzed in terms of numbers and statistics. The qualitative research instead, tends to be subjective in nature and engages examination and reflection based on perceptions, interpretation and analysis on the bases of conceptualization (Hussey & Hussey, 1997).

In that sense, qualitative methods can be said to aim at capturing qualities that are neither quantifiable nor reducible to numbers, such as feeling, thoughts, experiences and perceptions. In other words, qualitative researches rely heavily on verbal data and subjective analysis (Gratton & Jones, 2004).

3.3 Sample

As we have insufficient time and resources to contact the whole energy efficiency light industry across the globe, therefore, we decided to take a sample. The selection method will affect the ability to generalize the results (Bryman, 2007). They can be random and non-random. A non-random approach is based on more specified selection, where some units have bigger chance for getting selected. Non-random selection approach also reduces the possibility for generalization (Bryman, 2007).

We have chosen firms of various sizes to get as good an overview as possible. We realize that the choice of non-random selection could have an impact on overall results of this paper. We contacted a high number of companies, with various market shares, market power, turn over and size. We are aware of that our empirical data collection might be based on information gained from organizations that significantly differ in those aspects. The main reason for taking this approach is that we recognize possible access problem. We understand that the base for analysis might consist of companies with diverse size and this will be discussed in the conclusion part of this paper.

In finding relevant contact information the World Wide Web has been our main access tool. Organizations involved are well spread geographically, which give us a global approach regarding our topic that is international marketing and entry modes. The request for telephonic interview has been posted by email, including our interview guide, to 28 companies. Out of the 28 companies, we have managed to gather 11 responses through telephonic and e-mail interviews. For the telephonic interview each lasted from 15 to 20 minutes. For the e-mail interview, we attached the questionnaire in the e-mail. We have received the response through the reply e-mails from the authorized person of those companies.

It is important to report this drop off. The most favorable outcome would be to interview all selected organizations. But this is depending on the willingness of the companies'.

Our goal has been to get in touch with the concerned person or someone with great knowledge in the area and this is whom we have interviewed when possible. It is reasonable to state that information from the organizations could have significant impact on our results. These interviews will be greatly helpful for understanding about international marketing strategy and entry modes in energy efficiency light industry in this phenomenon.

3.4 Data Collection

Bryman & Bell (2007), argue that we can categorize the data into following kinds primary Data and secondary data. According to Bryman & Bell (2007), primary data can be defined as an original data gathered by us. Data collection can be done in surveys, experimental study, observation and interviews of some sort according to Bryman & Bell (2007). Observations and interviews are common in qualitative research, surveys and experimental studies are more common in qualitative research. According to Bryman and Bell (2007) interview is the most widely used qualitative research method, this is due to the flexibility of the interview. The purpose of doing this is to get the answers of our research questions. Under this thesis paper, we applied only the primary data for the empirical analysis. The data was collected through qualitative interviews.

3.5 Empirical Data Collection

Under this thesis paper, primary data will be collected through telephonic and e-mail interviews. According to Ghauri & Gronhaug (2005), primary data can be gathered through different ways like surveys, experiments, observations, and telephonic or e-mail interviews. Here it is notable that Saunders (2009), describes that during the research work in business and management, questionnaires is considered the most common use during the process of survey strategy. “A descriptive survey attempts to describe or document current conditions or attitudes – that is, to explain what exists at the moment”, Wimmer & Dominick (2006). That’s why, we collected our empirical data through both telephonic & E-mail interviews with the representatives of the energy efficiency light companies including Director Marketing, Sales Representatives, or someone with great knowledge in the area and this is whom we have interviewed when possible.

3.6 Interviews Guidelines

To gather the empirical data from various energy efficiency light companies around the globe, we used interviews consists of both Open and Closed questions. Bryman (2007) argues that structured interviews are more dependable, exact, and easy for the purpose of data processing. During such interviews, we send the same questions to all interviewees, in other words, all the interviewees receive the same set of questions like others. We also explained those questions about which we felt that respondent is not clear to understand during telephonic interviews.

3.6.1 Telephonic Interviews

Telephone interviews are usable when it requires too much time doing face-to-face interviews. An advantage with conducting a telephone interview is that there are possibilities to ask the interviewee follow-up questions and it also gives the interviewee opportunities to elaborate on their answers. A disadvantage with conducting a telephone interview is that it is harder for the interviewer to create a personal connection with the interviewee (Bryman & Bell, 2007). In this thesis paper, we managed 7 telephonic interviews to get the primary data for empirical analysis.

3.6.2 E-mail Interviews

Due to geographical distance e-mail interviews have also been conducted. The interview questions were mainly broader questions, in that way the interviewee was given the chance of answering openly and give a more comprehensive answer. Disadvantages with interviews by e-mail were that questions might be misinterpreted by the interviewee (Bryman & Bell 2007). In this study some e-mail interview were also conducted with various energy efficiency light companies around the global to get the better understanding. In this thesis paper, we managed 4 e-mail interviews to get the primary data for empirical analysis.

3.7 Operationlization

At the beginning of our interview, we started with the question “What country/countries have you entered recent years?” The reason of asking this question at the beginning was to get the name of country/countries where the company recently entered and faced the entry barrier. Based on the entry barrier, company took their strategies. Answer of this question gave us the idea how company applied their marketing strategies and different market entry barrier they faced in specific country/countries. Lasserre (2007) defined the importance of choosing country to enter and start business in new place.

The next question “What were the main reasons for you to enter these countries?” related to Florin & Ogbuehi (2004) theories which explained the decisions regarding entering a new market. They described regarding the relationship between the structure and strategies in specific markets. They also described the key factors of taking decisions to enter new market.

Then our following question “What are some of the preliminary assessment the company undertook before entering these market?” tried to focus on the main factors which was motivated to enter in specific markets. Ekeledo & Sivakumar (1998) discussed regarding the variables of internal and external environment which can reflect the firm’s competitive advantage. Also, Luo (2001) suggested that entry modes should be chosen based on the both external and internal environment variables.

After that question, we asked “Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?” Ekeledo & Sivakumar (1998) explained the importance of market assessment when company enters in a new market. Based on market assessment, company takes their marketing strategies.

Then our next question “Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?” tried to find out what entry mode the company applied recently to enter new market. Johnson & Tellis (2008) & Luo (2001) discussed about different entry modes which company should follow when they want to enter into new market.

The following question "How is production and distribution done in these markets? Does the company depends on its networks in dealing with its production and distribution activities?" tried to find out how the company managed their production and distribution system was done when they entered into new market. Han *et al*. (2001) described regarding the problem of production and distribution channels when company enters into new market. It is one of the key barriers of entering into foreign market.

Our next question "Did the transaction cost affect your entry decisions in these markets? If yes how?" tried to find out the importance of transaction cost when company enters into new market. Chen & Messner (2009) explained how different entry mode varies and transaction cost also differs in different entry modes. In few entry modes, transaction is expansive for the company which affects to run their business in foreign market.

Then our subsequent question "What kind of difficulties did the company face as a result of your entry into these markets?" tried to figure out different difficulties company faced to enter into foreign market. Pehrsson (2008) reinforced the importance to consider barriers. These barriers cause different difficulties which affect them to run the business into foreign market.

Our next question "What are the main sources of the company's competitive advantage in these markets?" The reason of asking this question was to know the sources of competitive advantages that the company achieved. Ekeledo & Sivakumar (1998) explained about the competitive advantages which is the internal variable of a company, help to gain business success in new market.

The following question of our interview "How do your prices compare to that of other major players on these markets?" helped us to know the importance of pricing factor compare to other competitors in foreign market. Porter (1998) described the price war among competitors and how companies control the price in specific market compare to other players in that market.

The last question of our interview was “Does the company evaluate entry into these markets as a successful move? How?” The reason of asking this question was to find out whether it was successful for the company to apply all market entry strategies or not. Bennett & Blythe (2002) described how companies failed even after applying different marketing tools and strategies. Model gives a snapshot of a situation of a particular moment, but its predictability for future success is questionable.

The main reason to do a thorough operationalization will help us to analyze the result, compare the result with the theories which were stated by different authors. Also it will increase the reliability and validity of our thesis paper.

3.8 Measurement of Research Quality

3.8.1 Validity

There are two criteria in assessing the value of qualitative and quantitative research which are reliability and validity (Bryman & Bell, 2007). According to Saunders *et al.*, (2009), validity is “(1) the extent to which data collection method or methods accurately measure what they were intended to measure, (2) the extent to which research findings are really about what they profess to be about. Neuman (2003) argue in simple words that the validity of a research decide if we really measure what we intend to measure depending on the sample, research design and operationalization. To get high validity of a research it is therefore important to have the right research design based on the purpose, obtain a sample which represents the whole population and to operationalize the theoretical framework to be correctly understood in the empirical analysis.

There are different forms of validity, face validity, concurrent validity, construct validity, etc., but these different forms will not be discussed further and when we discuss validity it is whether the study is answering what our intentions are for it (Bryman & Bell, 2007,

p. 95-98). We created our questionnaire based on the theories to get a result that is as valid as possible. So the result actually measures what it is supposed to.

3.8.2 Reliability

Bryman & Bell (2007) discuss the importance of the research reliability and that the result of the research should be reliable for other scientists. Reliability is here described as the “extent to which data collection technique or techniques will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is a transparency in how sense was made from the raw data” (Saunders, et al., 2009, p.600). Based on researcher to researcher, small differences can be found because of the researchers’ way of analyzing the results and also interpretation of their theories. Our research has high reliability because of the specific questions what we asked to the authorized person (Head of Marketing, CEO and CMO) of different energy efficiency light manufacturers. All the questions were pre-decided and all the companies have been chosen who have already experience in international business and has been entered into many international markets. By using a smaller sample, for example only through qualitative interviews, the chance of getting the result is more focused and accurate.

4 EMPIRICAL STUDIES

In this chapter, we present the empirical presentation of energy efficiency light manufacturer companies. This empirical data is gathered from personal and telephone interview and email response. This chapter summarizes the empirical findings of energy efficiency light manufacturing how they face the entry barriers, following by the result of the strategic barriers to entry.

4.1 International Business

Out of 11 energy efficiency light manufacturers that were interviewed all 11 informed us that they started their business in foreign market. It was very important for them to expend their business in other markets. Therefore, they applied different entry mode to start business in those countries.

Aura Light International AB informed us that the interest in energy efficiency light industry has increased recently worldwide. Many companies are showing their interest to start business with Aura Light International AB. Presently they are looking for suitable and potential partners in Asia, Australia, Africa, North America or the Middle East.

ELBA is one of the oldest energy efficiency light manufacturer is Romania. Nearly 85 years of experience in lighting techniques have turned them into a very well known brand and icon of light industry. They notified us that they have already won many awards for the service and quality of their products in all over the world. They want to invest more to expand their business in different potential markets.

Hungarian company GE Lighting business still brings light to the world, helping advance new technologies such as fluorescents and light-emitting diodes (LEDs), which operate with more efficiency, less cost and less environmental impact than ever before. They informed us that so far they entered into 34 foreign markets and they offer more than 6,000 lamp types and solutions. In future, they also want to expand their business more international markets.

House of GreenTech notified us that they are looking for new partners to do business in the vast Asian market and their future plan is to provide fast, local access, with limited risk and cost exposure in different countries.

Led Butiken is another leading energy efficiency light manufacturing company in Sweden. They told us that they want to enter different international market to help people to save their money by lowering their electricity costs, while they make a wise environmental choice.

LEDCO is a newly established company and they are the pioneering leader in LED technologies, LED light sources and fixtures in Northern Europe. Their mission is to create a cleaner, greener, healthier environment by developing more energy efficient LED solid-state lighting solutions with good quality, good services and competitive prices. Recently they have started expanding their business in foreign markets and they are still looking for more expansion.

The Italian company Linea Light Group was founded in 1985. They are growing and constantly developing their business in different countries and the market growth is increasing day by day. They want to make the lights for indoor living spaces and garden lamps, proposals for proper illumination of workplaces safe solutions for vehicular sources for swimming or diving by systems spotlights showroom in scenic effects where light is designed to enhance the architecture of buildings and palaces.

Molectric is another big Swedish energy efficiency light manufacturer. They have been in this business for a long time and they have already entered into different international markets to provide better energy solution to the customers.

Osram is one of oldest and largest Czech Republican company which is world wide renowned. They have entered many foreign markets and they have more than 3,000 implemented projects based on LED technology around the world.

RBI Lighting AB is another large energy efficiency light manufacturing company is Sweden. They have 10 years experience is this business. They informed us that they are already working with the major players in the lighting market. They want to enter in different countries because there is a huge potential market of energy efficiency light worldwide. They have the whole of Sweden as a workplace, with many satisfied customers who have followed them through the years and now they want customers all over the world to establish their business worldwide.

Yicon Belysning is a Swedish energy efficiency light manufacturer. They stated us that they want to spread their business worldwide and they want to bring their new technology to those countries where there is a demand. Their aim is to provide the latest technology to new people who are not presently using energy efficiency lights and inform them the latest technology information so that they can take the accurate decision to purchase the right light and save the world.

4.2 The Market

From our interview, we are informed that all these 11 companies have recently entered in different countries to start their business in foreign market. However, all of the companies entered to the countries where there is a huge demand of energy efficiency light. Most of companies entered to both developed and developing countries to expand their business.

Aura Light International AB informed us that they have recently entered to Canada, USA, South Africa, Russia, Thailand, China, Hong Kong and Indonesia. They also informed us that in future they want to enter to the developing countries where people need energy efficient lights and lacking of energy power.

ELBA informed us that recently they have entered in Italy, Netherland, Middle East, the Balkans and Rep. Moldavia. They are still looking for potential markets to expand their business in different region of the world.

GE Lighting informed us that recently they have entered into Thailand, Cambodia, Lois, Taiwan, Philippines markets to expand their business. They are presently working on applying strategies into these markets to get more market share.

House of GreenTech stated us that they have recently entered into Marry Land, USA. They are also like other companies looking for potential markets to start their business in other foreign markets.

Led Butiken notified us that so far they have entered into Finland, Denmark, England and Norway. They are European company so they started entering into other European countries at the beginning. Led Butiken is a Swedish company and it was easier for them to enter into other Scandinavian countries like Denmark, Finland and Norway. They informed us that they are slowly moving towards to the developing countries and few developed countries like USA, Canada, Australia, etc. Their aim is to expand their business all over the world.

LEDCO AB told us that recently they have entered into different international markets such as Singapore, Brunei, Poland and Norway. So far, they have entered many European countries but presently they are more interested to enter into Asian market because of better market opportunity and huge product demand.

Linea Light notified us that recently they have entered into China, Singapore, Taiwan, Ecuador and South Africa. They pointed out that Asian market is the new emerging market and every company wants to enter into Asian market based on expanding their business, get better market opportunity and many more.

Molectric stated us that they entered many international countries but recently they have entered South Africa, Norway, Portugal and Slovenia. They want to enter more international markets and presently they are planning to do that.

Osram informed us that they entered so far into many markets but recently they have entered into Korea, Hong Kong, Vietnam, Philippine, Latvia, Estonia. The reason of entering into these countries is good market demand and better market growth.

RBI Lighting AB reported us that recently they have entered into few foreign countries like China, Korea, Thailand and Canada. Presently they are focusing on Asian market because they think Asian market has a huge demand and it is a potential market for the energy efficiency light product. Very soon, they will enter to developing Asian countries.

Yicon Belysning told us that they have entered to Ireland, Australia, Belgium, Romania, China and Korea recently. Their next targeted market is to enter developing countries where energy efficiency lights have good demand.

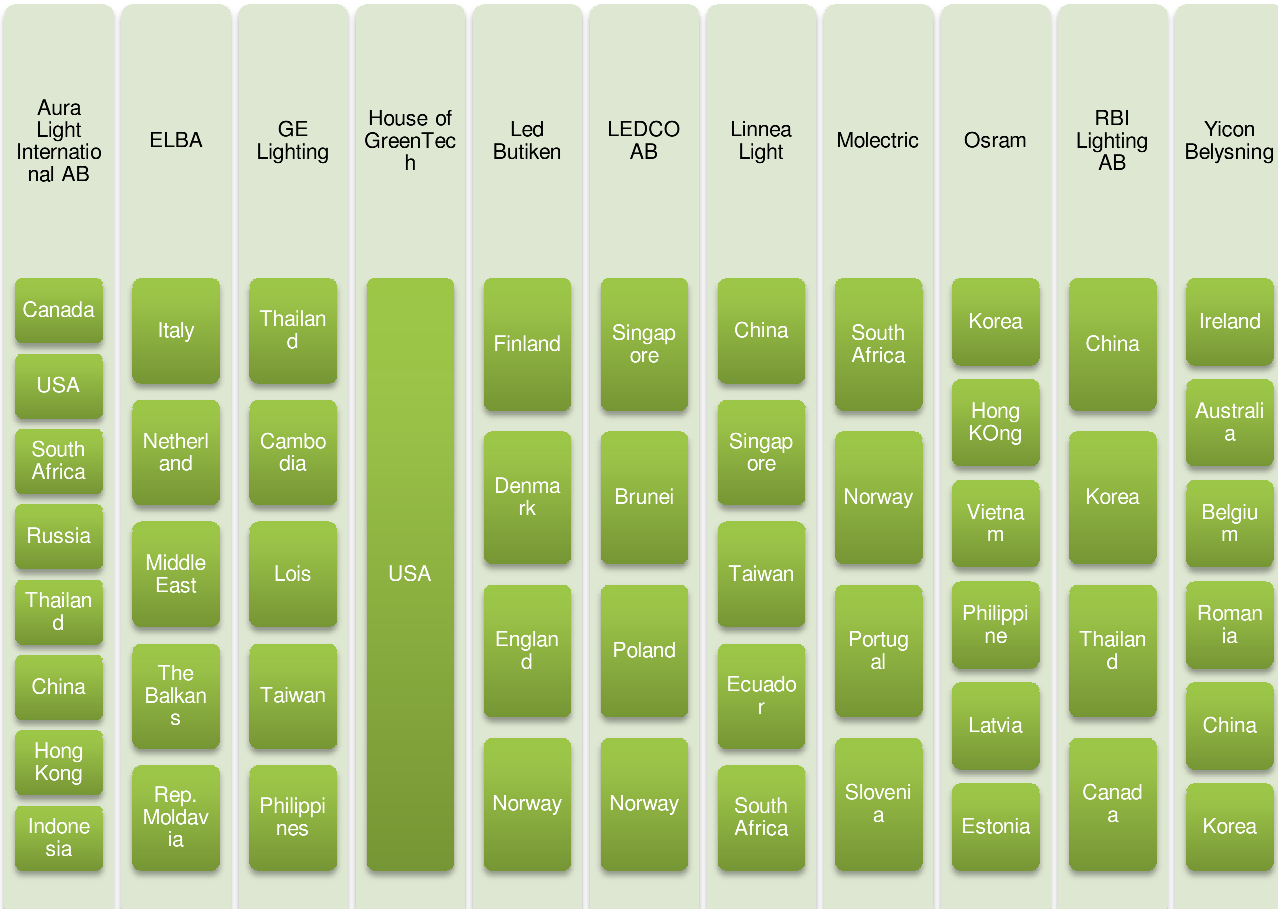

Figure 6: The Market

4.3 Reasons Regarding Foreign Entry

Aura Light International AB stated us that some of the segments they address are situated in these countries, and / or they have identified certain mechanisms (governmental support to companies investing in energy efficient solutions) that favor our value proposition.

ELBA informed us that market demand and potential customers were the main reason of taking decision regarding entering foreign markets and start their business over there.

GE Lighting stated us that According to them, those markets have better opportunity, developing countries. There is a huge demand on this market.

House of GreenTech told us that they have a joint venture with Slogan which is in USA. Also govt. helped them to start business in US market.

Led Butiken notified us that they have so far entered into their neighboring country, under EU. Under the new rules of EU, there is a huge demand in European market. EU published new rules regarding energy efficiency light. People are now more interested to save the energy and people are motivated to buy more energy efficiency lights rather than buying normal lights.

LEDCO AB informed us that they have figured out that there was a good market demand, cheap labor price, potential customer. These factors motivated them to enter into those foreign markets to expand their business further.

Linea Light stated us that those markets were the most emerging market and there was huge market demand. It motivated them to think about entering into those markets.

Molectric notified us that found out that there was a market demand and it was easier for them to enter the European market as they were the Swedish company. They got the demographic advantages of being same business region and also for the same business rules and structure.

Osram stated us that potential market (high demand), high commercial usage made them interested to enter into those foreign markets. They thought it was a great opportunity to enter into those markets and got more market shares.

RBI Lighting AB told us that the reason of entering to foreign market was basically to expend our business. RBI Lighting AB is presently looking for potential markets to expend their business and they found out Asian market has a good market demand of energy efficiency lights.

Yicon Belysning reasoned us to enter those markets because of better market opportunity and they also found out that there was a customer demand in those countries.

Aura Light International AB	• Govt. support
ELBA	• Market demand • Potential customers
GE Lighting	• Market demand
House of GreenTech	• Govt. support
Led Butiken	• EU rules • Market demand
LEDCO AB	• Market demand • Labor cost • Potential customer
Linnea Light	• Emerging market • Market demand
Molectric	• Market demand • Demographic advantage
Osram	• Potential market • Huge commercial use
RBI Lighting AB	• Expend the business
Yicon Belysning	• Better market opportunity • Custmer demand

Figure 7: Reasons Regarding Foreign Entry

4.4 Strategic Objectives

Aura Light International AB notified us that they identified energy prices, labor costs and mapped a large number of potential partners were the preliminary assessments they undertook before entering those markets.

ELBA stated us that the main preliminary assessments they undertook were pricing of the product, potential distributor and customer demand before entering to the countries where they recently entered.

GE Lighting notified us that market demand, govt. rules, economic condition, labor cost and product price are the preliminary assessment they undertook before entering into any foreign market.

House of GreenTech informed us that market demand and potential customers were the main assessments they followed before entering to the US market. It helped them to understand their assumed sales margin and profit.

Led Butiken told us that they entered to their neighboring countries where the business rules and policy are almost same. So it was easier for them to enter those markets. Before entering into those markets they looked for the right partner over there to distribute their products in the right place. For them, potential distributors or partners were the key factors they looked for before entering those markets. Also, they informed us that the market demand, price of the product, labor cost were almost same like Sweden.

LEDCO AB informed us that product price, labor cost, market demand and proper market channel are the key features what they undertook before entering into recent foreign markets. Based on their preliminary assessment, they came up with their marketing strategies and how they wanted to enter into those markets. They kept these factors in your head to get better understanding the markets.

Linea Light notified us that market demand, business infrastructure, risk factors are the main assessment they took before entering into those international markets. They just wanted to prepare themselves to face the entry barrier and before entering those markets, they wanted to be ready to handle the situation properly.

Molectric stated us that before entering into foreign market, they undertook few key factors like: market demand, govt. rules and product price. Based on these factors, they took their decision and faced the entry barrier properly.

Aura Light International AB	• Energy prices • Labour costs • Mapping a large number of potential partners
ELBA	• Pricing of the product • Potential distributor • Customer demand
GE Lighting	• Market demand • Govt. rules • Economic condition • Labor cost • Product price
House of GreenTech	• Market demand • Potential customers
Led Butiken	• Potential distributors
LEDCO AB	• Product price • Labor cost • Market demand • Distribution channel
Linnea Light	• Market demand • Business infrastructure • Risk factor
Molectric	• Market demand • Govt. rules • Product price
Osram	• Market deman • Product price
RBI Lighting AB	• Product pricing • Govt. support
Yicon Belysning	• Product pricing • Distributors

Figure 8: Strategic Objectives

Osram informed us that market demand and product price is two key factors which they always undertook before entering into any foreign market. Based on the market demand, they decided whether they wanted to enter that market or not and based on the product price in any specific market, they decided the price of their product in the specific market.

RBI Lighting AB stated us that pricing of energy efficiency lights on those markets were the key factor they looked for before entering those markets. Also, they looked for what types of business support and advantages govt. of those countries offered for the foreign energy efficiency light manufacturer. Govt. plays a key role when any company wants to enter into a foreign market – stated by Marketing Head of RBI Lighting AB.

Yicon Belysning notified us that product pricing and potential distributors/partners were the key factors for them before entering into those markets. They identified these primary assessments and then they entered to those markets.

4.5 External Environmental Factors

Aura Light International AB stated us that it varied from country to country. The most important was to understand how business was conducted in each of the countries, making sure that there were a number of potential partners that the right profile (addressing end-customers among other things), that the energy prices were fairly high or to a western level and that the labor cost was equal to western standards.

ELBA informed us that they had knowledge about these markets before considering the move they always took the primary assessment before entering in any foreign market. Before entering in any market, we looked for potential partners to distribute our products at the right place, product price and channel distribution.

GE Lighting stated us that had little knowledge about these markets like labor cost, economic condition of the country. Before entering into those markets, they collected data of market demand. It helped to judge the market and based on their judgement of those countries, they took their business decisions.

House of GreenTech told us that they had knowledge about US market because of the joint venture company. Slogan manages the market. Specifically they had knowledge of market demand, potential customer.

Led Butiken notified us that regarding Govt. rules and support, market demand and pricing of energy efficiency lights in those markets, they had a clear knowledge. It was helpful for them to gather knowledge about those countries because those countries were the neighboring countries and the business policy is same. Under EU rules, govt.

of those countries follow almost follows the same rules and provides similar supports to foreign companies who want to start business in those countries.

LEDCO AB informed us that before entering into those markets, we got the knowledge about the market demand and product pricing of the competitors. Based on the information of market demand, LEDCO AB entered into those markets. Without the market demand, there is no point of entering into any foreign market. Also product price helped them to calculate their product price in those foreign markets.

Linea Light stated us that they had knowledge about the govt. rules & regulation, product price, potential partners of those foreign markets where they have recently entered. Govt. rules and regulation helped them to figure out what facilities they would get from the govt. Product price gave them the idea of how the could set their product price in those markets. Finally, they took the information about the background of the potential partners. Based on that information, they picked the right partner to do the business with them.

Molectric notified us that they had the knowledge about these markets. Most of countries we have recently entered the European countries and under the rules of EU, they got the idea about the market. They tried to get the information of their partners with whom they could do their business.

Osram informed us that first they communicated with their partner to know about the market and barriers. They had the knowledge about the customer demand and govt. regulation before entering the market. Based on the customer demand, they took their step forward to enter into those markets. Govt. rules and regulation helped them to get the idea about the facilities they would get from the govt.

RBI Lighting AB told us that they had the knowledge about the market demand of those countries. Before entering those countries, they collected the data regarding market demand so that they could start their business in those countries.

Yicon Belysning stated us that they gathered the information about market demand, product price and customer demand. They believe that these are the primary information which was very important for them to enter into any foreign market.

Aura Light International AB	• How business is conducted • Potential partners • Prices • Labor cost
ELBA	• Potential partners to distribute • Product price • Distribution channel
GE Lighting	• Labor cost • Economic condition
House of GreenTech	• Market demand • Potential customer
Led Butiken	• Govt. rules and support • Market demand • Product pricing
LEDCO AB	• Market demand • Product price
Linnea Light	• Govt. rules & regulation • Product price • Potential partners
Molectric	• Market condition • Potential partner
Osram	• Customer demand • Govt. rules & regulation
RBI Lighting AB	• Market demand
Yicon Belysning	• Market demand • Product price • Customer demand

Figure 9: External Environmental Factors

4.6 Entry Modes

Aura Light International AB informed us that their entry strategy was making sure the criteria were fulfilled then they set up a team of people and functions that support our partners in respective countries (sales, marketing, technical, back-office etc).

ELBA told us that they entered into those markets through joint venture with reliable and potential distributors. ELBA believes that joint venture is the secured way to enter any foreign market.

GE Lighting states us that joint venture was the best entry modes for them and they always followed that. They always look for the right partner in the foreign market and then they entered into those markets.

House of GreenTech notified us that joint venture was best entry mode for them to enter into foreign market. Slogan is the joint venture company with whom they are presently doing business in US market.

Led Butiken stated us that recently they entered to those markets through joint venture with the local partners.

LEDCO AB said us that they always looked for the right and potential partner to enter any foreign market. They believe entering into any foreign market through joint venture is the best process because of less risk involvement and it is easier for any company to enter into international markets.

Linea Light informed us that they always prefer to enter any foreign market through joint venture. That is why, it is very important for them to find the right partner who can take care of their product image and forward it to the right distribution channels.

Molectric stated us that they prefer to go for joint venture with foreign partner. To them, partner has a vital role in the international business because local partners distribute their product through the right channels.

Osram informed us that joint venture is the most suitable enter modes for them when they go any international market. The local partner is a very important factor for them. That is why; they always take time to choose the potential partner in foreign market with whom they can deal their business.

RBI Lighting AB told us that they always prefer to start business in foreign market through joint venture. They always look for potential local partners to start business in foreign market.

Yicon Belysning stated us that they entered into foreign countries through joint venture and they believe it is the best way to enter into foreign market and less risk.

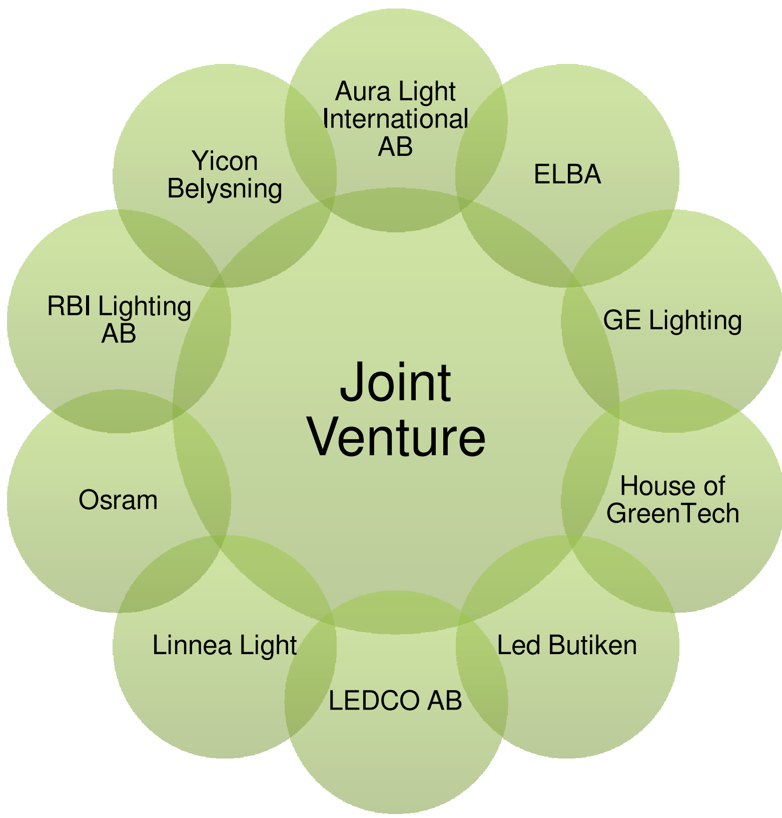

Figure 10: Entry Modes

4.7 Distribution Channel

Aura Light International informed us that some partners / distributors take stock and supply to smaller partners. However a large number of their business is project sales why stock is not needed, at least not when entering a country. However when pour partners gain larger contract stock is needed locally.

ELBA told us that production is done in their local factories and distributed to foreign partners to spread their product in the market. They depend on their distributors to distribute their product to different places in different countries.

GE Lighting informed us that they produce the product in their home factory and then send those to their foreign partners. Partners distributor to their product to different sales agent.

House of GreenTech stated that their US partner Slogan takes care of the distribution. In their case, production is fully done in Sweden & distribution is done by Slogan. They depend only on their distribution Slogan.

Led Butiken notified us that they have their own distributor in those markets where they so far entered. They just deliver their product to their distributors and those distributors are responsible to distribute their product to smaller partners who sell their product in those markets.

LEDCO AB stated us that they send our product to the sales agent and finally the partners deliver their products to different shops. The local partners sometimes stock their product based on the demand. Local partners communicate with the retailers and deliver it to them.

Linea Light informed us that their partners do the distribution but they also monitor them. The production is completely done in their end and distributors control the distribution channels. Distributors basically communicate with the retailers and control the market.

Molectric stated us that their local partners distribute their products to the resellers and when they send their product to the distributors, they stock it and supply it based on the demand.

Osram told us that their local partner is responsible to distribute their product to different retailers. Local partners always monitor the market demand and then they inform us that information. Based on the information, they deliver their product to the distributors.

RBI Lighting AB informed us that they have business agreement with local partners. The production is done at their home factory, deliver to the local distributors & they distribute their product to the local market

Yicon Belysning notified us that production is completely done by them, export it to their partners and distributors are responsible to distribute their product to the right channels. They distribute to smaller partners to sell their product.

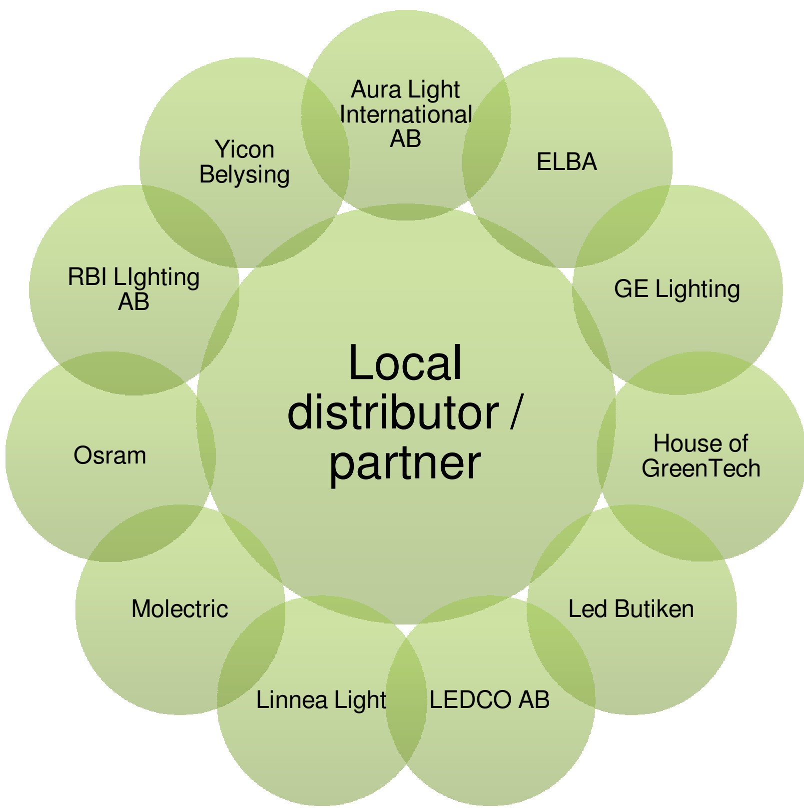

Figure 11: Distribution Channel

4.8 Transaction Cost

Aura Light International AB stated us that they did not face any transaction cost problem while entering into those markets.

ELBA informed us that some times transaction cost affected them. When they entered in countries like Middle East, Balkans and Rep. Moldavia, it affected the price of their product. Carrying cost added to their production cost in those areas. It is expensive in those markets but people still buy it because of the quality of their product.

GE Lighting stated us that transaction cost did not affect them to enter the international markets. They manage their cost factor.

House of GreenTech told us that transaction cost did not affect them to enter into foreign market.

Led Butiken stated us that they also did not face any problem with the transaction cost when they entered to the US market.

LEDCO AB notified us that they did not face any transaction cost. They manage it properly.

Linea Light informed us that transaction cost did not affect them when they entered into foreign market. Their product is overall expensive then other competitors, but the transaction cost did not affect their business.

Molectric stated us that in the European countries, they did not face any transaction cost but recently when they entered into the African market, it added the price of the product. It is because of the demographic distance but the manage it.

Osram told us that transaction cost affected them. It increased the price of their product over those markets. Transaction cost is added extra price on their production cost.

RBI Lighting AB informed us that they did not have any problem with the transaction cost while they entered into foreign markets.

Yicon Belysning notified us that transaction cost added with their product price which increased the total price of their product more than the local products but eventually it did not affect to their product that much because the quality of their product is very high and people prefer to buy their product even though it little bit expensive than alternatives in the market.

Aura Light International AB	• Did not affect their entry decisions
ELBA	• Affected them. Increased the price of the product
GE Light	• Did not affect their entry decisions
House of GreenTech	• Did not affect their entry decisions
Led Butiken	• Did not affect their entry decisions
LEDCO AB	• Did not affect their entry decisions
Linnea Light	• Did not affect their entry decisions
Molectric	• Affected them. Increased the price of the product
Osram	• Affected them. Increased the price of the product
RBI Lighting AB	• Did not affect their entry decisions
Yicon Belysning	• Affected them. Increased the price of the product

Figure 12: Transaction Cost

4.9 Barriers about Entering into Foreign Market

Aura Light International AB stated us that the importance of a professional partner search process. Brand awareness is very low (of course) in their case. Because they think joint venture entry mode keeps the brand awareness low. It is another difficulty they faced when they entered into any foreign market.

ELBA informed us that in some countries they faced the govt. and political barrier. It was not easier for them to enter into those markets like Middle East.

GE Light stated us that in few markets, govt. rules were the barrier for them. Especially they entered into the Asian markets where the business risk is higher.

House of GreenTech told us that they did not face any barrier while entering into foreign market because their partner helped them regarding this issue. Also they mentioned that US govt. helped them start their business in US market.

Led Butiken notified us that they have not faced that kind of problem to enter those markets because the business policy was almost same. It was an advantage for them to enter those neighboring countries.

LEDCO AB stated us that getting the right sales agent was the problem for them when they entered into foreign market because they always care about out brand image and they give high preference to put their product at the right spot.

Linea Light informed us that in some countries like South Africa, Taiwan, Ecuador, we faces the problem of finding potential distributors. Govt. rules and restriction were another problem while entering into those markets.

Moletric told us that when they entered into African market, they faced the govt. barrier. Other than that, they did not face any problem to enter into European countries. Entering into the African market was little bit hard for them.

Osram notified us that finding the right partner was the most difficult part. They search for the right partner carefully. Previously, they made mistakes while choosing the right partner and they failed on those markets. Price of product was another issue. They monitor the price of their product and try to manage it based on different additional costs.

RBI Lighting AB stated us that it was difficult for them to find the distributor to do business with them on those markets. They think that potential partner is very important for them to do business with them, especially in the foreign market.

Yicon Belysning informed us that political issue was one of the difficulties they have faced when they entered into foreign markets. Also as they mentioned earlier that the transaction cost affected them, pricing of their product was a problem at the beginning of the business in those markets.

Aura Light International AB	• Search professional partner • Brand awareness is very low
ELBA	• Govt. and political barrier
GE Light	• Govt. barrier
House of GreenTech	• Did not face any difficulties
Led Butiken	• Did not face any difficulties
LEDCO AB	• Search professional partner • Brand image
Linnea Light	• Search professional partner
Moletric	• Govt. barrier
Osram	• Search professional partner • Pricing
RBI Lighting AB	• Search professional partner
Yicon Belysning	• Political barrier • Pricing

Figure 13: Barriers about Entering into Foreign Market

4.10 Competitive Advantages

Aura Light International AB stated us that their value proposition (Long Life saves 2 out of 3 replacements) and their energy efficient solutions saves energy, sometimes up to 50-70% to their existing lighting solutions. They think these features give them a competitive advantage in those markets compare to other local players.

ELBA told us that quality of their lights, energy saving solution and longer warranty period gave their product good competitive advantages in those markets. Local people know about these features of their product and they prefer to buy their product.

GE Light informed us that the quality and uniqueness bring the competitive advantages in these markets. Like: low cost using "solution-coatable" materials, Consuming only 4 Watts of power and allowing 80% energy savings to be achieved, fluorescents and light-emitting diodes (LEDs), less cost and less environmental impact than ever before.

House of GreenTech notified us that the quality of their product was the key advantage. The quality of their energy efficiency light is very high and that gave them the competitive advantage in US market.

Led Butiken told us that when they entered to those markets, there was a market demand of energy efficiency light. This demand helped them to start their business over their. Also they mentioned that the quality of their product is very high and it gave them a competitive advantage in those markets.

LEDCO AB informed us that they came up with the unique color index, a life spam is more than 50,000hrs and if change the faulty product to satisfy our customers. Their especial feature of the product gave them the advantage in foreign markets.

Linea Light stated us that they came up with different light effect and the architecture. It was completely new concept and when we entered into those markets, people were interested to buy their product.

Moletric told us that they offered varieties of product line up. Their value proposition and better energy saving solution gave us the advantages in those markets.

Osram informed us that lighting architecture, lighting control, light effects on work performance and comfort and quality of life. These are the key advantages of Osram what helped them to get the advantages into foreign markets.

RBI Lighting AB stated us that the quality gave them the competitive advantage in those markets. Also they offered longer warranty period of their product and replacement of the faulty product. It gave the customer a good satisfaction of buying our product.

Yicon Belysning informed us that international product gave them a better image than local companies. To get the market, they offered verities offers to attract local customers like: buy 2 get 1 free. Also they added that they offered longer warranty period of their product which made the customers interested to buy their product.

Aura Light International AB	• Value proposition • Energy saving solution
ELBA	• Quality • Energy saving solution • Longer warranty period
GE Lighting	• Quality • Uniqueness • Low energy cost
House of GreenTech	• Quality
Led Butiken	• Market demand
LEDCO AB	• Unique color index
Linnea Light	• Light effect • Architecture
Moletric	• Architecture • Light effect • Light control
Osram	• Light architecture • Lighting control • Light effect
RBI Lighting AB	• Better quality • Longer warranty period
Yicon Belysning	• International brand image • Different offers • Longer warranty period

Figure 14: Competitive Advantages

4.11 Price

Aura Light International AB stated that higher prices but faster return on investment (ROI) due to their long Life and energy efficient concept.

ELBA mentioned to us that the price of their light is more expensive than normal lights and also it is higher price than other energy efficiency lights in those markets.

GE Lighting informed us that in those markets, it was expensive then other players in the market. They also informed us that they have the highest market share. Their company image helped us to get the better impression in the market.

House of GreenTech told us that their product is more expensive than the local companies but because of the good quality, people prefer to buy their product. Though the price is high but because of the quality, they get the advantages in foreign market.

Led Butiken informed us that it is almost same as our competitors in those markets. As they have mentioned earlier that they have only entered into their neighboring countries and the business policy is almost same on those countries.

LEDCO AB stated us that it was definitely expensive than other local competitors. But their product quality and uniqueness gave them the advantages to make their customers interested to buy their product rather buying others.

Linea Light told us that their product is expensive than other players on those markets. But when they offered better architecture and different effects, it attracted the local people to buy their product.

Moletric stated us that it was almost similar to the other competitors in those markets. They did not face any problem regarding the price of their product. They managed their product price and tried to keep it similar to other competitors.

Osram informed us that it was expensive than the other local competitors. But they offered the customers' better quality product, light management system, DALI lighting control system and management building management and automation of heating, ventilation and air conditioning are the key to sound intelligent buildings, the so-called "green buildings"

RBI Lighting AB notified us that their product is slightly expensive than the local competitors. But they are not concerned about the price of their product because people still buy their product because of the quality of their product.

Yicon Belysning informed us that their product is expensive than other competitors but the quality is proved on those market and proved and people know about it. Also they mentioned to us that they give good offers which attract people and make them interested to buy their product.

Aura Light International AB	• Expensive than other competitors
ELBA	• Expensive than other competitors
GE Light	• Expensive than other competitors
House of GreenTech	• Expensive than other competitors
Led Butiken	• Almost same as competitors
LEDCO AB	• Expensive than other competitors
Linnea Light	• Expensive than other competitors
Moletric	• Almost same as competitors
Osram	• Expensive than other competitors
RBI Lighting AB	• Expensive than other competitors
Yicon Belysning	• Expensive than other competitors

Figure 15: Price

4.12 Market Evaluation

Aura Light International AB informed us that in some cases they evaluated. They also mentioned to us that some of them were successful and others were not so successful. It all depended on how well they looked for potential partners to do the business.

ELBA stated us that entering into those markets were successful moves. The demand of their light is increasing day by day. Many companies from other countries are showing their interest to start business with them.

GE Light informed us that they evaluated the entry. So far, they faced few problems in foreign market but they overcame those issues and overall they had successful move in every market.

House of GreenTech told us that it was a successful market entry. Even their name was in the US newspaper because of successful business in US market.

Led Butiken notified us that it was a successful entry into those markets. Based on the new rules EU, people are buying more energy saving lights. Their sales have been increasing day by day.

LEDCO AB informed that they did evaluate their move. They always got good response about their market evaluation. When they found out that people were buying their product and the sales increased, they counted it as a successful entry.

Linea Light told us that it was overall successful entry mode for us. They got larger market share and their sales was increasing day by day.

Moletric stated us that sometimes they evaluated their market entry. When they saw that their market growth increases, they considered it a successful entry.

Osram informed us that their product gave the new technology to their customers. The concept of green building and light architecture are very well accepted. So, people were more interested to buy their product and day by day they were getting market growth.

RBI Lighting AB mentioned to us that few were successful entry into those markets. It all depends on how the distributors do business in their countries.

Yicon Belysning informed us that those were successful market entry into those countries. Customers buy their product and the sells have been increasing day by day.

Aura Light International AB	• Some of them were successful market entry
ELBA	• Successful market entry
GE Light	• Successful market entry but faced few problems
House of GreenTech	• Successful market entry
Led Butiken	• Successful market entry
LEDCO AB	• Successful market entry
Linnea Light	• Successful market entry
Moletric	• Successful market entry
Osram	• Successful market entry
RBI Lighting AB	• Some of them were successful market entry
Yicon Belyning	• Successful market entry

Figure 16: Market Evaluation

5 ANALYSIS

In this chapter the empirical findings described in the previous part of the thesis will be analyzed following the theoretical framework.

5.1 International Business

In our theory chapter we defined international business according to Lasserre. He stated in his theory that the market and industry opportunities can be assessed based on criteria such as; the market (growth, size), the competition (intensity, entry barriers, and profitability), incentives (subsidies, infrastructure) and resources (financial, material, human capital). We interviewed 11 companies who are leading energy efficiency light manufacturer. All 11 companies informed us that they have already started business in foreign markets and they have already faced the market entry barrier. The reason of asking this question was to get the overview of the company, current state of those companies, stability and access to resources and structure of their target markets.

Lasserre also described in his articles that how important for any company to go foreign market and expend their business internationally. According to him, company slowly expends their business in international market and there are few reasons of starting business in foreign market such as better opportunity abroad, shortening product and technology lifecycles, excess capacity and desire to fallow customers and competitions abroad.

In the theory we discussed about the importance of entering foreign market in today's competitive business world. When we interview the selected companies, we figured out that all of them are very much cautious about it and they already know the importance of starting business in foreign market. The theory states that international business is one of the few ways which in modern business can get more success and earn more profit from their business. All of the companies agreed with this thoughts and this is the main motive of them to expand their business in foreign market to get more market growth and earn more profit.

5.2 The Market

In our theory part, we described choosing the market according to Lasserre. He defined the importance of choosing country to enter and start business in new place. In this part we asked all of the companies which country or countries they have recently entered to start their business. As they have already mentioned that they have already entered in the foreign market, in this question they answer us different countries name where they have recently entered and started their business.

The answer of this question helped us to get idea which companies used what strategies and how they entered into those markets. According to the theory, we have already learnt that choosing the market depends on few variables like size and growth of the market, intensity, entry barriers, profitability, incentives (subsidies, infrastructure) and resources (financial, material, human capital). All of the companies also collected this informational before entering these markets based on these factors. Aura Light International AB informed us that they have recently entered to Canada, USA, South Africa, Russia, Thailand, China, Hong Kong and Indonesia. ELBA informed us that recently they have entered in Italy, Netherland, Middle East, the Balkans and Rep. Moldavia. GE Lighting informed us that recently they have entered into Thailand, Cambodia, Lois, Taiwan, Philippines markets to expand their business. They are presently working on applying strategies into these markets to get more market share. House of GreenTech stated us that they have recently entered only into Marry Land, USA. Led Butiken notified us that so far they have entered into Finland, Denmark, England and Norway. LEDCO AB told us that recently they have entered into different international markets such as Singapore, Brunei, Poland and Norway. So far, they have entered many European countries but presently they are more interested to enter into Asian market because of better market opportunity and huge product demand. Linea Light notified us that recently they have entered into China, Singapore, Taiwan, Ecuador and South Africa. They pointed out that Asian market is the new emerging market and every company wants to enter into Asian market based on expanding their business, get better market opportunity and many more. Molectric stated us that they entered many international countries but recently they have entered South Africa, Norway, Portugal and Slovenia. They want to enter more international markets and presently they are planning to do that. Osram informed us that they entered so far into many markets but recently they have entered into Korea, Hong Kong, Vietnam, Philippine, Latvia, Estonia. The reason of entering into these countries is good market demand and better market growth. RBI Lighting AB reported us that recently they have entered into few foreign countries like China, Korea, Thailand and Canada. Finally, Yicon Belysning informed us that they have entered to Ireland, Australia, Belgium, Romania, China and Korea recently.

In the theory part, we discussed about the importance of choosing the international market to enter to start business. All companies focused on the market size, growth of the market, intensity, different entry barrier, profitability, incentives and resources and then they chose those markets. So, it is clear that those markets were definitely potential markets according to those companies calculation.

5.3 Reasons Regarding Foreign Entry

Based on Florin and Ogbuehi, in the theory chapter we discussed about the key factors behind taking the decision of entering into any foreign market. Florin and Ogbuehi described in their theory of taking decisions regarding entering a new market. They described regarding the relationship between the structure and strategies in specific markets. They also described the key factors of taking decisions to enter new market.

When we asked this question to these companies, they gave us different reasons for choosing those foreign markets. Aura Light International AB stated us that some of the segments they address are situated in these countries, and / or they have identified certain mechanisms (governmental support to companies investing in energy efficient solutions) that favor our value proposition. ELBA informed us that market demand and potential customers were the main reason of taking decision regarding entering foreign markets and start their business over there. GE Lighting stated us that, those markets have better opportunity, developing countries. There is a huge demand on this market. House of GreenTech told us that the US govt. helped them to start business in US market. Led Butiken notified us that govt. rules and market demand were the key factors of choosing those markets. LEDCO AB informed us that they have figured out that there was a good market demand, cheap labor price, potential customer. These factors motivated them to enter into those foreign markets to expand their business further. Linea Light stated us that those markets were the most emerging market and there was huge market demand. It motivated them to think about entering into those markets. Molectric notified us that found out that there was a market demand and it was easier for them to enter the European market as they were the Swedish company. They got the demographic advantages of being same business region and also for the same business rules and structure. Osram stated us that potential market (high demand), high commercial usage made them interested to enter into those foreign markets. They thought it was a great opportunity to enter into those markets and got more market shares. RBI Lighting AB told us that the reason of entering to foreign market was basically to expend our business. Yicon Belysning mentioned to us that the reason of entering those markets because of better market opportunity and the company also found out that there was a customer demand in those countries.

5.4 Strategic Objectives

In our theory chapter, we discussed about the different strategic objectives when companies enter into foreign market. Ekeledo and Sivakumar discussed in their theory regarding the variables of internal and external environment which can reflect the firm's competitive advantage. Also, Luo suggested that entry modes should be chosen based on the both external and internal environment variables.

When we asked the question about the preliminary assessment the company undertook before entering into any foreign market, 11 companies sort of stated same factors like energy or product price, market demand, potential customer and right distributor. Aura Light International AB notified us that they identified energy prices, labor costs and mapped a large number of potential partners were the preliminary assessments they undertook before entering those markets. ELBA stated us that the main preliminary assessments they undertook were pricing of the product, potential distributor and customer demand before entering to the countries where they recently entered. GE Lighting notified us that market demand, govt. rules, economic condition, labor cost and product price are the preliminary assessment they undertook before entering into any foreign market. House of GreenTech informed us that market demand and potential customers were the main assessments they followed before entering to the US market. Led Butiken told us that before entering into the neighboring markets they looked for the right partner over there to distribute their products in the right place. LEDCO AB informed us that product price, labor cost, market demand and proper market channel are the key features what they undertook before entering into recent foreign markets. Based on their preliminary assessment, they came up with their marketing strategies and how they wanted to enter into those markets. They kept these factors in your head to get better understanding the markets. Linea Light notified us that market demand, business infrastructure, risk factors are the main assessment they took before entering into those international markets. They just wanted to prepare themselves to face the entry barrier and before entering those markets, they wanted to be ready to handle the situation properly. Molectric stated us that before entering into foreign market, they undertook few key factors like: market demand, govt. rules and product price. Based on these factors, they took their decision and faced the entry barrier properly. Osram informed us that market demand and product price is two key factors which they always undertook before entering into any foreign market. Based on the market demand, they decided whether they wanted to enter that market or not and based on the product price in any specific market, they decided the price of their product in the specific market. RBI Lighting AB stated us that pricing of energy efficiency lights on those markets were the key factor they looked for before entering those markets. Also, they looked for what types of business support and advantages govt. of those countries offered for the foreign energy efficiency light manufacturer. Yicon Belysning notified us that product pricing and potential distributors or partners were the key factors for them before entering into those markets.

In the theory, we have learnt that how internal and external environmental factors can reflect a firm's competitive advantages. Ekeledo and Sivakumar mentioned in their articles that economical factor, political, legal environment, cultural space should be monitored before entering into any foreign market. In the real life, all 11 companies looked for different potential sites where they could get competitive advantages in those markets and for that reason they did the preliminary assessment before entering into those countries and when they were satisfied and felt that they could get the competitive advantages, they went further.

5.5 External Environmental Factors

In the theory part, we discussed about the external environmental factor based on Ekeledo and Sivakumar theory. They explained the importance of market assessment when company enters in a new market. Based on market assessment, company takes their marketing strategies.

When we asked to the companies, they mentioned more or less same statement. Aura Light International AB stated us that it varied from country to country. The most important was to understand how business was conducted in each of the countries, making sure that there were a number of potential partners that the right profile (addressing end-customers among other things), that the energy prices were fairly high or to a western level and that the labor cost was equal to western standards. ELBA informed us that they had knowledge about these markets before considering the move they always took the primary assessment before entering in any foreign market. Before entering in any market, they looked for potential partners to distribute our products at the right place, product price and channel distribution. GE Lighting stated us that had little knowledge about these markets like labor cost, economic condition of the country. Before entering into those markets, they collected data of market demand. It helped to judge the market and based on their judgment of those countries, they took their business decisions. House of GreenTech told us that they had knowledge of market demand, potential customer. Led Butiken notified us that regarding govt. rules and support, market demand and pricing of energy efficiency lights in those markets, they had a clear knowledge. LEDCO AB informed us that before entering into those markets, we got the knowledge about the market demand and product pricing of the competitors. Based on the information of market demand, LEDCO AB entered into those markets.

Without the market demand, there is no point of entering into any foreign market. Also product price helped them to calculate their product price in those foreign markets. Linea Light stated us that they had knowledge about the govt. rules & regulation, product price, potential partners of those foreign markets where they have recently entered. Govt. rules and regulation helped them to figure out what facilities they would get from the govt. Product price gave them the idea of how the could set their product price in those markets. Finally, they took the information about the background of the potential partners. Based on that information, they picked the right partner to do the business with them. Molectric notified us that they had the knowledge about these markets. Most of countries we have recently entered the European countries and under the rules of EU, they got the idea about the market. They tried to get the information of their partners with whom they could do their business. Osram informed us that first they communicated with their partner to know about the market and barriers. They had the knowledge about the customer demand and govt. regulation before entering the market. Based on the customer demand, they took their step forward to enter into those markets. Govt. rules and regulation helped them to get the idea about the facilities they would get from the govt. RBI Lighting AB told us that they had the knowledge about the market demand of those countries. Before entering those countries, they collected the data regarding market demand so that they could start their business in those countries. Yicon Belysning stated us that they gathered the information about market demand, product price and customer demand. They believe that those were the preliminary information which was very important for them to enter into those foreign markets.

5.6 Entry Modes

Based on Johnson & Tellis and Luo, in the theory part we discussed about different entry modes like exporting, licensing, joint venture and wholly-owned entry mode and strategic alliance. According to authors, these are the different entry mode which a company should apply when it enters into any foreign market. Company can directly export to the foreign country and importers of that country can do business by that product. Small firms are more sensitive to environmental uncertainty then larger firms are due to the fact that small firms face substantial resource constraints. Therefore small firms often search for safer growth strategies. If exporting, the firm must consider how much can be exported for it to still be a safe international expansion strategy. Company can also do licensing in foreign country to start their business. Licensing has a high level of knowledge dissemination risk and a low level of control, which means that the host government can influence the activities or operations of a foreign subsidiary. Also, joint venture is another entry mode which is most renowned and very common in recent international business. Joint ventures can be seen as a successful entry mode, especially for small and medium sized companies with limited knowledge about the new foreign market. An advantage with joint ventures is that it gives insight and access in the new market because it is already embedded in an already existing organization in the foreign market. Other advantages with the use of joint ventures are the local expertise, the government, regulations, cultural differences and connections. Wholly-owned entry mode is one of the ways to enter into foreign market. When a company attempts to develop its unique resources or core competences, and enters into a dynamic emerging market, the wholly-owned entry mode will be favored in order to protect resources from uncompensated leakage to competitors. The final entry mode which authors discussed is strategic alliance. It is a long term inter-corporate association without an affiliated organization based on trust and mutual respect for each participant's business needs, used to further the common interests of the members that can include customers, governments, suppliers, engineers, financial institutions, and other contractors.

When we asked to all the companies about entry mode and which entry mode they followed when they entered into foreign market, all 11 companies mention us that they followed the joint venture entry mode. Aura Light International AB informed us that their entry strategy was making sure the criteria were fulfilled then they set up a team of people and functions that support our partners in respective countries (sales, marketing, technical, back-office etc). Also, RBI Lighting AB told us that they always prefer to start business in foreign market through joint venture. They always look for potential local partners to start business in foreign market.

From their statement, it is clear that joint venture is very common in the international markets, and they can be used to make the company strategically and organizationally flexible in the target market. Cost saving by using a foreign partner's infrastructure and liability limitation can also be recognized as the advantages of joint venture.

5.7 Distribution Channel

In our theory part, we discussed about the production and distribution channels in international market. According to Han *et al*. (2001), production and distribution, these two factors are very important when a company enters into foreign market. Distribution channel is one of entry barrier when company wants to enter into any foreign market. There are few other entry barriers like cultural differences, geographical isolation, government policy, insufficient market size, customer's switching costs, the number of competitors and seller concentration. Without roper distribution channel, it is not possible to do successful business in foreign market. Also, production for foreign country is an issue for the company. They should determine where they should do their production. Weather they should do the production in their home country or to the designated country where they are willing to start their business or any nearest country where they already have factory set up. Company should think this issue before going further.

When we asked in the interview, all 11 companies mentioned that they have good terms with their partner or distributors who look after their distribution channel. All of the 11 companies do the production in their home factory and then send it to their partner to distribute their product in different places through right channel. Aura Light International informed us that some partners / distributors take stock and supply to smaller partners. However a large number of their business is project sales why stock is not needed, at least not when entering a country. However when pour partners gain larger contract stock is needed locally. ELBA stated us that production is done in their local factories and distributed to foreign partners to spread their product in the market. They depend on their distributors to distribute their product to different places in different countries.

5.8 Transaction Cost

In our theory part, we described about the transaction cost based on Chen and Messner's theory. They described how different entry mode varies and transaction cost also differs in different entry modes. In the other hand, small firms prefer to go for export entry mode because of less risk and less financial involvement. Small firms are more sensitive to environmental uncertainty then larger firms are due to the fact that small firms face substantial resource constraints and they have small budget for their business. Therefore small firms often search for safer growth strategies. If exporting, the firm must consider how much can be exported for it to still be a safe international expansion strategy. When firms think about the starting business in foreign market, transaction cost issue rise up. It is vital issue because this transaction cost can increase the price of their product in foreign market compare to local market. Sometimes it is problem for the company for higher price of their product. Customers might not purchase their product because of higher price. So, companies monitor their transaction cost when they want to enter into foreign market.

In our interview, we got to know that 7 out of 11 companies informed us that transaction cost did not affect them when they entered into foreign market. The reason behind of that was the energy efficiency light is more expensive than normal lights. Also, when they entered into foreign market, they assured the quality of product. Better quality product was one of the main reasons that people get interested to buy their product. They informed us that even though the price of their product was little bit higher than the local product but still buy their product because of better quality. 4 of the companies informed us that they were affected by the transaction cost when they entered into foreign market. ELBA, Moletric, Osram and Yicon Belysning informed us that transaction cost affected them initially when they entered into those markets. Later on, they made sure the quality of their product and also they offered different offers like longer warranty period, faulty product replacement, etc.

It is clear from the real life scenario that transaction cost actually affects to the companies then they start business in foreign market. But companies always try to minimize the cost by using different entry mode. According to authors, the most suitable and less risky entry mode is the joint venture. In the present business world, companies prefer to go for joint venture entry mode because of cost affective and less risk involvement.

5.9 Barriers about Entering into Foreign Market

Based on Pehrsson's theory, we discussed about the entry barriers into our theory part. According to him, he reinforced the importance to consider barriers. These barriers cause different difficulties which affect them to run the business into foreign market. When company enters into foreign market, they face different problem regarding doing business in the new environment. So, companies forecast the market before entering into any new market and assume what kind of difficulties they might face. Based on their calculation, they prepare to face the entry barrier in the new market.

When we interviewed 11 companies, 9 companies informed us that they faced different entry barrier when they entered into new markets like finding potential partners, pricing of their product, govt. rules & regulation and political issue. Only 2 companies, House of GreenTech and Led Butiken informed us that they did not face any sort of entry barrier. The reasons they stated us that Led Butiken entered into their neighboring countries and the business policy and rules are almost same. So, they did not face any big problem when they entered into those markets. Also, house of GreenTech notified us that their US partner helped them to enter into US market. Other than these 2 companies, rest of them faced the entry barrier. According to Aura Light International AB stated us that the importance of a professional partner search process. Brand awareness is very low (of course) in their case. Because they think joint venture entry mode keeps the brand awareness low.

From both theory and real life scenario, it is clear to us that entry barrier is one of the big issue for the companies when they want to start business in foreign market. That is why, companies try to find out different barrier they might face into new market and based on that they take the initiative to avoid the problem. It is also clear by talking with the companies that they take their steps such a way so that they can handle those barriers ahead. Most of the companies informed us that finding potential and right partner and pricing are two important issues. That is why, unless or until they find the suitable partner to start their business, they do not enter any new market. Regarding the pricing issue, they research the price of the local products and they try to cut the cost to keep their product price closer to the local products.

5.10 Competitive Advantages

In our theory chapter, we discussed about the competitive advantages of companies when they enter into foreign market. According to Ekeledo and Sivakumar explained about the competitive advantages which are the external variable of a company, help to gain business success in new market.

In our interview, we asked them the main sources of the company's competitive advantage in foreign markets. Aura Light International AB stated us that their value proposition (long life saves 2 out of 3 replacements) and their energy efficient solutions saves energy, sometimes up to 50-70% to their existing lighting solutions. ELBA told us that quality of their lights, energy saving solution and longer warranty period gave their product good competitive advantages in those markets. GE Light informed us that the quality and uniqueness bring the competitive advantages in these markets. Like: low cost using "solution-coatable" materials, Consuming only 4 Watts of power and allowing 80% energy savings to be achieved, fluorescents and light-emitting diodes (LEDs), less cost and less environmental impact than ever before. House of GreenTech notified us that the quality of their product was the key advantage. Led Butiken told us that the market demand helped them to start their business over their. Also they mentioned that the quality of their product is very high and it gave them a competitive advantage in those markets. LEDCO AB informed us that they came up with the unique color index, a life spam is more than 50,000hrs and if change the faulty product to satisfy our customers. Their especial feature of the product gave them the advantage in foreign markets. Linea Light stated us that they came up with different light effect and the architecture. It was completely new concept and when we entered into those markets, people were interested to buy their product. Moletric told us that they offered varieties of product line up. Their value proposition and better energy saving solution gave us the advantages in those markets. Osram informed us that lighting architecture, lighting control, light effects on work performance and comfort and quality of life. These are the key advantages of Osram what helped them to get the advantages into foreign markets. RBI Lighting AB stated us that the quality gave them the competitive advantage in those markets. Also they offered longer warranty period of their product and replacement of the faulty product. Yicon Belysning informed us that international product gave them a better image than local companies. To get the market, they offered verities offers to attract local customers to make the customers interested to buy their product.

After getting the interview results, we find out that every company got the competitive advantages when they entered into foreign markets. It is clear that, the demand of energy efficiency light is high in over the world. Companies are focused to give better energy efficient solution to their customers. Quality of their product and longer warranty period are the two important factors what every company focus on. Also, they offer different offers to get more customers like product replacement. In this reason, people are getting interested and loyal to their product and eventually companies gain the market growth and get more competitive advantages in the foreign market.

5.11 Price

Based on Porter's theory, we discussed about the price issue in our theory part. He described in his theory about the price war among competitors and how companies control the price in specific market compare to other players in that market. Price of the product creates a war in the market. When any companies enter into a new market, they fight with the existing local companies. It is very difficult to enter into a new market and fight with the local competitors. In this price war, companies always try to control their product price in specific market compare to existed competitors in that market.

When we asked 11 companies about how their prices compare to other major players on those markets, 9 companies answered the same which is their product price is more expensive than the local players. Aura Light International AB stated that their product is higher price than local competitors but they receive faster return on investment due to their long life and energy efficient concept. Only Led Butiken and Moletric informed us that it is almost same as their competitors in those markets. In their case, they have only entered into their neighboring countries and the business policy is almost same on those countries.

It is clear from the interview result that most of the companies face the price war when they entered into foreign market with the existing competitors. The price goes higher when any company enters into new markets and the get involved with the price war. But they overcome this price issue by receiving faster return on investment due to their long product life and better energy efficient solution.

5.12 Market Evaluation

In our theory part, we talked about the market evaluation based on Bennett & Blythe's theory. They described in their theory that how companies failed even after applying different marketing tools and strategies. Model gives a snapshot of a situation of a particular moment, but its predictability for future success is questionable. It is important for the companies to evaluate the market after entering the new market because from the evaluation, companies can learn what mistakes they have done and what they should do in future when they will enter to another foreign market.

When we asked to 11 companies about the whether the companies evaluate entry into those markets as a successful move or not and how they evaluate it. All of them agreed with us that they did market evaluation when they entered into new market. Aura Light International AB informed us that in some cases they evaluated. They also mentioned to us that some of them were successful and others were not so successful. It all depended on how well they looked for potential partners to do the business. GE Light informed us that they evaluated the entry. So far, they faced few problems in foreign market but they overcame those issues and overall they had successful move in every market. RBI Lighting AB mentioned to us that few were successful entry into those markets. It all depends on how the distributors do business in their countries. Others informed us that they counted their market entry as a successful move. All of them evaluated their market entry based on their sales and market growth. All of the companies believe that distributors or partners have a vital role to play to make the business successful in the foreign market. Partners have the clear idea about their markets. When partners distribute to the right at the right time in proper distribution channel, it makes the business successful.

6 RESULT & CONCLUSION

In this chapter the result of the research is discussed, research question is answered and the conclusion of how companies can entre into developing market and face the entry barriers.

6.1 Result

After collecting all data from different energy efficiency light manufacturing companies, we figured it out that companies follow the similar market entry strategies while entering into any foreign market. It is clear to us that companies want to expand their business and enter more international markets where they will get better opportunity, govt. facilities, better market and customer demand. To face the entry barrier, they always monitor the market and try to know the market as much as possible.

Local partners have a vital role to help the host company to enter the market. They have the better knowledge about their market and they can help to distribute the product in appropriate distribution channel. Also, they should communicate the local retailers to find out the demand. Based on that, partners should stock their product to distribute at the right place, at the right time.

As local partners have a serious role, company should search the right partner. Because based on the partners, the business is actually conducted in foreign market. If the partner does not work properly or follow the right distribution channel then there is a chance to get low brand awareness.

It is very important to identify how the major players in the market are doing business. Based on that, the host company should take the right marketing strategy. The company should offer something different and unique which differentiate their product from others and also make the customers interested to buy their product.

Finally, market evaluation is a very important issue which every company should do after entering any market. The market evaluation helps the company to figure out what mistakes they made and learn from that mistake so that they do not make that mistake again in future while entering another market.

In our thesis paper, the research question is: “What are the specificities of market entry strategies for a developing country?” From the information and data we have gathered to answer the research question is that when an energy efficiency light manufacturing company enters into a developing country, they should go for the joint venture entry modes where they should establish the partnership. They should make a business contract with local partners to conduct the business in the market.

An international joint venture is the strategy when energy efficiency light manufacturing company wants to enter into a developing country. The host company and the local partners can be used to make the company strategically and organizationally flexible in the target market. So with the help of result we come up with the conclusions to clear the study more.

6.2 Conclusion

As we have stated in our introduction part of this thesis paper was to investigate how companies are facing the entry barriers when they enter into any foreign market. Based on the theory and state of art to fulfill the purpose, we came up with suitable questionnaire. Based on the empirical data and analysis, we tried to find out the appropriate solution of our research question:

“What are the specificities of market entry strategies for a developing country?”

The empirical data and analysis have shown an understandable market entry strategy for a company to enter into a developing country. It is clear that companies are highly interested to enter the market where there is market demand and presently, energy efficiency light has a potential demand in developing countries. To enter the market, companies prefer to get the govt. support, better business infrastructure, better market opportunity and customer demand of their product. Product price, labor cost, potential business partner and market demand are the key strategic objectives what company should focus on. Joint venture is the most popular and safest entry mode when company wants to enter into developing market. To monitor the distribution channel and transaction cost should be done before entering into developing country. It is always best to know the market as much as possible and find out how major players conduct their business so that company can take the competitive advantages after entering into the market. Finally, market evaluation is very important for the company to know what mistakes they have done so that in future company cannot make that mistake again.

7 FURTHER RESEARCH

Based on the findings in this research, this chapter presents the thesis' theoretical and practical implications. To discuss the investigations that need to be done in the future, suggestions for further research is furthermore presented.

As concluded in the state of the art, there was a gap on the emerging theory of Lasserre (2007) which comparatively a new theory, presents different factors regarding country market & industry attractiveness assessment and is not empirically validated by peers. Therefore; this study was only the beginning of the further research which requires details investigation in future.

This thesis paper has done to fulfill the theoretical gap and entry barriers and we focused on how companies can use the market entry strategies to enter into developing country and face the entry barriers properly. In the conclusion part, it has been discussed how important for the companies to enter international markets. It is clear to us that how important role to get the potential partner in foreign market. In fact, finding and choosing the right partner should be done very carefully. Also finding the competitive advantages is very essential for the company to enter into foreign market.

The result of this research has discussed new theories and important knowledge which can be used by companies to choose the right market entry strategy and to reduce the risk in the future. However, our thesis paper is not the end of this study. We would call it as just the beginning of the further studies which should be done to establish the emerging theories and minimize the gap. As we stated in the delimitation, this research was focused on market entry strategy and entry barriers of energy efficiency light manufacturer, not the effect of entry barriers. Therefore, the next step should be to make in order to examine the effect of the barriers discussed in this research.

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APPENDICES

Appendix A: Empirical Table

Serial No	Name of the Company	Q1. Started business in any foreign country	Q2. Country / countries you have entered in recent years	Q3. Main reasons for you to enter	Q4. Some of the preliminary assessment	Q5. Any kind of knowledge before the move. If yes, what knowledge	Q6. Joint venture or established its own subsidiary	Q7. Production and distribution depend on its networks	Q8. Transaction cost	Q9. Difficulties company faced as a result of their entry	Q10. Competitive advantage	Q11. Price comparison	Q12. Company evaluate entry into these markets as a successful move
1	Aura Light International AB	Yes	▪ Canada ▪ USA ▪ South Africa ▪ Russia ▪ Thailand ▪ China ▪ Hong Kong ▪ Indonesia	▪ Govt. Support	▪ Energy price ▪ Labor cost ▪ Potential partners	▪ How business is conducted ▪ Potential partner ▪ Price ▪ Labor cost	Joint Venture	Local partner	No	▪ Search partner ▪ Low brand awareness	▪ Value proposition ▪ Energy saving solution	Expensive	Sometimes
2	ELBA	Yes	▪ Italy ▪ Netherland ▪ Middle East ▪ The Balkans	▪ Market Demand ▪ Potential customer	▪ Pricing of product ▪ Potential distributor ▪ Customer demand	▪ Potential partner ▪ Price ▪ Distribution channel	Joint Venture	Local partner	Yes	▪ Govt. & political barrier	▪ Quality ▪ Energy saving solution ▪ Longer warranty period	Expensive	Yes

			▪ Rep. Moldavia										
3	House of GreenTech	Yes	▪ Marry Land, USA	▪ Govt. support	▪ Market demand ▪ Potential customer	▪ Market demand ▪ Potential customer	Joint Venture	Local partner	No	▪ No	▪ Quality	Expensive	Yes
4	Led Butiken	Yes	▪ Finland ▪ Denmark ▪ England ▪ Norway	▪ EU rules ▪ Market demand	▪ Potential distributor	▪ Govt. rules & support ▪ Market demand ▪ Price	Joint Venture	Local partner	No	▪ No	▪ Market demand	Same	Yes
5	RBI Lighting AB	Yes	▪ China ▪ Korea ▪ Thailand ▪ Canada	▪ Expand the business	▪ Product pricing ▪ Govt. support	▪ Market demand	Joint Venture	Local partner	No	▪ Search partner	▪ Quality ▪ Longer warranty period	Expensive	Sometimes
6	Yicon Belysning	Yes	▪ Ireland ▪ Australia ▪ Belgium ▪ Romania ▪ China ▪ Korea	▪ Better market opportunity ▪ Customer demand	▪ Product pricing ▪ Potential distributor	▪ Market demand ▪ Price ▪ Customer demand	Joint Venture	Local partner	Yes	▪ Political barrier ▪ Product pricing	▪ International brand image ▪ Differed offer ▪ Longer warranty period	Expensive	Yes
7	GE Lighting		▪ Thailand ▪ Cambodia ▪ Lois ▪ Taiwan ▪ Philippines	▪ Better market opportunity	▪ Market demand ▪ Govt. rules ▪ Economic condition ▪ Labor cost	▪ Labor cost ▪ Economic condition	Joint Venture	Local partner	No	▪ Govt. rules	▪ Low cost ▪ Consuming only 4 Watts of power and allowing 80% energy	Expensive	Yes

					▪ Product price						savings ▪ Less cost ▪ Less environmental impact		
8	LEDCO AB	Yes	▪ Singapore ▪ Brunei ▪ Poland ▪ Norway	▪ Market demand ▪ Cheap labor price ▪ Potential customer	▪ Product price ▪ Labor cost ▪ Market demand ▪ Proper market channel	▪ Market demand ▪ Product price	Joint venture	Local partner	No	▪ Search partner	▪ Unique color index ▪ Life spam is more than 50,000hrs ▪ Change faulty product	Expensive	Yes
9	Linea Light	Yes	▪ China ▪ Singapore ▪ Taiwan ▪ Ecuador ▪ South Africa	▪ Emerging market ▪ Market demand	▪ Market demand ▪ Business infrastructure ▪ Risk factors	▪ Govt. rules & regulation ▪ Product price ▪ Potential partners	Joint venture	Local partner	No	▪ Search partner ▪ Govt. barrier	▪ Light effect ▪ The architecture	Expensive	Yes
10	Molectric	Yes	▪ South Africa ▪ Norway ▪ Portugal ▪ Slovenia	▪ Market demand ▪ Easier to enter European market	▪ Market demand ▪ Govt. rules ▪ Product price	▪ Govt. rules	Joint venture	Local partner	No	▪ Govt. barrier	▪ Varieties of product line up	Same	Sometimes
11	Osram	Yes	▪ Korea ▪ Hong	▪ Potential market	▪ Market demand	▪ Customer demand	Joint venture	Local partner	Yes	▪ Search partner	▪ Lighting architect	Expensive	Yes

		Kong ▪ Vietnam ▪ Philippine ▪ Latvia ▪ Estonia	▪ High commercial usage	▪ Product price	▪ Govt. regulation				▪ Product pricing	ure ▪ Lighting control ▪ Light effects ▪ Comfort and quality of life		

Appendix B: Questionnaire for Interviews

1. Have you started business in any foreign country?
2. What country/countries have you entered in recent years?
3. What were the main reasons for you to enter these countries?
4. What are some of the preliminary assessment the company undertook before entering these market?
5. Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?
6. Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?
7. How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?
8. Did the transaction cost affect their entry decisions in these markets? If yes how?
9. What kind of difficulties did the company face as a result of their entry into these markets?
10. What are the main sources of the company's competitive advantage in these markets?
11. How do your prices compare to that of other major players on these markets?
12. Does the company evaluate entry into these markets as a successful move? How?

Appendix C: E-mail Interviews

Dear Sir or Madam,

We, Masters students at Linnaeus University, Växjö, Sweden, are pursuing thesis on International Marketing Strategy on Energy Efficiency Light manufacturing companies worldwide. We are now conducting a scientific research (for academic purpose only) to learn more about the entry market strategy into new market and we hope that your company is willing to help us by answering some questions. By answering the attached questions, we promise you to provide you our research findings and we hope it will give you some new thoughts.

To take part in this research, you just have to download the attached questions and answer the questions there. The questionnaire will only take some few minutes of your time, and your anonymity is guaranteed.

Thank you in advance and with best regards,

Contact Details:

- Rubaiyat Raihan (rr222ar@student.lnu.se, +46 76 409 44 73)
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Appendix D: Answers of Questionnaire from Interviews

No. of company: 1

Name of the company: **Aura Light International AB**

Website: http://www.auralight.se/

1. **Have you started business in any foreign country?**

   - Yes

2. **What country/countries have you entered in recent years?**

   - Canada, US, South Africa, Russia, Thailand, China / Hong Kong, Indonesia

3. **What were the main reasons for you to enter these countries?**

   - Some of the segment we address are situated in these countries, and / or we have identified certain mechanisms (governmental support to companies investing in energy efficient solutions) that favor our value proposition

4. **What are some of the preliminary assessment the company undertook before entering these market?**

   - Identifying energy prices, labor costs, mapping a large number of potential partners

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - It varies from country to country, the most important is to understand how business is conducted in each of the countries, making sure that there are a number of potential partners that the right profile (addressing end-customers among other things), that the energy prices are fairly high or to a western level and that the labor cost is equal to western standards.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Our entry strategy is making sure the criteria above are fulfilled, then we set up a team of people and functions that support our partners in respective countries (sales, marketing, technical, back-office etc)

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - Some partners / distributors take stock and supply to smaller partners. However a large number of our business is project sales why stock is not needed, at least not when entering a country. However when pour partners gain larger contract stock is needed locally.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - No

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - The importance of à professional partner search process. Brand awareness very low (of course.)

10. **What are the main sources of the company's competitive advantage in these markets?**

- Our value proposition (Long Life saves 2 out of 3 replacements) and our energy efficient solutions saves energy, sometimes up to 50-70% to their existing lighting solutions

11. **How do your prices compare to that of other major players on these markets?**

- Higher prices but faster ROI due to our Long Life and energy efficient concept

12. **Does the company evaluate entry into these markets as a successful move? How?**

- Some very and others not so successful. It all depends how well we do in partners the search process. That process is key.

No. of company: 2

Name of the company: **ELBA**

Website:http://www.elba.ro/index.php?option=com_content&view=article&id=4&Itemid=1&lang=en

1. **Have you started business in any foreign country?**

- Yes

2. **What country/countries have you entered in recent years?**

- Italy, Netherland, Middle East, the Balkans and Rep. Moldavia

3. **What were the main reasons for you to enter these countries?**

- Market demand, potential customers.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Pricing of the product, potential distributor, customer demand.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - Yes, we always took the primary assessment before entering in any foreign market. before entering in any market, we looked for potential partners to distribute our products at the right place, product price and channel distribution.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture with reliable and potential distributors.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - Production is done in our local factories and distributed to foreign partners to spread our product in their market.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - Some times it affected us. When we entered in countries like Middle East, Balkans and Rep. Moldavia, it affected the price our product. Carrying cost added to our production cost in those areas. It is expensive in those markets but people still buy it because of the quality of our product.

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - In some countries, we faced the political issues.

10. **What are the main sources of the company's competitive advantage in these markets?**

    - Quality of our lights, energy saving solution, longer period warranty.

11. **How do your prices compare to that of other major players on these markets?**

    - If we compare with the local normal lights then of course its more expensive than those lights but if we compare the price of our lights with other energy saving lights then its not a huge difference. We usually chare little bit more because of the quality and service of our product.

12. **Does the company evaluate entry into these markets as a successful move? How?**

    - Of course entering into those markets were successful moves. The demand of our light is increasing day by day. Many companies from other countries are showing their interest to start business with us.

No. of company: 3

Name of the company: **GE Lighting**

Website: http://www.gelighting.com/eu/index.html

1. **Have you started business in any foreign country?**

    - Yes

2. **What country/countries have you entered in recent years?**

    - Thailand, Cambodia, Lois, Taiwan, Philippines.

3. **What were the main reasons for you to enter these countries?**

- According to us, these markets have better opportunity, developing countries. There is a huge demand on this market.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

   - Market demand, govt. rules, economic condition, labor cost and product price.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - We had little knowledge about these markets like labor cost, economic condition of the country. Before entering into those markets, we collected data of market demand.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - We produce out product in our home factory and then send those to our foreign partners. They distributor to our product to different sales agent.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - No

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

- In few markets, govt. rules were the barrier for them.

10. **What are the main sources of the company's competitive advantage in these markets?**

    - The quality and uniqueness bring the competitive advantages in these markets. Like: low cost using "solution-coatable" materials, Consuming only 4 Watts of power and allowing 80% energy savings to be achieved, fluorescents and light-emitting diodes (LEDs), less cost and less environmental impact than ever before.

11. **How do your prices compare to that of other major players on these markets?**

    - It is expensive than other players in the market. In these markets, we have the highest market share. Our company image helped us to get the better impression in the market.

12. **Does the company evaluate entry into these markets as a successful move? How?**

    - Of course we evaluate the entry. So far, we faced few problems in foreign market but we overcame those issues and overall we had successful move in every market.

No. of company: 4

Name of the company: **House of GreenTech**

Website: http://www.houseofgreentech.com/

1. **Have you started business in any foreign country?**

    - Yes

2. **What country/countries have you entered in recent years?**

- USA

3. **What were the main reasons for you to enter these countries?**

- We have a joint venture with Slogan which is in USA. Also govt. helped us to start business.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Market demand, potential customers.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

- Yes we had knowledge about US market because of the joint venture company. Slogan manages the market. specificly we had knowledge of market demand, potential customer.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

- Joint venture

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

- Production is done in Sweden & distribution is done by Slogan. We depend only on the distribution to Slogan.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

- no

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - We did not face any difficulties because our partner took all the responsibilities.

10. **What are the main sources of the company's competitive advantage in these markets?**

    - Quality of our product.

11. **How do your prices compare to that of other major players on these markets?**

    - More expensive than the local companies but because of the good quality, people prefer to buy our product.

12. **Does the company evaluate entry into these markets as a successful move? How?**

    - Yes. It was a successful market entry. Even our name was in the newspaper because of successful business in US market.

No. of company: 5

Name of the company: **LED-Butiken**

Website: http://www.ledbutiken.com/

1. **Have you started business in any foreign country?**

   - Yes

2. **What country/countries have you entered in recent years?**

   - Finland, Denmark, England, Norway.

3. **What were the main reasons for you to enter these countries?**

- Neighboring country, under EU. Under the new rules of EU, there is a huge demand in European market.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Business policy is almost same. We just look for the right partner over there to distribute our products in the right place.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

- Yes. Govt. rules, market demand, pricing.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

- Joint venture.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

- We have our distributor in those markets.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

- No.

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

- We have not faced that kind of problem to enter those markets because the business policy is almost same.

10. **What are the main sources of the company's competitive advantage in these markets?**

- Market demand, better quality.

11. **How do your prices compare to that of other major players on these markets?**

- Its almost same as our competitors in those markets.

12. **Does the company evaluate entry into these markets as a successful move? How?**

- Yes. It was a successful entry into these markets. Based on the new rules EU, people are buying more energy saving lights. Our sales is increasing day by day.

No. of company: 6

Name of the company: **LEDCO AB**

Website: http://www.ledco.se/index.html

1. **Have you started business in any foreign country?**

- Yes

2. **What country/countries have you entered in recent years?**

- Singapore, Brunei, Poland, Norway.

3. **What were the main reasons for you to enter these countries?**

- We figured out that there is a good market demand, cheap labor price, potential customer.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Product price, labor cost, market demand and proper market channel.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - Before entering into those markets, we got the knowledge about the market demand and product pricing of the competitors.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - We send our product to the sales agent and finally they deliver to different shops.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - No

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - Getting the right sales agent because we always care about out brand image and we give high preference to put our product at the right spot.

10. **What are the main sources of the company's competitive advantage in these markets?**

    - We came up with the unique color index, a life spam is more than 50,000hrs and if change the faulty product to satisfy our customers.

11. **How do your prices compare to that of other major players on these markets?**

- Its definitely expensive than other local competitors. But our product quality and uniqueness gave us the advantages to make our customers interested to buy our product rather buying others.

12. **Does the company evaluate entry into these markets as a successful move? How?**

- Yes. We always got good response about our market evaluation. When we find out that people are buying our product and the sale increases, we count it as a successful entry.

No. of company: 7

Name of the company: **Linea Light**

Website: http://www.linealight.com/it/home

1. **Have you started business in any foreign country?**

- Yes

2. **What country/countries have you entered in recent years?**

- China, Singapore, Taiwan, Ecuador, South Africa

3. **What were the main reasons for you to enter these countries?**

- These are the most emerging market and there is huge market demand.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Market demand, business infrastructure, risk factors.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - Govt. rules & regulation, product price, potential partners.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - Our partners do the distribution but we also monitor them. The production is completely done in our end and distributors control the distribution channels.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - No

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - In some countries like South Africa, Taiwan, Ecuador, we faces the problem of finding potential distributors. Govt. restriction was another problem while entering into those markets.

10. **What are the main sources of the company's competitive advantage in these markets?**

   - We came up with different light effect and the architecture. It was completely new concept and when we entered into those markets, people were interested to buy our product.

11. **How do your prices compare to that of other major players on these markets?**

- Our product is expensive than other players on those markets. But when we offer better architecture and different effects, it attracted the local people to buy our product.

12. **Does the company evaluate entry into these markets as a successful move? How?**

- It was overall successful entry mode for us. The got larger market share and our sells is increasing day by day.

No. of company: 8

Name of the company: **Molectric**

Website:http://www.molectric.com/index.html?osCsid=c6aa5d5421da1b12d878ce0e32b2ae03

1. **Have you started business in any foreign country?**

- Yes

2. **What country/countries have you entered in recent years?**

- South Africa, Norway, Portugal, Slovenia

3. **What were the main reasons for you to enter these countries?**

- We found out that there is a market demand and it was easier for us to enter the European market as we are the Swedish company.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Market demand, govt. rules, product price.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - We had the knowledge about these markets. Most of countries we have recently entered the European countries and under the rules of EU, we got the idea about the market.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - Our local partners distribute our products to the resellers and when we send our product to the distributors, they stock it and supply it based on the demand.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - In the European countries, we did not face any transaction cost but recently when we entered into the African market, it added the price of the product.

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - When we entered into African market, we faced the govt. barrier. Other than that, we did not face any problem to enter into European countries.

10. **What are the main sources of the company's competitive advantage in these markets?**

- We offer varieties of product line up. Our value proposition and better energy saving solution gave us the advantages in those markets.

11. **How do your prices compare to that of other major players on these markets?**

- It is almost similar to the other competitors.

12. **Does the company evaluate entry into these markets as a successful move? How?**

- Sometimes we evaluate the market entry. When we see that the market growth increases, we consider it a successful entry.

No. of company: 9

Name of the company: **Osram**

Website: http://www.osram.cz/osram_cz/index.html

1. **Have you started business in any foreign country?**

- Yes

2. **What country/countries have you entered in recent years?**

- Korea, Hong Kong, Vietnam, Philippine, Latvia, Estonia

3. **What were the main reasons for you to enter these countries?**

- Potential market (high demand), high commercial usage.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Market demand, product price.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**
   - First we communicated with our partner to know about the market and barriers. We had the knowledge about the customer demand and govt. regulation before entering the market.
6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**
   - Joint venture. We made the contract with the local partners.
7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**
   - Our local partner is responsible to distribute our product to different retailers.
8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**
   - Yes it affected the cost. It increased the price of the product.
9. **What kind of difficulties did the company face as a result of their entry into these markets?**
   - Finding the right partner was the most difficult part. Price of product was another issue.
10. **What are the main sources of the company's competitive advantage in these markets?**
    - Lighting architecture, lighting control, light effects on work performance and comfort and quality of life.

11. **How do your prices compare to that of other major players on these markets?**

    - It is expensive than the other local competitors. But we offer the customers' better quality product, light management system, DALI lighting control system and management building management and automation of heating, ventilation and air conditioning are the key to sound intelligent buildings, the so-called "green buildings".

12. **Does the company evaluate entry into these markets as a successful move? How?**

    - Our product gave the new technology to our customers. The concept of green building and light architecture are very well accepted. So people are more interested to buy our product and day by day we are getting market growth.

No. of company: 10

Name of the company: **RBI Lighting**

Website: http://www.rbiab.se/start.html

1. **Have you started business in any foreign country?**

    - Yes

2. **What country/countries have you entered in recent years?**

    - China, Korea, Thailand, Canada.

3. **What were the main reasons for you to enter these countries?**

    - To expend our business.

4. **What are some of the preliminary assessment the company undertook before entering these market?**

- Pricing, govt help.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

   - Market demand.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

   - Joint venture.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

   - We made deals with local partners. The production is done at our home factory, deliver to the local distributors & they distribute our product to their local market.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

   - No

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

   - Find the distributor to do business.

10. **What are the main sources of the company's competitive advantage in these markets?**

    - High quality, replace the faulty products.

11. **How do your prices compare to that of other major players on these markets?**

- Little bit expensive than local companies.

12. **Does the company evaluate entry into these markets as a successful move? How?**

    - Few are successful. It all depends on how the distributors do business in their country.

No. of company: 11

Name of the company: **Yicon Belysning**

Website: http://www.yiconbelysning.se/index.html

1. **Have you started business in any foreign country?**

    - Yes

2. **What country/countries have you entered in recent years?**

    - Ireland, Australia, Belgium, Romania, China, Korea.

3. **What were the main reasons for you to enter these countries?**

    - Better market opportunity, customer demand

4. **What are some of the preliminary assessment the company undertook before entering these market?**

    - Pricing of product, distributors.

5. **Did the company have any kind of knowledge about these markets before considering the move? If yes what kind of knowledge did the company have about these markets?**

- Yes. We gathered information about market demand, product price, customer demand.

6. **Did you enter these markets through a joint venture or established its own subsidiary? If no, then how did the company enter into these markets?**

- Joint venture.

7. **How is production and distribution done in these markets? Does the company depend on its networks in dealing with its production and distribution activities?**

- Production is completely done by us, export it & distributors are responsible to distribute our products to the right channels.

8. **Did the transaction cost affect their entry decisions in these markets? If yes how?**

- Of course. Transaction cost added with our product price which increased the total price of our product more than the local products.

9. **What kind of difficulties did the company face as a result of their entry into these markets?**

- Political issue, pricing.

10. **What are the main sources of the company's competitive advantage in these markets?**

- International product gives a better image than local companies. To get the market, we offer verities offers to attract local customers like: buy 2 get 1 free, longer warranty period.

11. **How do your prices compare to that of other major players on these markets?**

- Higher price but better quality proved and offers attracted to customers.

12. Does the company evaluate entry into these markets as a successful move? How?

- Yes. Customers now buy our product & the sells amount is increasing day by day.

Linnaeus University – a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.

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