Market Entry Timing and Associating Factors

A Case Study of Swedish Firms

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Abstract

Keywords
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Background
Market entry timing is an important concept that influences the success of firms in international business. Companies earn big profits due to their perfect market entry timing. In contrast, McKinsey 2005 report showed that for every successful entry, there are four failures. On the other hand, the academic world also pays attention to entry timing by investigating its associating factors. Since there are gaps in academic research together with the need for deeper understanding, this thesis is dedicated to market entry timing.

Purpose
The purpose is to understand associating factors and their relation to foreign market entry timing.

Method
This study is a multiple case study exploratory research analysed through pattern finding for qualitative research. Semi-structured in-depth interviews were conducted with four companies.

Conclusion
There are nine factors associating with entry timing decisions: home and host country characteristics, firm capabilities and characteristics, competition, cultural distance, economic factors, Window of Opportunity, Word-of-Mouth, Stepwise internationalization, near-market knowledge. The research focuses on the last four factors and their influence in entry timing were discovered. Window of Opportunity can be perceived as “right business connections” and companies tend to enter foreign markets once they find the right business connection. Word of Mouth has an impact on entry timing in the situation that firms can be prompted to enter foreign market when positive Word of Mouth effect existed. Stepwise internationalization is the choice of firms, whose entry timing would be slower than other options. Near-market knowledge of the economic system can be transferred between countries that firms operate in and firms will be likely to enter market when they gain necessary knowledge of a similar economic system.
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1 Introduction

The introduction of this thesis gives a comprising overview of the background of the phenomena of entry timing decisions in the field of international marketing strategy as well as the reasons of interest, the problem discussion, the purpose, the delimitations and the report structure.

1.1 Background

It has been suggested that firms will face three questions regarding the expansion to international markets, which are “What market to enter”, “How to enter” and “When to enter” (Gaba, Pan and Ungson, 2002; Gallego et al., 2009). The question of “when to enter new market” can also be translated to “market entry timing” or “entry timing decisions”, a phenomenon that has been the topic of study of many scholars. Researchers agree that timing is considered to be one of the most important reasons for the success or failure of a new product or service (Lilien and Yoon, 1990; Crawford, 1977; Booz, 1982). Following this argument, this thesis also presents a thorough view on this phenomenon from a managerial perspective.

By understanding what really happens in the market today, the writers of this thesis realize that business managers value timing as an important criteria for business success. Therefore, the writers would like to present two case studies from the music and construction industry and one important finding from the pilot study. The first practical proof is from Rahul Powar, the founder of Shazam, a music-identification service with more than 220 million users over 200 countries. According to Michael-Greer (2013), Shazam was the game-changer when it was introduced and the founder had chosen the launching date very carefully and in a well-considered manner. Raul Powar made sure Shazam appeared at the right moment when the world needed a new concept, a new interactive way between technology and creativity. From the success of Shazam, Raul also gave advice to other entrepreneurs who want to have a more successful life, should learn how to manage timing (Michael-Greer, 2013).

The second case is Bovis Lend Lease (BLL), one of the world’s largest construction companies, between 2004-2009. Tony Costantino, the CEO, claimed that BLL did choose the right time to establish a new project as the pioneer in health care market, in 2004. Considering the shift from construction management to public projects, the CEO indicated it was perfect timing for them even though they had to spend years of planning before they could see the results. That new project now guarantees the company to have double-digit share of a $10 billion market (Larsen, 2009).
These two case studies provided preliminary evidence that timing is essential for managers. The writers also gathered one interesting idea from the pilot study with a business manager with 20 years of experience, who stated that a firm should choose the entry time wisely to not “wake up” the big player in the market. This decision will help the firm to avoid direct and competitive rivalry with main players and give it time to develop its business.

Aside from managers, also the consulting firms advising such corporations stress the importance of market entry timing. According to a report of McKinsey (Horn, Lovallo and Viguierie, 2005) for every successful market entry, there are about four market entries that fail, including those are experienced entrepreneurs and corporations. The report of McKinsey states that timing, together with scale relative to the competition, and the ability to leverage complementary assets is an essential factor for successful market entrants.

In conclusion, companies and its managers that want to expand internationally need to understand the value of timing if they are to be successful.

1.2 Problem Discussion

1.2.1 Entry Timing Decisions

Timing of market entry is an interesting topic because of the lack of important information regarding timing while investigating entry decisions (Mitra and Golder, 2002; Gaba, Pan and Ungson, 2002; Gallego et al., 2009). According to the review, there are three gaps in the field of entry timing decisions that are still not fully covered.

The first gap is about how to define a “market” in the case of companies entering new markets. Researchers differentiate the term “market” by “product boundaries” or “geographical market boundaries” (Gielens and Dekimpe, 2001). Product boundary is defined by the products or the product category while “geographical market boundary” refers to the difference between domestic and foreign markets and its geographical borders. Based on these definitions, the writers believe that the study of market entry timing can be related to international business studies if a “market” here is understood and represented by a country. Recently, there is a strong argument that the geographical side of timing has received little attention in comparison to product dimension (Gielens and Dekimpe, 2001). In our opinion, this lack of understanding includes entry timing; a broader gap then can be identified here. Most of the previous hypotheses relating to timing have not been proved in the geographical definition of a market. Furthermore, the importance of “entry
“entry timing” in various regional markets has been emphasized as one of the two key strategic problems that firms will face and require further research (Fuentelsaz, Gomez and Polo, 2002).

Second, there are two different approaches of the phenomenon “entry timing” (Lilien and Yoon, 1990) but only one has been studied extensively. They are, first, “order of entry” approach where companies are divided into early entrant, followers and late entrants, also known as pioneers, followers or first mover, late movers (Fuentelsaz, Gomez and Polo, 2002; Lambkin, 1988) and second, “time to enter new market” approach (Gaba, Pan and Ungson, 2002; Pan and Chi, 1999).

While the “order of entry” approach focuses on the advantages and disadvantages of pioneer or follower, the other is a tactical and quantitative decision concentrated on the most suitable time for entry (Lilien and Yoon, 1990). The writers suggest that the second view, being “right time to enter market”, is more interesting than just knowing who the first entrant is and what they can achieve. However, it is argued that because of the bias of self-claimed first movers researchers encouraged the use of “actual time of entry” approach for more accurate measures (Lieberman and Montgomery, 1998; Gaba, Pan and Ungson, 2002). It is in the writers’ belief that it is still difficult to define exactly the right time a firm enters a market, since it is up to the firm’s to define and also based on the associating factors that influence their decision. Previous research supports this opinion when it argued that “entry timing” is influenced by factors such as Firm characteristics, Host country factors, Culture etc. Surprisingly, there are only a few papers that choose this approach for their research while it has evolved to include different aspects of firm internationalizations (Gallego et al., 2009). To conclude, the writers suggest that the lack of knowledge in “time to enter new market” is a gap in research of entry timing.

The third and final gap is about the contradictory result of timing research. Researchers Chou, Jie and Li (2009) found that past studies on the impact of market entry timing yielded different and inconsistent results (Min, Robinson and Kalwani, 2006; Boulding, 2003; Lopez and Roberts, 2000; Golder and Tellis, 1993; Kalanayaram, Robinson and Urban, 1995; Robinson and Fornell, 1985; Lambkin, 1988; Lieberman and Montgomery, 1988; Bond and Lean, 1977). From the writers’ point of view, these inconsistent results may be due to the fact that the definition of “market” has not been understood correctly, and researchers have not clearly divided their work based on the different approaches of “timing”.

1.2.2 Factors Affecting Entry Timing Decisions

It is rational and important to understand what factors affect entry timing decisions. For the last decade, a lot of research has been done to cover this field (Gaba, Pan and Ungson, 2002; Mitra and Golder, 2002; Isobe, Makino and Montgomery, 2000; Fuentelsaz, Gomez and Polo, 2002). However, there are two gaps that drive the research topic.

The first noticeable gap here is to understand how factors associated with timing decisions perform in a foreign market. It is mentioned above that these factors are less extensively investigated and rather focus on the product dimension but not the geographical dimension (Fuentelsaz, Gomez and Polo, 2002). Even if there is research regarding geographical dimension of market entry, most of them handle on domestic markets but not foreign markets to examine these determining factors (Isobe, Makino and Montgomery, 2000). It is obvious to the writers that it is not enough to understand the influence of associating factors and entry timing since the barriers and structure of an industry is far more different than those in a country.

Another gap is about the factors themselves not being completely studied. Some key factors such as cultural factors, economic factors and firm characteristics were confirmed to have an influence on timing decisions (Gaba, Pan and Ungson, 2002; Mitra and Golder, 2002) but the others, namely Word of Mouth (Grewal, Cline and Davies, 2003), Window of opportunity (Robinson and Fornell, 1985), Near-market knowledge (Mitra and Golder, 2002) and Stepwise internationalization (Johanson and Wiedersheim-Paul, 1975) were not. Furthermore, in the pilot study, the importance of the above four factors were confirmed.

In order to fulfil these gaps in both “entry timing decisions” and “factors associating with timing decisions”, this research will develop a model to see the association between “foreign market entry timing decisions” and its “associating factors”. The following research questions are distilled:

1. Which factors associate with timing decision in foreign market entry?
2. How do these factors influence foreign market entry timing decisions?

1.3 Purpose

The purpose of this thesis is to understand associating factors and their relation to foreign market entry timing.
1.4 Delimitation
The study will be conducted in Sweden and combine aspects of Swedish firm’s characteristics. This decision is due to the fact that the writers can get in-depth knowledge through their network with Swedish companies. Additionally, because of the limitation of time, network and resources, the size of firms differs from SMEs (Small and Medium Enterprises) to larger corporations and will not be considered in this study.

The study will not be done on any particular time span. In other words the examples and results in the data are not for example of for example the past five years but rather from an unspecific time span. This thesis explores associating factors in general; focusing also on the specific period of time would make the data collection more challenging.

This thesis will not consider entry mode as one of the associating factors on entry timing decisions since this would broaden the scope of the research to the extent that lies beyond the ambitions of this thesis.

The writers intend to expand the knowledge of association of timing decision, therefore may contribute to better decision making of business managers. Hence, it is not necessary to go deeper in some factors that have been studied extensively before. The writers will conduct a literature review to gather all previous results and argue which factors should be further investigated in this thesis.

1.5 Report Structure
This thesis will first provide a thorough review of all the relevant literature. Then it will address the conceptual framework where a new model for “entry timing decisions” is presented with a new and additional variable. Subsequently it will move on to the methodology, the empirical summary and the analysis. Eventually the thesis will conclude with the relevant findings, contribution, discussion, limitations, managerial implications and suggestions for further research.
2 Literature Review

The literature review chapter is designed to clarify all the relevant theoretical concepts related to the subject of entry timing and its associating factors. It will provide the reader with an extensive overview of what has been done so far. The literature review will serve as a basis for the conceptual framework and the research model.

2.1 Firm Capabilities and Characteristics

A firm’s capabilities are defined by its competences, what it does well and perhaps better than its competitors, and its assets, the physical and intellectual property it owns that erects barriers against entry by competitors (Westland, 2008). Empirical proof and theory indicate that the more competent firms, in other words firms with high capabilities, are more likely to enter a new market (Cotterill and Haller, 1992; Jayaratne and Strahan, 1998). Furthermore, the research on entry timing decisions and its associating factors has mostly focused on the importance of firm’s resources and capabilities (Lieberman and Montgomery, 1998). Important findings of firm characteristics on entry timing then can be summarized in five key results.

First, among those capabilities are productivity and profit. Only the relatively more productive firms will have high enough operating profits in order to recover certain costs pertaining to investing in a foreign country (Helpman, Melitz and Yeaple, 2004).

Second, the size of the company is another characteristic commonly covered in literature with regard to entry timing decisions (Hannan, 1979; Ingham and Thompson, 1994; Merino and Rodriguez, 1997; Schoenecker and Cooper, 1998). Bigger firms typically enjoy more slack resources, which is beneficial when it comes to adaptation to changing circumstances (Cyert and March, 1963; Haveman, 1993; Thompson, 2011) and help them to initiate strategic change such as market entry (Bourgeois, 1981). Apart from slack resources firms may also profit from a strong brand reputation associated with market entry (Bain, 1993; Fuentelsaz et al., 2002). Slack resources and strong brand reputation will improve the probability of a successful market entry and minimize the probability of failure (Bourgeois, 1981; Hannan and Freeman, 1993).

Third, a firm will enter a new market quickly when the core capabilities of that firm matches with those it would require in that particular new market (Brittain and Freeman, 1980; Lambkin, 1988).
Fourth, when firms enter new markets they tend to enter related markets first and only after that they tend to, backed up by their augmented experience and new internal capabilities, look for unrelated markets (Chang, 1992).

Fifth, the proximity of a potential new market may also influence the entry timing decision. The firm is more likely to be able to better control the activities, have more knowledge on the local customers and have more general knowledge of that market if the firm’s headquarters are closer to the new market (Cotterill and Haller, 1992).

In conclusion, firm capabilities and characteristics are a key factor that is proven to influence entry timing decisions.

2.2 Home and Host Country Characteristics

2.2.1 Host Country Characteristics

Host country characteristics are the characteristics of a country that the company will enter. These characteristics can be the industrial market structure, technological sophistication and overall economic size (Blomström, Globerman and Kokko, 2001). The host country characteristics are proved to influence FDI (Foreign Direct Investment) projects both in terms of size and the nature of it (Blomström, Globerman and Kokko, 2001). This factor allows foreign firms which already have ownership advantage to locate their business in the specific country (Caves, 1996; Resmini, 2000). Host country characteristics decide, together with a firm’s capabilities, the systematic pecking order of the firm’s investment decision-making process in regard to market entry (Hayakawa, Kimura and Lee, 2013).

Regarding timing decisions, the findings of host country characteristics research suggested that countries with a more favourable investment environment are more interesting when it comes to market entry decisions since it is easier to obtain higher profits (Hayakawa, Kimura and Lee, 2013). Additionally, greater legal and regulatory certainty makes a country more attractive to foreign investors (Navaretti, Castellani and Disdier, 2010). One contradictory finding about host country characteristics and timing decisions can be found in the work of Isobe, Makino and Montgomery (2000). After investigating Japanese firms who enter the Chinese market, the authors concluded that the availability of sophisticated infrastructure in the host country might not be the crucial factor which influences the decision of a firm to be the first entrants. This finding was suggested to apply to emerging nations such as BRIC (Brazil, Russia, India and China) countries (Isobe, Makino and Montgomery, 2000).
2.2.2 **Home Country Characteristics**

Home country characteristics are the characteristics of the country of origin of firms. It combines wages, employment, the price of natural resources and more (Lipsey, 2004). Taxation, political instability and institutional environment are also considered as influencing factor of foreign market entry (Caves, 1996; Gordon and Hines, 2002; Witt and Lewin, 2007) Aside from host country characteristics, also the home country characteristics influence the decision-making process in regard to foreign market entry (Caves, 1996; Hayakawa, Kimura and Lee, 2013).

In relation to entry timing decisions, Yeaple (2009) sets forth a theoretical model that incorporates home country characteristics, in particular wages, into the investment decision-making process. The author concluded that firms from a home country with higher salaries are more likely to enter a foreign market (Yeaple, 2009). Others findings suggested that high tax in the home country will lead firms to the decision of entering foreign market earlier (Caves, 1996; Gordon and Hines, 2002).

Furthermore, authors have argued that emerging markets presenting an important threat to the central markets of the firm would increase the probability of entering a new market earlier (Mitchell, 1989; Schoenecker and Cooper, 1998; Cooper and Smith, 1992) On the other hand, in advanced industrialized countries, the societal coordination in political economy will influence the time of firm’s direct investment in foreign markets (Witt and Lewin, 2007).

As the writers go through home and host country characteristics research, this field of research was studied extensively and most of findings appear to be consistent. There were only differences because of different approaches in entry timing. Therefore, another research exploring these two factors is not the researchers’ intention.

2.3 **Competition**

The third factor is the competition level of the industry. According to (Lilien and Yoon, 1990, p. 568), potential followers should also consider the competition coming from other potential entrants. Apart from market conditions in the home market, the evolution of rivalry in the new market in which the firm wishes to operate should also influence the probability and entry timing (Fuentelsaz, Gomez and Polo, 2002).

The first finding in this field of research is about the number of competitors in the market and its relation to timing decisions. Different arguments indicate that the number of potential entrants may influence competitive actions (Bain, 1956; Mitchell, 1989). An illustration is provided by Shermand
and Willet (1967) under a perfect information framework: as the number of potential entrants increases, the probability of entry and that incumbents discipline new entrants both increase, making entry less attractive.

Second research result is the connection between the threat from competition and the company’s core products. Mitchell (1989) found that a firm would less likely to enter new market if there is high level of competition but if its core products are under threat, the firm will choose to enter the new market sooner. The competition degree will also accelerate the entry timing decision of company who already possessed a wide range of specific supporting assets.

Third, the advantages of being first entrant were also described in the work of Isobe, Makino and Montgomery (2000). The authors claimed that first firm who enters a new market would have time to develop its monopoly power because of the lower amount of competition it will face. This view was also supported by Von Hippel (2007), who agreed that the early movers in the market might capture higher economic rent. Additionally, the competition between entrants also affects the survival likelihood and market share, which then become the trade-off for earlier or later entrants (Mitchell, 1991).

In conclusion, the association of competition with market entry timing has been studied to a large extent in literature.

2.4 Window of Opportunity
Following Robinson, Fornell and Sullivan (1992) window of opportunity, or strategic window, can be defined as “a strategic window occurs when the best fit arises between a market’s key success requirements and specific firm competencies”. Therefore, firm characteristics and industry features should be taken into account when explaining the whether and when to enter new market. The term "strategic window" is used here to focus attention on the fact that there are only limited periods during which the "fit" between the key requirements of a market and the particular competencies of a firm competing in that market is at an optimum (Abell, 1978). Another source for same definition is the work of Suarez, Grodal and Gotsopoulos (2013).

The writers of this thesis would like to propose Window of Opportunity as a factor associating with entry timing based on two reasons.
First, window of opportunity is suggested to influence the timing of enter new market, in the context of product dimension (Cohen, Eliasberg and Ho, 1996). In order to catch the window of opportunity, the firms may be too quick or too slow in developing their products to enter the market early or late. As mentioned above, entering a new market can be understood in two dimensions, the product dimension and the geographical dimension.

Second, it is suggested that window of opportunity is related to order of entry. Huff and Robinson (1994) claimed that first mover of new market will be able to gain more benefit, if they enter the market in the specific given window of opportunity. Supporting research from Luo and Peng (1998) showed that for some cases, only a limited number of firms could take advantage of window of opportunity to be early entrants in the transitional markets. Moreover, Martin, Swaminathan and Mitchell (1998) discovered that, in the case of entry of a supplier, the supplier will enter new market in a short period of time, following the window opportunity given by the buyer’s entry. In contrast, they will enter foreign markets later in an extended period of window of opportunity given by the first entry of a non-competing supplier.

These findings therefore support the idea that window of opportunity and entry timing are connected. Furthermore, the question of what type of “window” is still not answered. Most literature agrees on how to define a window of opportunity and considers it as an influence in entry timing decisions, however most of the relevant research reviewed here is from 1990s and are not fully cover the research field. Subsequently, this research will contribute to the field in the sense that businesses will shed a light on what exactly is a window of opportunity for them in practice, how it occurs and how it associates to entry timing.

2.5 Cultural Factors

The cultural factors affecting “entry timing decisions” begin with the introduction of “national cultural distance” or “psychic distance” (Shenkar, 2012).

- National cultural distance is conceptualized as the level to which the culture norms of a country are different from those in other countries (Kogut and Singh, 1988).
- Psychic distance was introduced by Johanson and Wiedersheim-Paul (1975) and was used interchangeably with cultural distance in a lot of research. However one research from Sousa and Bradley (2006) based on a survey with 300 managers showed the difference between them. According to Sousa and Bradley (2006), “psychic distance is determined by cultural distance and the individual values of manager”.
The “cultural distance” was referred to as the difference between the cultures of the two countries (Mitra and Golder, 2002; Tihanyi, Griffith and Russell, 2005). The cultural distance has been the focus of research regarding the impact of culture in foreign market entry, FDI projects (Shenkar, 2012; Yoshino, 1976) and its influence on entry timing was proved by empirical evidence (Morosini, Shane and Singh, 1998; Kogut and Singh, 1988).

After reviewing the research on cultural factors, the writers found that most research has declared the same results on the effect of cultural factors in entry timing. According to literature (Shenkar, 2012; Mitra and Golder, 2002; Werner, 2002) cultural distance is an important factor that can explain why firms enter a new foreign market earlier based on the cultural similarity between home country and host country. It was agreed by many authors that firms would enter a country with similar culture earlier (Mitra and Golder, 2002; Johanson and Wiedersheim-Paul, 1975; Morosini, Shane and Singh, 1998; Morosini, Shane and Singh, 1998; Kogut and Singh, 1988).

While most of the research showed the importance of cultural distance, the work of Mitra and Golder (2002) found results in contrast to that. By testing 722 cases, the authors stated that cultural distance is not a significant factor. According to the authors, the cultural factors still matter to entry timing decisions, but the determinant here is the knowledge of near-market culture rather than cultural distance. The contradictory result here was the foundation of the new concept Near-Market knowledge, which will be reviewed later.

2.6 Economic Factors
There are some influencing factors of foreign market entry, which belong to the economic system of both home and host country. Those economic factors have been introduced at the same time with both foreign investment research and new market research (Isobe, Makino and Montgomery, 2000). Notably, most of them have been studied extensively. However empirical research on this field has shown different results due to different approaches of timing. The list below shows key concepts of economic factors along with research findings on the relation between economic factors and entry timing:

- Economic similarities, which means the resemblance of two economic systems of host country and home country (Mitra and Golder, 2002). For this concept, research proved that firms would likely enter the markets earlier that share same economic characteristics with the host country.

- Attractiveness of market/country, the concept equals to the company’s expectation of benefits after investing in foreign market (Gallego et al., 2009). The company only prefers
to invest in a more prosperous and more accessible country (Mitra and Golder, 2002). Regarding entry timing, firms would enter a new market earlier if the expected return is higher (Lilien and Yoon, 1990).

− “Market growth” of specific product sector (Gaba, Pan and Ungson, 2002; Fuentelsaz, Gomez and Polo, 2002; Lilien and Yoon, 1990). The company, which invests abroad, will enter later if the growing of the market becomes more and more speedy (Lilien and Yoon, 1990). This finding was also supported by Isobe, Makino and Montgomery (2000). They found that foreign firms would choose the wait-and-see strategy to deal with uncertainty in local market.

− “Market potential” is the fundamental factor affecting decision making in foreign market entry timing. A higher intensity of demand in the market is suggested to lead the company to enter market earlier. (Lilien and Yoon, 1990; Fuentelsaz, Gomez and Polo, 2002).

In summary, the relation between economic factors and entry timing has already been well established amongst academics.

2.7 Near Market Knowledge

Based on the dominant theory of “cultural distance” and “economic factors”, the writers of this thesis recognize the emerging concept of “near-market knowledge” which was introduced by Mitra and Golder (2002). This concept defined as knowledge that a firm generated from operating in a similar market (Mitra and Golder, 2002). The authors of this concept argued that the firm’s knowledge of foreign markets would influence the possibility and the time of entering that market. That knowledge not only comes from the firm’s domestic market but also comes from the similar market to the market they are about to enter (Colder, 2000).

Near-market knowledge and its connection with entry timing have been tested with empirical data by Mitra and Golder (2002). The results were interesting:

− Near-market cultural knowledge generated from successful foreign entries will lead to earlier entry in similar markets. Cultural factors can be attitudes, beliefs, customs, etc.

− Near-market economic knowledge generated from successful foreign entries will lead to earlier entry in similar markets. Economic factors can be defined as market size, income, infrastructure, etc.

Apart from entry timing, academics claimed that the concept of Near-Market knowledge plays an important role for understanding the firm’s behavior, performance and innovation in foreign markets, which can lead back to the reason behind their decision of when to enter the new market.
Additionally, the research of Mitra and Golder (2002) used data from entries between 1980s and 1990s, which is out of date and the authors also required more recent data.

Hence, this thesis will also focus on exploring this concept together with re-testing some of the findings.

2.8 Word-of-Mouth

Word-of-Mouth (WOM) is defined as the informal communication (or rumours) between private parties concerning the evaluation of goods and services (Anderson, 1998). WOM is also a more credible communication channel to consumers and has more potential impact than other communication channels (Lilien and Yoon, 1990; Fuentelsaz, Gomez and Polo, 2002). Moreover, WOM is related to the success of a product (Godes and Mayzlin, 2004).

Since the first time it was introduced, most research focuses on the effect of WOM in B2C and WOM only exists amongst consumers. Recently, the usage of WOM has evolved to B2B branding (Mäläskä, Saraniemi and Tähtinen, 2011; Michaelidou, Siamagka and Christodoulides, 2011; Libai et al., 2010). It is suggested that WOM also takes place between managers within and across companies (Stephen and Toubia, 2010; Wangenheim and Bayón, 2007). WOM can be understood as a direct action that will influence the brand but not included in the firm’s normal branding process (Mäläskä, Saraniemi and Tähtinen, 2011). WOM also influences decision makers in companies because they actively use WOM to gain updated information about the firms of their interest (Mäläskä, Saraniemi and Tähtinen, 2011).

In the field of order of entry, which is another approach to entry timing, WOM has been recognized as a key advantage that early entrants of a market can generate (Porter, 1985). In contrast, there is evidence that late entrants can also benefit from WOM effect (Krishnan, Bass and Kumar, 2000). Surprisingly, for the last twenty years, the effect of WOM on timing of market entry has been rarely studied. To the best of the writers knowledge, only two papers, from Grewal, Cline and Davies (2003) and Krishnan, Bass and Kumar (2000) respectively, have explicitly covered WOM and “order of entry” in their research. These two studies only focused on “order of entry” but not considering the other approach of “time to enter new market”, therefore they are insufficient to answer the gap between WOM and “entry timing decisions”.
This thesis will try to extend the knowledge of WOM, both B2B and B2C, and its association with “entry timing decisions”.

2.9 Stepwise Internationalization

The stepwise internationalization, or the so-called stages model of internationalization rings in the water strategy, is a special factor that is proposed to be included in this research. The stepwise internationalization model explains the stages a firm will go through when they decide to expand their business internationally. The stepwise internationalization theory suggests that firms would grow their business in cross-border markets in a slow and gradual manner like “rings in the water” with respect to market distance, entry mode and product policy (Madsen and Servais, 1997).

The reason why stepwise internationalization could be related to entry timing, concerns the decision to choose stepwise internationalization instead of other entry approaches when deciding when to enter a new market. The decision of following step-by-step approach was believed to influence the time a firm enters a new market. Academics agreed that the firms who choose stepwise internationalization could slowly expand to foreign markets, but they also could do it much faster by directly seeking partners with supplementary skills and resources (Madsen and Servais, 1997; Johanson and Mattsson, 1998).

The writers also recognized that there are many different options that can speed up the entry in foreign markets, such as acquisition. Many authors for a long time ago stated that acquisition would encourage early entry of firms since acquisition enabled firms to avoid higher entry barriers (Robinson, Fornell and Sullivan, 1992; Roberts and Berry, 1984; Yip, 1982). Moreover, entry barriers also tend to increase through time; acquisition would become the choice of entrants for faster entry (Robinson, Fornell and Sullivan 1982). However, acquisition belongs to entry mode choice, which is a broader concept and its effect on entry timing has been studied independently (Gaba, Pan and Ungson, 2002). Therefore, in order to narrow down the research field to its core, it is not necessary to include acquisition or other entry modes in this thesis.

In the field of stepwise internationalization of companies, the research on Swedish firm’s habits has been addressed extensively and then became the foundation of the “Uppsala model”. A lot of research on internationalization or foreign market entry refers to this model to expand the knowledge on the way firms perform in host country (Johanson and Vahlne, 2009). It is suggested that Swedish companies who expanded their business outside of Sweden shared same behaviors
(Johanson and Vahlne, 2009). However, the findings are quite old since most of the research has been introduced in 1970s.

The Swedish stepwise internationalization can be described by:

– Frequently use ad hoc exporting as their beginning of foreign market entry (Johanson and Vahlne, 2009; Johanson and Wiedersheim-Paul, 1975).

– Subsequently, those companies would have an agreement with agents in that foreign market to establish their entries. After Swedish firms witnessed the increase in sales, they would build their own sales team to replace the agents. If the revenue keeps growing, the firms would start their production in the host country (Johanson and Vahlne, 2009). This finding was then supported by study of Swedish firms who invested in the Japanese market by which it was discovered that 44% of Swedish firms would change from exporting to sales agent to production (Hedlund and Kverneland, 1985).

– Usually start with entering closer foreign market, then continuing with the farther markets (in the context of psychic distance - cultural distance) (Johanson and Wiedersheim-Paul, 1975).

According to the fact that this key factor has not been studied together with entry timing, the connection between them will be explored further in this research. However, before exploring this connection, the writers expect to revise the outdated results of the 1975 research first by checking through the step-by-step entry model of firms. This decision was based on and following the suggestion of Johanson and Vahlne (2009).
3 Conceptual Framework

Timing is a big concept and has different associating factors that require more research. For all the factors that the writers have reviewed in previous chapter, some of them have not been fully studied while some have been confirmed by empirical data. There are a few articles highlighting the importance of those new factors however research on its relation to entry timing decisions is very limited. Thus there is a gap here and this research will focus its efforts on finding out the relationship between them. In this chapter a research model will be developed based on the previous definition and findings of entry timing decisions.

From the literature review, the factors associating with entry decision have been summarized to provide a comprehensive view of their connection to entry timing decisions and also to answer the first research question. Table 1 below shows the findings of the reviewed factors.

Table 1: Factors associate with entry timing decisions

<table>
<thead>
<tr>
<th>Factors</th>
<th>Research</th>
<th>Critical review on research findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Characteristics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Firm Capabilities</td>
<td>(Jayaratne and Strahan, 1998; Cotterill and Haller, 1992, Hannan, 1979; Ingham and Thompson, 1994; Merino and Rodriguez, 1997; Schoenecker and Cooper, 1998).</td>
<td>Consistent results, confirmed by empirical research</td>
</tr>
<tr>
<td>– Firm size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home and host country</td>
<td>(Hayakawa et al., 2013; Yeaple, 2009; Caves, 1996; Gordon and Hines, 2002; Witt and Lewin, 2007).</td>
<td>Consistent results, confirmed by empirical research</td>
</tr>
<tr>
<td>characteristics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>(Fuentelsaz, Gomez and Polo, 2002; Lilien and Yoon, 1990; Mitchell, 1989; Mitchell, 1991; Isobe, Makino and Montgomery, 2000).</td>
<td>Consistent results, confirmed by empirical research</td>
</tr>
<tr>
<td>Window of Opportunity</td>
<td>(Suarez, F. F., Grodal, S., &amp; Gotsopoulos, A., 2013; Abell, D. F., 1978; Robinson et al., 1992).</td>
<td>Interesting concept, has some connection with entry timing but has received little attention.</td>
</tr>
<tr>
<td>Cultural Distance</td>
<td>(Yoshino, 1976; Shenkar, 2012; Dunning, 1988; Morosini, Shane and Singh, 1998; Kogut and Singh, 1988).</td>
<td>Tested with empirical research, conflicted results but has been studied extensively.</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Near Market knowledge</td>
<td>(Mitra and Golder, 2002).</td>
<td>Proposed concept, has been tested with empirical research, required further research on its importance (Mitra and Golder, 2002).</td>
</tr>
<tr>
<td>Economic factors</td>
<td>(Mitra and Golder, 2002; Gallego et al., 2009; Lilien and Yoon, 1990; Isobe, Makino and Montgomery, 2000).</td>
<td>Consistent results, confirmed by empirical research.</td>
</tr>
<tr>
<td>Stepwise internationalization</td>
<td>(Johanson and Wiedersheim-Paul, 1975).</td>
<td>Believed to influence timing decision but less studied. The results of Swedish case were confirmed by empirical research but outdated, required for updated findings.</td>
</tr>
<tr>
<td>WOM</td>
<td>(Grewal, Cline and Davies, 2003; Anderson, 1998; Godes and Mayzlin, 2004).</td>
<td>Limited research has been done before, most of previous only focuses on order of entry but not entry timing.</td>
</tr>
</tbody>
</table>

Based on the above findings, the writers found that generally there are nine factors have impact on entry timing decisions plus particularly one factor dedicated to Swedish firms. For all the nine factors, five have been confirmed by empirical data. They are:

- Firm characteristics
- Economic factors
- Cultural distance
- Host and home country characteristics
- Competition

In contrast, the other four have not been studied extensively and required further research. Hence, the writers develop a model (Figure 1) to get in-depth knowledge of these factors, whose impact on entry timing decisions is still vague.
The model above consists of four different factors: word of mouth, near-market knowledge, stepwise internationalization and window of opportunity. All of the four factors have been considered to have an association with entry timing decisions. However, each one of the factors has different characteristics and a different approach. The writers therefore will use this model to guide the research and analysis. The analysis will be presented separately and factor by factor while the details and assumptions of the relations between entry timing decisions and factors can be found below.

First, the factor “Stepwise internationalization” requires updated research on its four steps of internationalization of Swedish firms since the finding originate from 1975 (Johanson and Vahlne, 2009). In this research, it is essential to confirm the previous findings before proceeding to investigate the relation between “stepwise internationalization” and entry timing decisions.

**Assumption:** *It is assumed that “stepwise internationalization” will associate with a slow entry in foreign markets since it may take time for firms to develop a network of local dealers.*

Second, it is also recommended by Mitra and Golder (2002) to deepen the understanding of “Near-Market knowledge” with more recent foreign market entries. Moreover, that research also underrated the importance of cultural knowledge of home and host country, which is very important
to explain the role of cultural knowledge from similar markets. The factor “near market knowledge” therefore needs to be studied together with “cultural knowledge of the home country”.

**Assumption:** It is assumed that both near market knowledge and home and host country characteristics have impact on entry timing. Firms will enter a new market when they gain the necessary knowledge of other similar markets.

Third, Word of mouth (WOM) was usually understood as rumors among consumers about products and services (Anderson, 1998). The aspect of WOM between firms is not really considered in research on entry timing. However, the pilot study, which will be addressed in the methodology chapter of this thesis, suggests that WOM in terms of Business-to-Business of firms and their competitors may influence entry timing. This WOM B2B also consists of the reputation of the firm’s home country. Hence, the factor will be considered in B2B, B2C and the effect of the national brand.

**Assumption:** It is assumed that firms will enter a foreign market by the time they recognize that a positive WOM effect of their products or a negative WOM effect of their competitors exists.

Fourth, most research on window of opportunity referred to the specific period of time when the “opportunity” exists (Robinson, Fornell and Sullivan, 1992). The type of “window” was hardly mentioned in previous research but it was clear in our pilot study that good business connections could be one type. Subsequently, this factor required exploratory research on what type of “window” that business managers perceive before they think about its impact on entry timing.

Finally, entry-timing decision, as argued before, has two different approaches. While most of research focused on finding the advantages and disadvantages of first and late entrants, two other studies defined entry timing as choosing the right time to enter market. The model therefore is designed to discover this particular “right time” approach of market entry timing.

**Assumption:** It is assumed that Window of Opportunity will associate with entry timing in the sense that firms will wait until they see a window of opportunity rise in that market.
4 Methodology

The purpose of this chapter is to present the research design, the data collection and the analysis method. They are elaborated and presented in such a way that they will provide a thorough understanding of the research.

4.1 Pilot Study

4.1.1 Pilot Study Purpose

Before the actual research and case studies, the writers of this thesis conducted a pilot study. The pilot study in essence was a semi-structured interview with a business leader with over twenty years of experience in international marketing strategy. The interview was structured in the sense that the interviewee was asked about the different concepts that are discussed in literature. However the interviewee was encouraged to share information beyond what was found in the literature. The aim here was to perhaps touch on some additional associations to entry timing. In fact the pilot study resulted in adding window-of-opportunity to the theoretical background. The pilot study was utmost interesting for the interviewers because it demonstrated the practical side of entry timing decisions. A lot of information was assimilated which is nowhere to be found in any of the academic literature. All of these factors add to the researchers’ knowledge of the subject and allowed them to build a framework which was both theoretically founded as well as practically relevant to managers and people in industry.

Furthermore the pilot study served as a “risk-free” environment to assess the preliminary questionnaire which will be used in the actual case-study in-depth interviews later on in the process. The goal here was to get a grasp on how an actual manager, much like the ones to be interviewed for the actual study, would respond to such questions and such topics. The pilot study allowed for a preliminary check on how relevant and “natural” the questions came across for the interviewee. This allowed the interviewers to adjust the questions to a more suitable format for the actual interviews. Subsequently, the pilot study will add to the content validity, also known as face validity, of the study.

In summary the pilot study allowed the writers of this paper to build the conceptual research framework and on the one hand to validate concepts and on the other hand to validate and improve on the questions for the case study interviews.
4.1.2 Pilot Study Findings

The writers will summarise the key findings of pilot study in this sub-chapter.

- The reasons for firms to do business in a foreign market are about the limitation of their home country. The home market, being Sweden, is pretty small for their business. Therefore the need of gaining more profits will drive firms to the decision of entering a new foreign market.

- The time to enter is a very important decision that a manager and the company have to consider carefully. Sometimes, firms will enter a new market slowly and gradually in order not to wake up the bigger players in the market.

- The factors that affect market entry timing decisions are: Home and Host country characteristics, Cultural distance, Language border, Patriotism (local preference), Economic factors, Window of opportunity, WOM, Knowledge from similar market (Near market knowledge), Competition, Step-by-step business expanding (Stepwise internationalization), National branding, Firm characteristics and Price barriers.

- WOM has different aspects such as:
  - Competitors with bad reputation will generate negative WOM effect of product in the market.
  - WOM of high quality product coming from the firm’s nation will benefit the firm.
  - WOM of companies coming from the same country with the firm will influence the firm’s brand image.

- Window of Opportunity could be related to business connections, which sometimes comes from staff.

The summary of the entire pilot study interview can be found in Appendix 10.

4.2 Research Design

In order to validate a theory quantitative research is recommended over qualitative research (Bryman and Bell, 2011). However when the research gap has limited theoretical back up, it is advised to investigate further to build that theoretical foundation. With the purpose to get to the stage of proving a theory, the new area of research has to be explored and needs to grasp what is really going on in this field before the theory can be validated. The research will examine and look for more profound knowledge from companies in order to strengthen this new area of research. In summary, the qualitative research will provide a more thorough insight in that particular area and provide a better understanding of the phenomena (Malhotra, 2010). Hence, the research has a deductive approach (Bryman and Bell, 2011). Deductive testing is described as “the researcher, on the basis of what is known about a particular domain and of theoretical considerations in relation
to that domain, deduces a hypothesis (or hypotheses) that must then be subjected to empirical scrutiny” (Bryman and Bell, 2007, p. 11). Simply put, a deductive approach begins with theory, serving as the foundation, which consequently pushes the process of gathering and analysing data (Hair et al., 2011). Using a qualitative method, the research will produce a research outcome with a more descriptive view which is presentable through words rather than figures (Bryman and Bell, 2011).

Since the research in this paper will concentrate on collecting more knowledge and a better understanding of a new field, the research design is an exploratory research. Exploratory research aims to provide insight in that particular field of research (Malhotra, 2010). In order to find out how firms approach entry timing decisions in foreign markets and in what way certain factors are influencing that decision-making process, this exploratory research has to be done. In conclusion, exploratory research fits best with qualitative research to give a more profound understanding in this area (Malhotra, 2010). This can be best achieved by a smaller sample size, which translates into case studies which provide an in-depth investigation of the subject.

4.2.1 Data Sources

The source of data will be used to provide insight and is core to the exploratory research. In order to achieve this insight, the first and foremost source of data is primary data. This data was collected through face to face semi-structured in depth interviews. This first hand data was gathered with the purpose to answer the research questions (Malhotra, 2010). Considering the first purpose of this research is to explore a new area of study, the primary data is essential. Secondary data was also used to further improve the study. Secondary data is used in the literature review and conceptual framework in order to get a better result. Furthermore secondary data was also used to sketch the company profile, based on the company’s respective websites.

4.2.2 Research Strategy

Because of the exploratory nature of the chosen subjects, a qualitative research will be done. In order to get in depth and specific data from the interviewed companies, case studies will be executed on a smaller sample size, namely four companies. By doing a multiple case study, there is a possibility to dig deeper in to the companies and ask targeted questions specialized for the purpose (Yin, 2009). The main reason for choosing multiple case study stems from the absence of knowledge in that specific area of study. The exploratory research benefits from the case studies in the sense that it will assimilate a deep understanding of that specific area of study (Yin, 2009). By doing case studies the research will tackle the questions of how and why (Yin, 2009).
4.2.3 Data Collection Method

In order to have the best data set possible with the most relevant information and well-informed input the writers had to interview the right people at the company with the right knowledge for each case study (Bryman and Bell, 2011) This is the main reason why the interviewees were all CEO’s or Marketing Directors with more than twenty years of experience in the field. To further improve the quality of the interviews, the interviews were held at the office or even at the home of the respondents at a time they felt most comfortable with. By increasing the convenience for them, the writers attempt to improve the quality of the answers and the research in general.

It is important that during the interviews the interviewees feel like they can answer the questions in a free and unforced way. Because it is a semi-structured interview, the interviewers have the option ask more probing questions and get more thorough and in-depth knowledge (Bryman and Bell, 2011). The guideline for the interviews is established through the theoretical basis from conceptual framework.

4.3 Data Collection Instruments

This chapter demonstrates by which means and methods the data was gathered for this study.

4.3.1 Operationalization and Measurement Variables

This chapter will present an operationalization with the purpose examining the concepts of this research. Those concepts are the ones presented in the conceptual framework. They consist of Word-Of-Mouth, Window-of-Opportunity, Stepwise internationalization and Near-market knowledge. The first purpose of the table of operationalization is to give a clearer view of the concept for the reader. The second purpose is to scrutinize the concepts and translate them into questions. This will allows the interviewer to ask the questions in an clear and understandable manner for the interview. The final purpose is to have a clear link between the answers and the concepts of the conceptual framework (Bryman and Bell, 2011).

Initially, this paper examined different concepts, theories and keywords that were relevant to the study in an extensive review of previous literature and theory. Based on these findings the paper distilled a conceptual framework of those four key concepts most relevant to the study. Founded on those findings the operationalization table was constructed and the key questions for the in-depth interviews were distilled.
4.3.2 Table of Operationalization

Based on the conceptual framework, the operationalization table was constructed and entails a total of thirteen relevant questions. All of these questions relate to the concepts of Word-Of-Mouth, Window-of-Opportunity, Stepwise internationalization and Near-market knowledge. These four concepts are the foundation for this research and will be focused on throughout the in-depth interviews with the purpose of gathering the empirical data. All the questions are distilled from the conceptual framework and are relevant to the purpose of this research and its research questions. The thirteen questions are general and broad questions, however during the interviews often follow-up questions were asked in order to get profound and thorough information on the specific subject. The first column of the table is lists the concepts. The second column describes a conceptual definition, based on literature. The third column is the operational definition of the concept which is basically an easy to understand definition for the reader as well as for the interviewees. The last column presents the questions.

Table 2: Operationalization table

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM</td>
<td>The informal communication (or rumours) between private parties concerning evaluation of goods and services (Anderson, 1998).</td>
<td>The effect of WOM on product/ service</td>
<td>1. How does positive/ negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. How does positive/ negative WOM effect of competitors’ product/ service influence your entry timing choice? And Why?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?</td>
</tr>
<tr>
<td>Stepwise internationalization (Swedish case)</td>
<td>Swedish companies who expanded their business outside of Sweden shared same way (Johanson and Wiedersheim-Paul, 1975).</td>
<td>Exporting as the first step of internationalization Agreement with sales agent as the first move of entry</td>
<td>4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Do you believe there are alternative choices? If yes,</td>
</tr>
<tr>
<td>Window of opportunity</td>
<td>The opportunity occurs when a fit arises between market requirement for success and firm’s competences (Robinson, Fornell and Sullivan, 1992).</td>
<td>The opportunity that a firm perceive when entering new foreign market.</td>
<td>6. How does this choice impact your entry timing? And Why?</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Near market knowledge | Knowledge that a firm generated from operating in a similar market (Mitra and Golder, 2002). | Economic knowledge and Cultural knowledge a company gain from their operation in a similar market of the target market.  
- Cultural factor can be attitudes, beliefs, customs, etc.  
- Economic factor can be defined as market size, income, infrastructure, etc. | 7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?  
8. How do they impact your entry timing? And how important is this impact on your entry timing decisions? |
|                       |                                                                                                                                     |                                                                             | 9. Can you describe the culture of Swedish firms?  
10. How do these characteristics impact the time you decide to enter new markets?  
11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?  
12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?  
13. What is more important for you, Cultural or Economic knowledge and Why? |
### 4.3.3 Purpose of Interview Questions

The following Table 3 will explain the purpose of the every single question individually. It demonstrates the link between the questions and the different concepts.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?</td>
<td>To find out how WOM effect of B2B, B2C or even national brand associate with entry timing.</td>
</tr>
<tr>
<td>2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?</td>
<td></td>
</tr>
<tr>
<td>3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?</td>
<td></td>
</tr>
<tr>
<td>4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?</td>
<td>To update the findings from Johanson and Wiedersheim-Paul (1975) before study the connection between Stepwise internationalization and entry timing.</td>
</tr>
<tr>
<td>5. Do you believe there are alternative choices? If yes, please name some of them?</td>
<td></td>
</tr>
<tr>
<td>6. How does this choice impact your entry timing? And Why?</td>
<td>To study the connection between Stepwise internationalization and entry timing.</td>
</tr>
<tr>
<td>7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?</td>
<td>To discover the perceptions of business managers on the concept and the type of “window of opportunity”.</td>
</tr>
<tr>
<td>8. How do they impact your entry timing? And how important is this impact on your entry timing decisions?</td>
<td>To investigate how “window of opportunity” associate with entry timing.</td>
</tr>
<tr>
<td>9. Can you describe the culture of Swedish firms?</td>
<td>To identify the firms’ knowledge of home country culture and its association with entry timing.</td>
</tr>
<tr>
<td>10. How do these characteristics impact the time you decide to enter new markets?</td>
<td></td>
</tr>
</tbody>
</table>
11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

To understand the economic knowledge a firm gained from operating in similar market and its association with entry timing.

12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

To understand the cultural knowledge a firm gained from operating in similar market and its association with entry timing.

13. What is more important for you, Culture or Economic Near-market knowledge and Why?

To find the reason behind Mitra and Golder (2002) conclusion: “economic near-market knowledge is more important than cultural knowledge”.

4.3.4 Interview Guide

A questionnaire with all the questions was developed and serves as a basis for the semi-structured in-depth interviews. The questionnaire was constructed with the purpose of the interview being more of a discussion rather than a step-by-step “question-answer” interview. The questions are assembled in such a way they are open and semi-structured to avoid bias. The questionnaire contains thirteen main questions. Many of these questions have sub questions included, for example “Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?”. On top of that during the interviews itself many additional follow-up questions were asked to the interviewees to get as much relevant information as possible. The purpose is to ease the interviewees into answering the questions with relevant and well-informed answers as a result.

The questionnaire is split up into four main categories relating to the four different associations to entry timing decisions to be investigated in this research. The associations are, appearing in the interview in the following order: Word of Mouth, Stepwise Internationalization, Window of Opportunity and Near Market Knowledge. Before starting the questions of each new association the concept of the association was explained where necessary.

In order to receive as much as possible high quality data from the interviews the researchers strived to conduct the interviews with the top management personnel only. The interviewees were all CEO’s except for one marketing director. All of them had more than ten years of experience with the company and had over twenty years of experience with international marketing strategy. In a
few of the interviews there were multiple people present at the meeting to further increase the quality of the responses.

4.3.5 Pre-testing
The writers of this paper checked the questions for the in-depth interviews with the tutor and the examiner with the purpose of guaranteeing the quality of the questions. They have given an unbiased view of the questions as well as reviewing them critically based on their experience as academics. Pre-testing is necessary since it guarantees that the questions measure what they are meant to measure (Bryman and Bell, 2011).

4.4 Population and Sampling
The population of is confined by two control variables. On the one hand the study only takes on Swedish firms. The reason behind this control variable is because of the proximity of Swedish firms to the writers. The second variable is that all of those interviewed firms should have conducted a foreign market entry at some point in its history. Subsequently the population of this research is Swedish firms with a presence abroad. Four firms that fit these criteria have been selected to take part in the research and are consequently relevant to the study. The interviews were conducted with senior management most suited to give the most pertinent information, three CEO’s and one Marketing Director, with each one of them possessing over twenty years of experience. Having the top management, with the most thorough knowledge on the subject, answering the questions ensures that the level of the answers is of the highest quality possible.

Moreover it is beneficial to the study if the interviewees have had extensive experience in foreign market entry in the sense that the research taps into a variety of their experiences. The four firms were approached through the personal connections of the writers of this paper. Apart from interviews the writers of this paper also looked into secondary data in order to sketch a company profile of those four companies.

While probability methods are better suited for large-scale studies a non-probability method is better suited for an in-depth qualitative study where the aim is to provide a better understanding of an area of study, which is less investigated (Marshall, 1996; Small, 2009). Since the companies for the interviews were selected randomly, this is a convenience sample.
4.5 Data Analysis Method

For the analysis of the data there are multiple methods available suitable for qualitative research. These are grounded theory, data reduction, pattern matching and pattern finding (Philipson, 2013; Ghauri and Grønhaug, 2005; Bryman and Bell, 2011).

For the data analysis of this study the pattern finding method of Philipson (2013) was chosen. It is a well-grounded theory and is suitable for studies based on interviews, focus groups and observations (Philipson, 2013). The method consists of seventeen steps however can be summarized into 4 main steps before distilling the analysis. These steps are: transcribing the interviews, distilling keywords, headers that sum up some of these keywords and eventually presenting patterns in the data (Philipson, 2013). A visualization of the procedure of analysis method of Philipson (2013) can be seen below.

![Method of Pattern Finding](image)

**Figure 2: Method of Pattern Finding**

By doing the analysis method based on this theory the analysis is well structured and easy to understand for the reader.
4.6 Validity and Reliability

4.6.1 Content Validity

Content validity, also known as face validity, is the degree to which a measurement fulfils the different aspects and dimensions of area of interest (Bryman and Bell, 2011). In order to reach a good degree of content validity, an extensive literature review was conducted to define the research. Additionally the questions for the interviews were pretested and assessed by the tutor and examiner as well as being to rigorous debate. Lastly a thorough pilot study was done with an expert in the field in order to test the questions, find additional important factors to study and increase the validity in general.

4.6.2 Construct Validity

Construct validity is the level to which the method actually tests and measures what it is supposed to measure and truthfully represents the concepts it is supposed to represent (Bagozzi, Yi and Phillips, 1991). An operationalization process and an operationalization table were developed with the purpose of linking the theory with the questions in a structured and easy to understand way, both for the authors as well as for the interviewees, allowing the research to focus on the right subject. The operationalization table demonstrates the link questions and theory and by doing so are testaments that the content of the research is founded on a theoretical framework (Bryman and Bell, 2011). Furthermore the research uses primary data from multiple case studies. In other words the research is based on several sources and is by consequence more valid (Bryman and Bell, 2011).

4.6.3 External Validity

One worry amongst researchers is the degree to which the study results can be generalized because of the qualitative nature of the research method and the number of cases used (Saunders et al., 2011). Effort was put into improving the external validity by using the same way of presenting the questions to the interviewees and using the same process of interviewing across all the cases. Furthermore the validity is improved since all the companies that were interviewed are working in different industries. Moreover by conducting multiple studies on a number of companies the empirical data will be more valid (Bryman and Bell, 2011). Lastly, all the interviews were conducted face to face to increase the external validity of the thesis.

4.6.4 Reliability

The reliability of a study is built on the research findings being repeatable or not and on the consistency as well as the measurement stability of the concept (Bryman and Bell, 2011). In other
words repeatability and the consistency of the findings must be present at a later stage, when the data is collected again in the same way (Zikmund et al., 2012). The level to which the study can be repeated is depended on external reliability and for the sake of consistency a step-by-step formulation of how the research has been done is given (Bryman and Bell, 2011: Zikmund et al., 2012).
5 Empirical Summary

The empirical summary chapter is separated into two parts. The first part will briefly display the profile of the interviewed companies and the second part is a summary of the data per question. The complete data set can be found in the Appendix as well as the transcribed in-depth interviews with the managers, mostly CEO’s, of the four interviewed companies (Appendix 2, Appendix 3, Appendix 4 and Appendix 5). The company websites however are kept anonymous on request of the interviewed companies.

5.1 Company Profiles

This chapter is designed to sketch a brief profile of the interviewed companies. The criteria here are: industry, size, revenue, the year of first entry and countries of entry. This information was gathered through their respective websites or during the personal interviews.

5.1.1 Case A

The firm is the manufacturer of high quality golf clothes. Their core products have been distributed in EU, USA and Asia (including Middle East countries). About more than fifty employees are working in the factory located only in Sweden. The company has a history of more than twenty years and the latest entry they made was in 2013. They are right now the world leader in golf clothes in specific sector with the revenue of 170 million SEK (Website Company A, 2014).

5.1.2 Case B

The firm operated in packaging industry and has a revenue of 4 billion SEK with 1300 employees. They located in Sweden and have the history of more than 45 years. The latest entry that they have done was in 2014 in a close EU nation. Their core products were developed with the green, environment-friendly philosophy. They base their production mostly in Sweden, but also in other continents (Website Company B, 2014).

5.1.3 Case C

The company produces ventilation systems for residential use. They sell their products through more than 25 countries including China, US, Germany, Holland etc. The total employee of the company is 65 and they have the revenue around 130 million SEK per year. With a wide range of product and a history of forty years, they are now the leading supplier in Scandinavian countries (Website Company C, 2014).
5.1.4 Case D

Company D is a manufacturer of equipment for people with visual disability. The company has about forty employees and their production is based in Sweden. They have already expanded their business in more than twenty countries worldwide for the last thirty years. They have subsidiaries in Nordic countries and three other EU nations. The company operates in a very niche market and most of the time enter a new market as the pioneer. Their future plan is to go across EU countries before expanding further in other continents (Website Company D, 2014).

5.2 Interview Summary

The empirical summary chapter presents the empirical data from the in-depth interviews with the four companies taking part in this case study research. The complete data set is available in the Appendix 2, Appendix 3, Appendix 4, Appendix 5 presented as full interview transcripts. The four interviews will be summarized together per question in this chapter, showing the most relevant parts of the responses only. The structure of the empirical summary is based on the questionnaire, which can be found in the Appendix 1.

Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?

Company A found that their performance within the UK market has increase because of WOM. In 2000, the UK market was full of big brands and company A had to spent 5 years to break the wall down. Once they opened an account on one of the famous golf courses, it started the WOM opened the market to the rest of the country. Their success in the UK also created WOM in the USA market because a lot of American golf players come to UK and play in big tournaments on these famous golf courses. Therefore, The WOM effect existing in USA encouraged them to enter it, after monitoring that market for five to six years.

Company B stated that they have been through the situation of WOM effect when they let customers see the positive changes in productivity after trying their new product, then the customers will spread their rumours about them. They did it in Holland and it also worked in UK as well. The second example was for their new material for packaging, which was sent to UK buyers to create rumours. They also contacted a few news magazines to plant WOM effect in Sweden and Denmark.

Company C agreed that WOM is very important for them, especially for their reputation towards professional ventilation companies. When they saw that a positive WOM effect existed on the market, it was the right time for them to enter. They emphasized that WOM effect helped them to
create a whole market and referred to the example of a Japanese professor, who talked about company C to the entire Japanese market. This professor, and the WOM he created, helped company C to sell their products to four out of five major ventilation players in Japan.

Company D believed in the importance of WOM effect and insisted that you have to spread the word about yourself before you come to a new market. When they went to a new market, they overestimated their brand and suffered from not being recognized by customers due to the lack of WOM. Besides, they had almost never encountered any negative WOM before, except for the case of Norway when their performance was poor and customers did not want to play with a loser. The bad reputation they had in Norway forced them to acquire a new distributor who already possessed good reputation to turn the tables.

**Q2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?**

Company A claimed that they do not have competitors therefore they did not have any idea on how to answer this question. Company B illustrated with a situation in Finland, where a strong competitor is facing problems with the stock market, financial reports and the people’s poor perception of them. The negative rumours of the competitor spread quickly and the time was right for company B to enter Finland. But they have a differentiating material plus customers do not want to play with loser, so the bad reputation of the competitors and our own differentiation was the key to decide the time to enter Finland.

Company C did not think the WOM effect of competitors will influence their entry timing because the situation they faced in the German market is not the same to the bed reputation of a competitor. Company D could not answer the question because they never faced such a situation before.

**Q3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?**

Company A did not have any idea about this question. Company B suggested to take the WOM of Swedish product in a balanced way and not to overestimate it. But definitely it is something to lean on and the reputation of Sweden is quite good. They stated that Sweden is always connected to higher prices, high quality, engineering and trustworthiness etc. Company B did not really answer the question regarding the impact of WOM of Swedish products on entry timing.
Company C’s idea was that WOM of Swedish product is important for some cases but not all. In 1990, almost everything from Sweden can be sold in Germany because of high quality. But ten years later the Germans surpass the Swedes in terms of quality standards. On the other hand, in Japan, the company benefited a lot from Swedish reputation, they can charge more money because Sweden is related to premium branding and high quality. Company C also did not have any idea on the impact of Swedish reputation on timing decisions.

Company D thought that if the WOM of Swedish product does exist, people should not overestimate it. For example in Germany, the quality of German products has surpassed Swedish products. The Swedish products are perceived as high quality. The WOM also affect their choice of distributors since they only worked with good reputation dealers in USA market. Company D did not suggest anything related to the influence of WOM of Sweden and their entry timing.

**Q4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?**

Company A confirmed that they still follow the original stepwise internationalization, except for the production phase. They never move their manufacturing out of Sweden and always start with finding the right sales person followed by acquiring them after couple of years. The reason why they choose exporting is because of controlling and building the brand in the right way.

Company B agreed with the four steps of internationalization for Swedish firms and the firm chose to go step-by-step to get a trial and error effect and in order to lower the risk. They think it is impossible to have a loan from bank to enter UK market; therefore you should use exporting as a pilot project. Company B followed the four steps, starting with exporting, then sales agent and dealers to finally establish a local firm. The guys they hire as sales agent must know the local market and have their own local network. The second step is to find a logistics hub with a warehouse for fast delivery. The next step is to take care of product quality.

Company C shared the same steps with proposed theory. They suggested that the decision of choosing exporting is all about cost efficiency. Because the firm works in a niche industry, they have to find firms who complement themselves. Those local firms will have fulfilled company C’s wide product range and Company C did the exactly 4 steps in China. In 2000, they first found a Chinese woman who spoke both Swedish and Chinese. At that time, she worked as an architect of a Swedish building firm in China, Beijing. The woman encouraged company C to export their product through her because of the existing market demand. Company C then started a rep office in
Beijing in cooperation with this woman and expanded to production in 2006. However, China is the only country where they actually finalized the fourth step, being production.

Company D confirmed the four steps and stated that it is the typical development for Swedish firms. They suggested that customers would call to say they want to buy something or the firm will meet the customer somewhere. The second step is to find good dealers for better organization and starting up a subsidiary. Company D actually did acquire some local distributors in Switzerland, Belgium etc. The founders of Company D exported their ideas to Norway, Belgium very early, then Spain and Middle East. Setting up a customer centre associated with public funds, they exported not only the product but also the whole concept following the step-by-step process.

**Q5. Do you believe there are alternative choices? If yes, please name some of them?**

Company A, company B and company C either thought there were no alternative choices for them or they could simply not think of something else.

Company D suggested that if they want to get 100% access to the dealer network, they will definitely consider an M&A. Second, they strongly consider profitability and mention that it is all about getting your dealers to focus completely on selling your products. This thinking is due to the fact that most of the dealers will work with a list of multiple product lines and suppliers. It also prompts the firm to think about having their own subsidiary if they want 100% of the sales force to focus on their products. Company D has done an M&A in Norway and introduced the latest subsidiary in Germany one year ago.

**Q6. How does this choice impact your entry timing? And Why?**

Company A insisted that they started with finding the right sale person and enter a market when the right person was chosen. They did not give a clear explanation for this decision. Company B will enter a market when they find the right person because this enables them to easily distribute their products through the salesperson’s local network.

Company C said that it was by coincidence that they find the right guy who knows the local market. By that time, they will go to the market with this “right person”. They argued that, for the case of the French market, because of not finding the right people, they failed to enter France.

Company D confirmed that in their case, the key is to find the right person who already possesses the network and the experience in that particular market and industry. If they cannot find them, then
it will take longer time. Timing for company D is very important and finding the right person is the key. Company D emphasized more than three times that the right person plays a crucial role as the right time to enter will come whenever the right person is chosen. This conclusion based on their belief that a mediocre distributor will not be good for business. That is why one has to wait until the right people show up.

**Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?**

Company A felt that the window of opportunity was available in terms of personal connections. They gave the example of how a personal contact, which was operating in Belgium for them, was very eager to take their product to France and Luxembourg as well.

Company B described how first of all you have to be ready to expand and keep your eyes open. Then you will come across a window of opportunity. For example they went to a kind of fair in Finland which seemed interesting and it was here where they came across interesting business connections. Clearly window of opportunity for company B was also related to business connection but getting these business connections is rather a guided coincidence.

Company C told the story of how they came across a Japanese professor on an exhibition in Germany. He turned out to be a good business contact since he started talking about the company’s product in Japan. This is how company C recognized the window of opportunity. Company D gave a more general answer being once you find the right person, you will have a window of opportunity.

**Q8. How do they impact your entry timing? And how important is this impact on your entry timing decisions?**

For company A Window of Opportunity only sometimes had an impact on them but usually it did not impact them very much. Company B answered this question saying it had a great impact on them. Moreover, based on the example they gave in the previous question, company B will wait until they find the right person.

Company C mentioned that, again based on the things mentioned about Japan in the previous question, that it had a great impact on their entry timing. They suggested that having the right business connection will be the right time to enter new market. For company D, Window of Opportunity also has an important impact for them in the case of having the right local sales person.
Q9. Can you describe the culture of Swedish firms?

Company A describes that in terms of culture, for them as a Swedish firm, it is very important to have solid business relations. They want to do business with a partner they like and they would never do business with a lunatic just to have more sales. Moreover, the interviewee describes how Swedes tend to discuss a lot before they make a decision. Swedes have meetings about the upcoming meeting and in that sense they are slow decision makers.

Company B argues that it is very important to have the right people and have a right understanding with those people. The interviewee also shares his opinion on how there is a lot of preparation and discussion preceding a decision. Swedes will strive for a consensus when making a decision. Moreover, company B felt like it is part of the Swedish culture to be trustworthy, honest and to have a low political agenda within the company. Moreover, the culture of Scandinavian firms also relates to a certain naivety but also being structured.

Company C argues that you need to have faithful relationships and once you find the right people, you focus on them. They never try to do quick business. Furthermore, they value feedback from people a lot and they value incremental growth a lot, both in business performance and relations. Also, honesty is an important value for Swedish firms.

Company D says that Swedish firms can be quite naive and in that sense could suffer from their democratic way of organization, which works in Sweden but not always abroad. Swedish firms also want to have a lot of discussion and want people to make decisions together and also for themselves rather than just letting the boss decide. Another thing is that they will never lie. Swedish people tend to be trustworthy, structured and planned.

Q10. How do these characteristics impact the time you decide to enter new markets?

Company A indicates that because of these characteristics, they will have to rely on the people working for them to do a good job in the foreign market. Company B, C and D failed to provide a concise or relevant answer to this question.

Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

Company A shows at the hand of clear examples that the economic knowledge has a big impact for them when entering a similar market. The economic factors that they considered here could be: “position in the market” and “distribution channel”. They learn a lot of mistake from operating in
countries and used that knowledge as a key factor to make decision of entry. They consciously attempted to have a strong position in a key market, being Germany, UK, Ireland, because it was strategically, and based on economic factors, the right choice. For company A, because of the bad experience of choosing wrong person who does not knows local market, they will take time to choose the right one.

Company B they learn a lot from similar markets. For example how to deal with a different currency is affecting their business quite a lot. Other economic factors that influenced them when deciding which market to enter, was the size of that potential market. Regarding timing decisions, Company B based their timing on a bad experience gained in Spain. They were present in Spain at the start of the economic crisis and they learned that they have to get out a bad economic climate as soon as possible rather than trying to wait it out. Hence, entering a market where the economic crisis just starts is not a wise choice.

Company C did not value the economic knowledge that highly. They did identify France as an economically potent market based on all kinds of economic factors which they know in their experience is important. However, entering the French market simply did not work out for them, regardless of all its potential. They believe that entering a market successfully is more based on coincidence instead of having all the economic factors right.

For company D the economic knowledge of similar market is very important. They are operating in a space where the financial system, the government and the insurance system are keys and naturally they learn a lot from markets that are similar to each other. Unfortunately, Company D did not provide any explanation on how it influenced their entry timing decisions.

Q12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

Company A describes how they do not really use the cultural knowledge they gain from one of their other markets. This is based on the simple fact that for them a new market is very different from any other market every time they enter. In essence the cultural is very different from country to country. Cultural knowledge does not impact their entry timing decisions very much.

Company B mentions that a similar approach across countries does not work, because of the culture. The interviewee mentions that even between Denmark, Norway and Sweden they cannot use the same market material. They experienced big cultural differences between different markets
which you have to learn to how to adapt to. Company B does not mention anything about how this affects their entry timing decisions.

Company C indicates that they actually have never given it a lot of thought. When taking a closer look at the issue at hand the interviewee decides that they did not gain that much from their knowledge on a similar market.

Company D argues that they gain a lot of cultural knowledge from for example Denmark when entering Norway. They say that when they manage to sell their products well in Denmark, it will be easy for them so sell as well in Norway because cultural very similar to one another. Company D says they will take time to choose the right person who understands the market.

Q13. What is more important for you, Cultural or Economic knowledge and Why?
Company A struggled a lot with answering this question but in the end decided to go with both economic and cultural. He gives the example that they would never consider Japan as a market because of the big difference in cultural. However, they eventually did consider entering Japan since it is the second biggest market for them in the world. In summary the interviewee cannot choose between either cultural or economic so decides to go with both.

Company B answered that culture is more important, arguing that when the culture is not working it does not matter how big that market is or how much potential that market has. Do not work against the culture.

Company C emphasizes that you have to take both cultural knowledge and economic knowledge into account. They argue that you should make your decision in a good balance. Cultural knowledge is important but the economic part is also decisive. Company D thinks that both are necessary and that in their case you cannot disregard either one of the two. They all relate to each other.
6 Analysis

In this chapter the gathered data will be analysed and presented. The data was gathered through means of in-depth interviews which were held in person and face to face with four business leaders. Amongst the interviewees were three CEO’s and one Global Marketing Director. The full data set can be found in the Appendix 6, Appendix 7, Appendix 8 and Appendix 9.

By analysing the data the authors have found certain patterns for the newly proposed associations to entry timing decisions. There are four main associations which were investigated in the interviews, being Word of Mouth, Stepwise Internationalization, Window of Opportunity and Near Market Knowledge. The analysis is executed per question to see any patterns across the four different cases. On top of that also an analysis across the questions will be made in case there are any patterns to be found there as well.

6.1 Cross-case analysis

6.1.1 Word-of-Mouth

Assumption: It is assumed that firms will enter a foreign market by the time they recognize that a positive WOM effect of their products or a negative WOM effect of their competitors exists.

The first three questions of the interviews handled on the association of Word-of-Mouth (WoM).

The first question that was asked was “How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?” The first apparent pattern for this question was that all the involved respondents agreed that WoM of products (B2C WoM) has an impact in their experience. However the more important part of the question was how WoM influences their entry timing choices. A strong pattern was found here with three companies indicating that because of WoM they decided it was the right time for them to enter a certain new foreign market. The last pattern pertaining to question was is the lack of experiencing a negative WoM effect. Three interviewees could not really answer the question regarding negative WoM and the last respondent shared that they had never come across this. Following the logic behind the absence of answers that can be derived that a negative WoM effect is not something that managers seem to give a lot of thought or come across with in their businesses.

The second question regarding Word-Of-Mouth was “How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?”. For three out of the respondents there was no impact at all whereas one respondent gave an example how they exploited the negative WoM of one of their competitors (B2B WoM). They basically entered that new market
at a time the competitor in that market was at a weak point. While this is not a pattern across the different cases, it was one of the more compelling examples of the use of WoM that surfaced in the interviews.

The third and final question related to WoM was “How about WOM of Swedish products? How important is this impact on your entry timing decisions?”. The respondents were asked whether that the fact that they are a Swedish company and provide Swedish products is something that impacts their entry timing decisions. The respondents were explained that in a certain foreign market the Swedish products might have a certain reputation and if so how that would impact them in regard to market entry timing. There was no clear pattern to be found here. Two respondents said it did not influence whereas the two others said it did. It influenced them in the sense that the reputation of Sweden could be something to lean on. However the interviewers felt like the respondents did not put very much value on it. Figure 3 below shows the patterns for WoM.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Pattern</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?</td>
<td>Impact WOM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Right time open up new market due WoM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>No experience with neg. WoM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Q2. How does positive/negative WOM effect of competitors' product/service influence your entry timing choice? And Why?</td>
<td>No impact of WoM of competitor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Impact of neg WoM of competitor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Q3. How about WOM of Swedish products? How important is this impact on your entry timing decision?</td>
<td>Influence of Swedish reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

Figure 3: Results interviews Q1-3

6.1.2 Stepwise Internationalization

Assumption: It is assumed that “stepwise internationalization” will associate with a slow entry in foreign markets since it may take time for firms to develop a network of local dealers.

Question 4, Question 5 and Question 6 all relate to the association of Stepwise Internationalization. The concept of Swedish Stepwise Internationalization is explained as such: “Swedish firms have been proved to often share the same way of expanding their business to foreign markets. Step 1: Exporting, Step 2: Choose sale agents who located in local market, Step 3: If sales go up, firm will replace this sale agent with its own sale representatives Step 4: Move production to that market”.

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The first question that was asked here “Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?”. All four respondents are still using this model of Swedish stepwise internationalization. However three of them did add that they do not do the fourth step in the process, being production. One company however did do production but only in the case of one foreign market entry and not in all of their other foreign market entry. In conclusion the Swedish firms still tend to follow the stepwise internationalization but without the last step, being production. Another interesting pattern to be found here, with all four respondents, is the fact that they will only enter at a time where they feel like they have the right people to make that foreign market entry. These people could be both internally as externally, ranging from employees to distributors and business partners.

The second question for Stepwise Internationalization, or the fifth question in the questionnaire, was “Do you believe there are alternative choices? If yes, please name some of them?”. It is clear from the data that these firms do not think there are any other viable options for entering a new foreign market. In Question 5 they all subscribed to the concept of the stepwise internationalization and Question 5 indicates that three out of four respondents do not consider any alternatives other than the stepwise internationalization. One of the respondents did believe an acquisition would be a good alternative.

The sixth question in the questionnaire asked “How does this choice impact your entry timing? And why?”. This question evidently was asked if they actually do stepwise internationalization; why that is the case and how does it impact them in terms of entry timing. There is a pattern, which four out of four respondents subscribe to and that also came up with, Question 4, being that they will all only start their stepwise internationalization once they have the right people. The firms will only feel comfortable with the first step, being exporting, once they have the right distributor, the right guys with the right network or the right person with the right knowledge of that new foreign market. Once they found the right people, then it is the right time for the stepwise internationalization to start. Figure 4 illustrates the three questions regarding stepwise internationalization and its patterns.
6.1.3 Window Of Opportunity

**Assumption:** *It is assumed that Window of Opportunity will associate with entry timing in the sense that firms will wait until they see a window of opportunity rise in that market.*

The third association, which was investigated in this research, is Window of Opportunity (WoO) and is covered by Questions 7 and 8 in the questionnaire. WoO was explained to the respondents during the interview as “*The opportunity occurs when there is a fit arises between market requirement for success and firm’s competences.*

The first question for Window of Opportunity, or the seventh question of the questionnaire was “*Which windows of opportunity have you recognized when entering a foreign market? Can you describe them?*”. The pattern related to this question which is most apparent, with four out of four respondents subscribing to this pattern, is the one of business connections. The managers of the firms all decidedly say that the connections in business is often time the most important window of opportunity. For example in Case A it was said that one of their distributors in the Belgian market asked if he could also distribute their product to France and Luxembourg. So in this case the business contact of company A in a sense made sure they entered that foreign market. Other examples are how company C met a Japanese professor on an exhibition in Germany and that they managed to enter the Japanese market through that business contact. In summary all of the interviewed companies believe that a good business connection often is key in terms of window of opportunity, when entering a new foreign market. When such a business connection occurs, then it often is the right time for them to enter that particular new foreign market.
Another pattern, which emerged from this question, is the pattern of guided coincidence. Two out of four respondents mentioned that these windows of opportunity are somewhat a coincidence. First of all the coincidence relates to finding the right business connection. An example is finding the right person to distribute for you in a new foreign market. In some of the cases they were not planning on entering a particular new foreign market, like in the case of the Japanese professor. However by coincidentally meeting that right person they would support the notion that it actually is the right time to enter that new foreign market. The pattern here is called a guided coincidence because in both case they met these business connections on a kind of exhibition. In that sense it is not a total coincidence.

In Question 8 the interviewees were asked “How does WoO impact your entry timing and your entry timing decisions?”. This question relates directly to Question 7 and measures the impact of WoO on entry timing decisions. Three out of four interviewees agreed that window of opportunity impacted there entry timing decisions. This was clear from some of the examples that were given in Question 7. One respondent said that WoO merely had a limited impact on their entry timing decisions. In summary for Window of Opportunity, the firms will wait to find the right business connection to have that window to enter a new market. Figure 5 shows the different patterns regarding the association of Window of Opportunity.

<table>
<thead>
<tr>
<th>Question</th>
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<th>Company C</th>
<th>Company D</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?</td>
<td>Business Connections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Guided coincidence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Q8. How do they impact your entry timing? impact on your entry timing decisions?</td>
<td>Impact WoO</td>
<td></td>
<td></td>
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<td>3</td>
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<tr>
<td></td>
<td>Limited impact</td>
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</table>

Figure 5: Results interviews Q7-8

6.1.4 Near-Market Knowledge

Assumption: It is assumed that both near market knowledge and home and host country characteristics have impact on entry timing. Firms will enter a new market when they gain the necessary knowledge of other similar markets.

The last association which was explored in this research is Near-Market knowledge. The interviewees were explained that Near Market knowledge relates to the following: “Economic knowledge and Cultural knowledge a company gains from their operation in a similar market of the target market. E.g. Firm already operating in Denmark will be likely to enter
Norway/Finland/Sweden. Firms already operating in UK will be more likely to enter Ireland. Cultural factors can be attitudes, beliefs, customs, etc. and Economic factors can be defined as market size, income, infrastructure, etc.”

The first question regarding Near Market knowledge, Question 9 of the questionnaire, was “Can you describe the culture of the Swedish firms?” A first pattern that was clear here is the importance of business relations for the Swedish firms. It is thoroughly embedded in Swedish firm’s culture to put a lot of value on relations. All four cases describe how they strive to have faithful relationships with the right people. Some of them also point out they would not do quick business if they do not like that business partner. These business relations do not just contain business partners but also the good understanding between employees. Another pattern that seems to be embedded in the Swedish culture is that swedes tend to have a lot of discussion and preparation before taking a final decision. They will debate a decision for a very long time but once it’s made they will have all the information available. Lastly there are three characteristics of Swedish firms that were mention multiple times; being trustworthiness, naivety and being structured.

Question 10 in the questionnaire was “How do these characteristics impact the time you decide to enter new markets?”. In the first case study it was found that they rely heavily on people and they can enter once they have the right people in the right place. However there is a stronger pattern here. The culture pertaining to Swedish firms and its characteristics is not something that carries heavy weight in the decision of entry timing. One interviewee indicated that other factors are generally more influential than these characteristics. The other two firms failed to provide any examples of an impact all together. The patterns Question 9 and Question 10 are illustrated in Figure 6.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Pattern</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>#</th>
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</thead>
<tbody>
<tr>
<td>Q9. Can you describe the culture of Swedish firms?</td>
<td>Business relations</td>
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<td>1st discussion then decision</td>
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<td></td>
<td>trustworthiness</td>
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<td>naïve</td>
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<td>structured</td>
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<td></td>
<td></td>
<td>2</td>
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<tr>
<td>Q10. How do these characteristics impact the time you decide to enter new markets?</td>
<td>Enter once right people</td>
<td></td>
<td></td>
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<td>1</td>
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</table>

Figure 6: Results interviews Q9-10
Question 11, also part of Near Market Knowledge, was as following: “Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?”. Three out of four respondents felt that there is a lot of economic knowledge to be gained from similar markets before entering new markets. They found this knowledge is necessary for entry timing and can be transferred between countries. These economic factors for example relate to the financial system, the population and the currency in these markets. One example that was given by company B is the crisis in Spain. They learned from that market that it is a bad time to enter a market when it is experiencing a crisis and as a company you do not want to “swim against the current”. One of the respondents indicated that economic factors did not have such a big impact on them in the past. In fact they had identified France as a market with all the right economic factors but their entry failed so now they do not value the economic knowledge that highly.

Question 12 was “Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?”. The main pattern here is that the cultural knowledge that they gain from a similar market usually cannot be used when entering another foreign market. They felt that usually most markets are very different in terms of culture for the most part. In that sense there is a pattern for low to no impact. It is however important to note that culture is very important but the cultural knowledge simply in many cases cannot be transferred to a similar market. Moreover culture can often even block a successful market entry. One respondent however did say it had an impact and mentioned that if their products would sell well in Denmark, they would almost certainly also sell well in Norway based on the cultural similarities.

The last question of the questionnaire was “What is more important for you, Cultural or Economic knowledge and Why?”. This proved to be a difficult question for the managers to answer and many of them felt like they could not pick between them. This results in a pattern with three out of four respondents saying that both are important and that they cannot choose between them. One respondent did choose for culture. He elaborated that if you do not get the culture right then you will not achieve anything, regardless of how big or small the market is. Figure 7 shows the different patterns remaining for the Near-market knowledge association.
6.2 Cross-question Analysis

Even though the four investigated associations to entry timing decisions are quite different from one another, there is a certain consistency present if you look to the answers to the different questions. The main pattern here is that the Swedish firms tend to value the broader concept of “people” very highly. In the second association, stepwise internationalization, a clear pattern was found. Swedes will only start with the stepwise internationalization once they have the right people to work with. They do not want to rush into things risking a poor partnership.

A similar pattern occurred in the part of Window of Opportunity where the data indicated that the right business connection is key when entering a new market. A business connection here is once again having a good contact. This would provide them with the window of opportunity to enter a new market. A similar pattern occurred one last time in the Near Market Knowledge where it is clear from the Swedish firm’s culture and its characteristics that swedes value good relationships very highly. This explains the previous answers in a sense.

In conclusion, there is a certain consistency across the questions in the sense that many of the patterns come down to the right people, good connections and strong relationships. This is true for the associations of Stepwise Internationalization, Window of Opportunity and Near Market Knowledge.
7 Discussion

This chapter will describe the differences between the thesis and previous research together with the connection between the theory background and the thesis findings. The chapter is split up in each of the four different associations as described in the conceptual framework and discusses them individually.

In general, this research differs from other research by covering the other approach of entry timing rather than investigating the “order of entry”. In this thesis, instead of using concepts such as “first entrants”, “followers”, “late entrants”, “the right time to enter new market” is used to describe “entry timing” to business managers. Besides, the authors choose the “geographical dimension” of “market” when exploring market entry timing decisions. This view extends the knowledge for the field of international business study. In particular, the comparison between previous findings and this study will be described separately together with each of the four factors.

7.1 Word of Mouth

WOM and its influence in foreign market entry timing have been studied in this thesis through a different approach than other authors in the field. While previous studies focus on explaining how early or late entrants can gain benefit from WOM of product (Grewal, Cline and Davies, 2003; Krishnan, Bass and Kumar, 2000), this research shows that WOM also encourages firms to enter new markets based on the reputation of the firm and positive rumours of its products. Hence, this work differs from other research by covering WOM in B2B as well as B2C.

7.2 Stepwise Internationalization

This research suggests that following stepwise internationalization would make firms spend more time on finding the right local salesperson instead of quickly operate business in foreign market. This finding therefore supports the work of (Madsen and Servais, 1997; Johanson and Mattsson, 1998).

7.3 Window of Opportunity

Most research considers Window of Opportunity to be the opportunity which only exists in a specific period of time (Luo and Peng, 1998; Martin, Swaminathan and Mitchell, 1998). In this thesis, it is found that Window of Opportunity can also be “having connections with the right people” and this opportunity might appear regardless of a specific period of time. Additionally, some managers labeled Window of Opportunity as “coincidence” or “luck”, but what can be
implied here is establishing the right business connections by actively looking in the market, keeping their eyes open and in their minds be open for expanding to a new market.

7.4 Near-Market Knowledge
For the Near-market association, the research builds on the proposed theory of Mitra and Golder (2002) with the aim to explain how Near-Market Knowledge influences market entry timing. The two most interesting findings from Mitra and Golder (2002) are “impact of near market economic and cultural knowledge on entry timing”, “cultural similarity between home and host country is not associated with entry timing” and “economic factor is more important than cultural factor”, all of which have been studied in this thesis. The writers found supporting results for Mitra and Golder (2002), confirming the impact of the knowledge of a similar economic system in entry timing. Furthermore the cultural knowledge gained from home country is not related to entry timing.
8 Conclusion and Contribution

This chapter will present the conclusion based on the analysis and its findings. The conclusion is divided into the two research questions. A third subchapter will elaborate on the contribution to the theory. Market Entry in general and Entry timing in particular play an important role to the success of international business. Without good timing, four in five of every entry would fail (Horn, Lovallo and Viguerie, 2005). The study of entry timing therefore no longer only about the benefits of early and late entrants, but shift to the study of determining the right time for firm to enter a new foreign market (Lilien and Yoon, 1990; Luo and Peng, 1998; Gaba, Pan and Ungson, 2002). In order to making better timing decision, the understanding of associating factors is required.

To build up the theoretical framework for studying the associating factors of entry timing, the writers reviewed the most prominent research (Mitra and Golder, 2002; Madsen and Servais, 1997; Johanson and Wiedersheim-Paul, 1975; Grewal, Cline and Davies, 2003; Huff and Robinson, 1994). However, despite the importance of those factors, not all of them have been studied extensively and continuously. This study strives to fill the gap between outdated findings, newly proposed factors and the current practical field. A pilot study was conducted to guide the thesis and based on the findings plus literature review the writers have developed a conceptual model consisting of word-of-mouth, window of opportunity, stepwise internationalization and near-market knowledge. The qualitative research followed with interviewing sessions of four Swedish firms to gather the necessary data. In this chapter, the findings of this study are presented together with contribution to the theory.

8.1 First Research Question

The first research question was “Which factors associate with timing decision in foreign market entry?”. It was found that there are nine factors that associate with entry timing. They are: Home and host country characteristics, Firm capabilities and characteristics, Competition, Cultural distance, Economic factors, Window of Opportunity, Word of Mouth, Stepwise internationalization, Near-market knowledge. All of these factors were thoroughly covered in the literature review and based on that it was decided to further investigate the last four factors further in the exploratory research.

8.2 Second Research Question

The second research question was “How these factors influence foreign market entry timing decisions?”. Since this research focuses on the last four factors, the findings can be summarized as: WOM, both B2B and B2C, have impact on entry timing. The main conclusion for WOM is that
Swedish firms can be prompted to enter a new foreign market when a positive WOM exists. According to the majority of the cases a positive WOM can even open up a new foreign market.

Window of Opportunity has an important influence on timing decision. Window of Opportunity here can be understood as the “right business connection”. According to the results of the case studies managers see a window of opportunity to enter a new foreign market once they have the right business connection aiding in that. In other words, a Swedish firm will be likely to enter a new market when they find the right person. The right person here can be someone who understands the local market, a reliable business partner. The reasons are that business differs from country to country; one way firms enter a new foreign market is to find someone who already knows the market and has a local network. This right person will help firms sell their product through their network and make it easier for them to enter. In some of the cases finding this person was a coincidence and they initially were not looking to enter that particular foreign market. However, since the Swedish firm happened to come across that right person it would enter the new market.

Stepwise Internationalization is associated with entry timing. By choosing Stepwise internationalization strategy, firms will gradually enter a new market by the time they find the right distributors and agents. The reason here can belong to the nature of stepwise internationalization since this strategy is “ring in the water”. In fact these findings confirm the findings of 1975 where the four stages of stepwise internationalization were first theorized. The cases show that these steps are still following with the exception of the last step, production in that new market. In summary, when entering a new foreign market, Swedish firms usually go for exporting first and carefully sign the contract with local distributors. This process takes time and it is not easy to find the right agents at first time.

Near-Market knowledge of a similar economic system is believed to have an impact on entry timing. The company will likely enter market when they gain necessary knowledge of a similar economic system. In contrast, the cultural knowledge of home country and near-market country has low impact on entry timing. In fact for most of the interviewed Swedish companies it was very hard to transfer cultural knowledge to another market, in some cases the market entry completely failed because of culture. Moreover the Swedish culture of the Swedish firms is not very important in comparison to other entry timing criteria. In other words, culture has low impact in the sense that you cannot really transfer cultural knowledge to a similar market but it is important in the sense that if you do not get the cultural part right you will have a hard time entering a new market at that time as a Swedish firm. Additionally, the other knowledge from near-market that relates to entry timing
is about legislation and governmental system. Often time knowledge about for example the insurance system or the welfare system can be transferred to a similar market.

8.3 Contribution
In general, the thesis contributes to the theory field of market entry timing by covering the geographical dimension of market together with “right time” approach of timing. This contribution sheds light on rather uninvestigated fields of research and extends the knowledge on entry timing. In particular, as mentioned in the discussion chapter, supporting results of the work of Mäläskä, Saraniemi and Tähtinen (2011) and Michaelidou, Siangka and Christodoulides (2011) in the importance of B2B WOM were also found. The finding of the Swedish four steps of internationalization by Johanson and Wiedersheim-Paul (1975) is also confirmed in this thesis. Impact of near-market knowledge of similar economy is investigated together with cultural knowledge of home country and the findings of this thesis suggest economic knowledge of a similar market associates with entry timing (Mitra and Golder, 2002). Moreover, “right business connections” is discovered as one important kind of Window of Opportunity that most business managers in the case study perceived.
9 Limitations, Managerial Implications and Further Research

This chapter shows the limitations of this thesis together with giving recommendations for the practical field and future research directions. The further research sub-chapter will be based on both the limitations, delimitations and also conclusion. The managerial implications sub-chapter combines original and additional findings from interviews to provide a deeper and broader scope for better entry timing decisions.

9.1 Limitations

All of the in-depth interviews were conducted in English. However, both the interviewers and interviewees come from countries where English is not the native language. Therefore, there could be language barriers leading to a minor bias in the data collected.

Due to the limitation of resources, the writers could only work with four companies who come from different industries and one pilot study. The industry specific characteristics in regard to entry timing could not be covered in this research. However when analyzing the interviews it was clear that for some of the firms, industry characteristic would play an important role in understanding entry timing decisions. Hence, this limitation can prevent the generalization of the research findings to different industries.

9.2 Managerial Implications

The research findings suggested that in order to choose the right time to enter new market, business managers should pay more attention to the combination of WOM of both firms and their products in target market. The word of mouth, or the reputation, of your firm or your products possibly already exists in a particular new market. The firm then has to be able to perceive this presence and act on it if so desired. In other words when there is positive WOM present in a potential new market, it is possible for firms to enter at that time. There is one case where the reputation of products was built not by firms intentionally but by customers who purchased them from different markets. These customers then created positive feedback on products and firms could take advantages to enter market in that appropriate time. In summary, firms can enter a new foreign market based on the presence of a good WOM in a foreign market where they are already well-established.

On the other hand, WOM of competitors is not an important factor when deciding when to enter a new market based on the case studies. Furthermore, it was clear from the interviews that WOM can be changed over time as in the case of German versus Swedish quality and can thus impact entry timing decisions. In the past, several years ago Swedish firm’s quality standards were considered
higher than the German quality standards and this fact could be used as the appropriate time to enter a market. This however is no longer true since WOM has changed over time.

Besides, firms should use the positive WOM in previous markets wisely since WOM can open an entire new successful market for them. They should let the customers talk about their products before they actually enter that market. Firms are capable of building up positive brand reputation across countries, by sending trial products, sponsoring big and famous events, working extensively with local groups and developing good connection with local influencers. These activities then create rumours among their products, and it is always better to have somebody talk about your products before you introduce them to you yourself.

Expanding firms are also encouraged to actively look for a Window of Opportunity through business connections that may appear regardless time span. The business connection must be “right” in the context of “right person who have local network, knowledge and willing to work with us”. Firms should not overestimate how much effort the local person will put on working with their products because one distributor/importer usually sells for lots of suppliers. Many painful failures due to putting faith in wrong person were confirmed by all four cases in this research. However, once firms find the right person, they can sell through the local salesperson’s network and quickly see the positive revenue. The local agent can also help creating positive WOM effect for firms. Managers should focus their efforts on assessing the value of possible business connections and using these to their advantage where possible.

The key of the “right person” here is also the same for those who choose Stepwise Internationalization as entry approach. Stepwise internationalization may be cost-efficient and help you gradually growing up, but it may prevent you to go faster since it would take time to sign a contract with right person. Moreover, giving the fact that most of the local importer and distributor are working with a wide range of suppliers, it is very difficult for firms to force them to put 100% of effort on distributing their products. Therefore, in some case, firms can choose M&A for more controllable relationship with local distributors.

Finally, Cultural factors and Economic factors are still very important. However, because of the culture distance between countries, the knowledge that firms gained from one country may not be applicable in a similar market. Even between Nordic countries, firms often struggle if they try to adapt their cultural knowledge in Sweden to Norway, Denmark and Finland. For the four case
studies, business managers suggest that only by learning from mistakes, faults, between country and country, the firm will be capable of changing their strategies for better market entry.

In order to fill the gap in cultural distance, the writers believe that firms should develop their understanding of local markets deeper by hiring right local people and, most importantly, work with them extensively. The lack of communication between headquarters and local representatives is suggested in the case studies as one of the main problems that cause failure to business in local markets. It may take years before business leaders recognize that they are not using their time to its full potential by holding onto the wrong people.

9.3 Further Research
This thesis research can be further studied by considering the industry specific characteristic as an influencing factor of entry timing.

First, the topic can be further studied by considering the industry specific characteristic as an influencing factor of entry timing. For all of the four cases, the interviewees occasionally mentioned some key points that only belong to their industries only. For example, company A suggested that they have problems selling products designed for EU nations to Asia because of the difference in clothing size. This may force them to adapt their production before entering Asian markets. In contrast, company D saw no difference in selling one product across countries since their products focus on a niche industry. Moreover, Fuentelsaz, Gomez and Polo (2002) also declared that industry characteristics are related to entry timing.

The second direction for further research is about the size and the firm’s nationality. This thesis did not consider size of firms as a criterion in choosing the sample, on the other hand, size of firms is still one of the key firm characteristics. The writers suggest that future studies take into account a wider range of size of firms. Besides, the four Swedish case studies are not enough to generalize the findings to companies in other countries. Further study, consisting of various firms originated from different countries, is needed.

The third direction can be “specific time span”. The writers recommend researchers to look at firms regarding some major economic events such as economic crisis, time of opening market for international trading in emerging markets. For example, the case of Chinese open-market policy in 1980s showed that firms’ entry timing decisions was under time pressure since the Chinese government only allowed a limited number of foreign firms to enter (Isobe, Makino and
Montgomery, 2000). Hence, the specific period of time can cause numerous changes to firms and may affect all aspects of foreign market entry.

Finally, to strengthen the thesis findings, it is necessary to have quantitative research for all the four factors. As argued before, WOM, Window of Opportunity, Stepwise internationalization and Near-Market knowledge are just proposed factors associate with entry timing and therefore require more studies. The writers will do their best to support future researchers who work on this topic, to discover more interesting ideas in the field of entry timing.
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### Appendix

### Appendix 1: questionnaire for in-depth interviews

**MASTER THESIS – INTERNATIONAL MARKETING STRATEGY**  
**ENTRY TIMING DECISIONS AND ASSOCIATION FACTORS**  
**INTERVIEW QUESTIONS**

#### A. Word of Mouth effect

*The rumours among clients/consumers concerning product/service called WOM. It can have negative or positive effect.*

1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?
2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?
3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?

#### B. Stepwise internationalization

*Swedish firms have been proved to often share the same way of expanding their business to foreign markets.*

*Step 1: Exporting, Step 2: Choose sale agents who located in local market, Step 3: If sales go up, firm will replace this sale agent with its own sale representatives Step 4: Move production to that market.*

4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?
5. Do you believe there are alternative choices? If yes, please name some of them?
6. How does this choice impact your entry timing? And Why?

#### C. Window of Opportunity

*The opportunity occurs when there is a fit arises between market requirement for success and firm’s competences.*

7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?
8. How do they impact your entry timing? And how important is this impact on your
entry timing decisions?

D. Near-Market knowledge

*Economic knowledge and Cultural knowledge a company gains from their operation in a similar market of the target market. E.g. Firm already operating in Denmark will be likely to enter Norway/Finland/Sweden. Firms already operating in UK will be more likely to enter Ireland*

- Cultural factor can be attitudes, beliefs, customs, etc.
- Economic factor can be defined as market size, income, infrastructure, etc.

9. Can you describe the culture of Swedish firms?

10. How do these characteristics impact the time you decide to enter new markets?

11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

13. What is more important for you, Cultural or Economic knowledge and Why?
Appendix 2: Transcript Company A

Interviewer (I) vs Respondent (R)

I: We are master students at the department of Business and economics at the university here in Vaxjo. We are doing our master thesis in the field of international marketing strategy and we are focusing on the topic of market entry decisions. We are basically trying to find new associations with respect to entry timing decisions. We are doing in depth interviews with companies which fit within two main criteria. The first one being that the company obviously has entered a foreign market in the past, preferably multiple foreign markets in fact. The second one is the firms we selected are all supposed to be Swedish firms. We want to hear about your experience with foreign market entry decisions and tap into that knowledge.

R: … - 15 min on history and product range of Company A - …

R: Sweden is definitely our most important market. It is not the biggest but it is the most important because its our home market and if you’re not strong in your home market, exporting is not going to work out well for you.

I: Do you feel like that in other markets, such as Denmark, they look at Sweden the homemarket and say “Hey theyre are doing great in Sweden.

R: No it does not necessarily have to be like that. Funny enough when we established in USA, the USA is probably the market with the most potential and that is growing the quickest. And this is in fact because of the UK. Because we have a very dominant position in the UK and all the American players to come to the UK and play in all the big tournaments and famous courses. So in a sense we created WOM in the USA because of our success in the UK. We now see Scandinavia as our homemarket. So basically what is going good in Sweden probably also is going well in for example Norway and Denmark. This could relate to something as simple as color.

I: If I can just recap everything. Uk and Ireland are a very big market for golf right? The USA players they would come to the UK to play on the famous courses and because of that you get a kind of brand awareness through those players in the USA.

R: When we go to the customer in the USA, he is usually a pro. He is a buyer for a shop or something like that. He has 80% chance that he has played in the UK. That is one of the reasons I think US will be one of the fastest growing markets.

I: That’s very interesting because we are focusing on WOM in our research. Perhaps we can jump right in to the questions regarding WOM.

I: How does positive WOM influence your entry timing decisions. So for example for you guys how a positive wom in the UK would influence your choice of going to the USA.

R: I think that within a country we have been able to increase within the country BECAUSE of
WOM. For example in the UK when we entered there in 2000. It was too colourful, too big branding and it took us five years to knock that wall down. But as soon as we opened an account on one of the famous golf courses it started WOM to open up the rest of the country. I wouldn’t say we would open USA because of that though. Because USA has been on our radar for 5 or 6 years already. Why? Simply because it’s the largest golf market in the world.

I: So the US market was decided to be considered because of the economic factors.

R: Yes. And the reason why we do it now is because we have established the European market and we do not see an enormous big increase here. When you are working up those countries in Europe, Germany, Sweden etc., if you building up that and at the same time go to the biggest market you might ruin everything. However in Europe we are so established so we are prepared internally and externally. So it is more of a strategy. Perhaps it is also a little bit a Swedish way of doing things.

I: Can I just rephrase that a bit. Is it true if for example you want to go to the USA market, you would go to Canada first. You first want to getter more knowledge on for example Canada or the UK first before entering the USA market.

R: Hmm. Yes well this wasn’t the case for us. In fact entering Canada was just a coincidence. We were doing well in Europe and uk was really picking up at that time. There was basically a guy in the uk who had a territory and he did business in canada,. He was sales agent but mostly for shoes. This guy tried it out and that’s how the Canadian market started. So the Canadian guy contacted our company in fact. At first we at Company A said we aren’t ready for that but he insisted so much that in the end we did decide to work with him. It was just a coincidence and Canada wasn’t really on our map.

I: So basically through personal contacts you entered the Canadian market?

R: Yes and that was also the case for Italy, UAE, turkey

I: OK. Would it be fair to say that on the one hand you deliberately and consciously decide “I want to get into this market, that market and that market” but on the other hand many of the markets you have entered were indeliberately and rather a coincidence.

R: yes and its like they heared about it and they’ve tried so there is some WOM in here as well in fact. On the one hand it is some coincidence but definitely as well as it being a strategy from the company. We consciously decided to try to have a storng position in the home market as well as Germany uk and Ireland.

I: So you want to be well established first and then move on to the other markets.

R: Yes

I: But if you decide to enter a new market besides from Germany. Would you say you use the knowledge eyou have gained from the german market in that new market entry?
R: No we did not really because they differ so much. For example a golf shop in UK and Ireland is completely different from those in Germany. It’s a different way also in terms of pricing. So the role of the pro and the shop is very different from country to country. In Germany for example 80% of turnover of the golf shop is for ladies. But in UK 95% of the turnover is men.

I: So that means there are some differences in characteristics in the golf industry right? It seems like this could be specific to the industry? Because we know from previous interviews that one company they had a lot of valuable knowledge for entering the Dutch market simply because they were already successful in the Danish market.

R: Well, absolutely. No doubt that you learn from your mistakes but if you select a country to entry and you wonder how should we do it. Agents? Distribution, ourselves, subsidiary? You need a lot of knowledge of that market. If you have everything there and you know there is a market the most important thing is the person you select in there. Because if he can’t spread your message of Company A, how we do business etc. We have done so many mistakes when selecting certain people. So people and getting the right persons involved is one of the important things you can do. Of course you learn from country per country. What faults you have done.

I: The thing I want to emphasize here is something that will be similar to the other market. For example the Danish and the Dutch market could be similar and the things you have done in Denmark you would be able to bring that to Holland and perhaps it would be better because the market might be quite similar.

R: Yes because you have more experience and you can do it right from the beginning. Absolutely. Actually I do not think it is something we think about but its rather something that you have in the back of your head. For example we shouldn’t do it in this way in NL because that did not work out in Denmark.

I: Because you talk about choosing the right person in the local market. We found 1975 research by Uppsala, Swedish firm follow 4 steps of entering new foreign market. First is you will go for exporting, Second is to choose the right sale agent who know the local market, third is if you see the revenue go up, you will replace that sale agent with your own sale rep or subsidiaries. Finally, if you think everything is going well, you will move your production to that country. What do you think

R: Yes absolutely. Except the last one. Because we will never do production in Germany or something. Other than the last one it actually is the case for us. We started to find the right person and over a couple of years and then we actually acquire them. And in a way to come back on what you said earlier. That really is something we learned from that and we took with us when we entered the US. This was a learning curve from other countries.

I: How come you choose exporting over any other entry? Any reason behind choosing export?
R: There are many reasons for exporting but one of them for us was the “season”. In Sweden you play golf from March to October. We needed to find countries to prolong that business period and we needed countries who also played in autumn. UK and Ireland golfing season is year round and their autumn business is huge. The second reason is of course that for internally to create a collection is does not matter whether it is 10 pieces or 200 pieces. You need a certain collection to present and whether you do that for one country or many countries the work for the development team is internally is the same. To purchase products for 10mn or 100mn is the same work, but just to add more, You do not need more people working to just increase. The reason for exporting is also especially for having control and building the brand in the right way.

I: we saw that you hired a branding agency in the USA to do the branding for you.

R: Yes we have different branding agencies in different countries.

I: ok, because you talk about golf season. So golf season is something that belong to the industry right. For example in Canada they only have a golfing season of something like 6 months. Do you think that characteristic of the golf market will influence your decision of entering that market.

R: Oh yea definitely there are some markets which aren’t interesting for us because of that. It’s a bit like the season in northern Sweden and we actually send in our products already in June till the beginning of September. So a very short season. So yes because of this some countries aren’t interesting to us.

I: Ok now about Window of Opportunity. We did a pilot study and we found that the reason for some companies to enter a specific market at a specific time is purely based on coincidence. For example someone in our management staff speaks French which allows us to have a better chance to enter the French market. Or someone has a good personal connection in that country which allows you to find a good customer in that particular market. Would you say that’s also applicable to your case?

R: Yes in terms of personal connections or relations it was like that for us in Canada. Someone we knew had a contact who was eager to sell our products and also France was an interesting case where this distributor was also responsible for Belgium. That guy for example met a Swedish woman who he got married to and that was familiar with GG and that’s how he started to sell the products for us as well. He also took the brand out to Belgium and Luxembourg and France as well. So that is how things sometimes develop. He basically was operating for us in Belgium and he kind of begged us if he could just do France and Luxembourg as well. France actually is on our map and just today we took the decision to start up France with a new distributor. The reason being the Ryder cup which is a very famous tournament which is basically North America vs Europe. It will be held in France in one of the coming years and we are preparing for that now already because once the tournament is
being held there, the business will boom so we have to be well established and build the brand in that market by then. And in fact france is a very difficult market to work in because of the language, the culture, the way they do business etc.

I: Based on those experiences, could you describe us how important and what the impact of this is on your entry timing decisions?

R: Well sometimes it had an impact for us when entering a new foreign market for us however usually we have a the map and we know which countries we want to enter based on the information we have of that market so usually it does not impact us that much.

I: We heard the same from another interviewee actually that france is very hard to enter. Talking about culture. Can you tell us some characteristics and the culture of Swedish firm and how that influence Swedish firms to enter certain markets.

R: Something with our mentality ?

I: The way you business and the way you think basically. For example in our pilot study we found out that Swedish firms tend to be trustworthy people but perhaps they are a bit naïve.

R: Yea I think that it comes from how we live the life and it helps us to do business as well. The importance of business is the relations. We do not want to do business with a lunatic or a crazy guy just to increase sales. We rather do business in a slower term with a partner that we love to work with. I think that is quite typical for us. I do not think its good or bad. But it is about meetings. Swedish people have meeting. When do Swedish people work? They do not but they do meeting and often they do meetings about those meetings and pre-meetings etc (haha). But when we then take the decision we are quite well equipped because of that. But naïve ye perhaps. We approach relationships slowely and step by step. Yes, we are quite slow decision makers but when we take the decision we have all the facts. We do not do business in asia, we just started though in south korea. But what we heard is that people in china make decisions very quickly and if you do not they think Oh OH whats going on? Japan is also interesting in that regard. In fact china, japan and south korea are the three latest new markets we are looking at. I heard that in japan .. as soon as you shake hands it is like youre in a marriage so that means you have to be very careful who you are partnering up with because having the wrong partner can be complicated (in case you need to get out). The cost of divorce is very high.

R: Another thing that I noticed is that the partners, for example in the uk, who we work with get Swedenized. In the sense that Swedish people to value the balance between and family life a lot. We care so much that when its 6-7 o clock and weekends we spend with our families whereas those people seem to work 24/7 and do not take lunch breaks. We think that they have learned to appreciate that time when they’re free and have a longer lunch break.
I: So because of these cultural characteristics. How does that influence your entry timing decisions?
R: Hmm I do not know. Perhaps in the end it is all about business. You do not enter a new market to have a loss. You’re going into a market because you see the potential of growing and establish the brand. It comes down to culture, people. You want to work with people who understand where you come from. You need to understand their culture as well and adopt to how things work in that country. Also the strong point in our culture is that we can’t possibly know perfectly how things work in a foreign market and we have to rely on the people working for us in that foreign market and that he lives up to what we expect. It’s a lot about trust and reputation and the soft values are valuable. Also you have to keep promises.

I: Would you argue that economic part is more important than the cultural part when making your entry timing decisions?
R: It comes back to what I said before. It is step by step process. When it comes to decisions its very hard to say. On the one hand for example we would have never considered Japan as a market if they weren’t the second biggest golf markets but then again also its also about your relations with certain people in market so its more both I guess and very hard to pick on one of them. Other things that affect our choices is to a little WOM and also sizing. For example we can use the same sizing throughout Europe but when it comes to Asia we have to get back to product development. The actual physique is different in Asia than in Europe. So it is again a certain industry feature.

R: …- gives an elaborate example of the shoe market- …
I: another question regarding WOM. Have you ever experience negative or product WOM of your competitors and how did that influence you?
R: We do not have any competitors. We have colleagues. But for example the worst thing that could happen to us is if a sales guy comes into our office and says “could not we do this jacket or that jacket” which means he has seen it somewhere else. Then it is not interesting because we should invent things that the customer does not have yet. We have a lot of colleagues who are doing what we are doing but what we think is poor. However there also are people who copy us but they can’t really deliver on the full package.

I: Ok, I think we pretty much covered everything
R: I hope I answered some of your questions.
I: Yes definitely! And once we finished with the thesis we will send it and you can go through the analysis and the conclusion, if you like!
R: Yes please do!
Appendix 3: Transcript Company B

Interviewer (I) vs Respondent (R)

I: We are master students at the department of Business and economics at the university here in Vaxjo. We are doing our master thesis in the field of international marketing strategy and we are focusing on the topic of market entry decisions. We are basically trying to find new associations with respect to entry timing decisions. We are doing in depth interviews with companies which fit within two main criteria. The first one being that the company obviously has entered a foreign market in the past. Preferably multiple foreign markets in fact. The second one is the firms we selected are all supposed to be Swedish firms. We want to hear about your experience with foreign market entry decisions and tap into that knowledge. We want to establish new associations for entry timing decisions, being WOM, step by step internationalization, window of opportunity and Near Market Knowledge. The definition of WOM is for example the rumours that are being spread amongst consumers and they talk about your product to each other. However you can also talk about the WOM in your entire product category. For example the kind of product that you are also producing can be experiencing an upward trend. Also WOM can either be positive or negative for your company.

I: So in your experience, have you ever came across positive or negative word of mouth in your product category?

R: Yes, I would say i've been through this experience two times. Once when I was working with office chairs. We succeeded with a concept connected to the office chairs. Because office chairs is a kind of commodity with 500 suppliers or so. What we did was to connect the office chairs with ergonomics and which gave you an advantage in that you got a better productivity. The concept was called design for human performance. We started up a human design project. We started this project in call centers where people working there are very into detailed measured. How many calls? How fast do they answer? Etc. What we did was to put in 10 chairs in a call center office and we have the key figures, KPIs from before and then we put in the chairs and checked over a period of 4 months and the productivity increased. It was however a sort of placebo effect but anyway, it increased. And that project was set up in each country where we were and then the information and the rumours spread to other call centers and that created a sort of pull effect and other call centers came to us for our chairs. We did that first in Holland and it had that effect and then we did it as well in the UK and the rumours also spread. And then we started using that as a launch strategy.

I: And did you feel like this strategy had a different impact in different countries?

R: Yes haha it did not work in Germany and it did not really work in Denmark either but otherwise it worked very well.
I: Would you feel like some of these markets are interchangeable. As in for example this strategy worked in the dutch market, subsequently it would also work in the Belgian market?
R: No what we realized is that we could use the reference from for example holand and use that to start a project in the UK but we could not use the dutch reference as a pull effect and sell in the UK though. The customers were a bit sceptic and we had to prove it in their own country. When we had a reference from UK it was OK to sell in the UK and we could sell to other customers based on that local reference.
R: The second thing is something we are facing right now. We are working with a plastic material based on oyster shells for packaging. That’s very interesting because now the rumour is started to spread. We had our first customer here in Sweden and I was able to send over samples in the UK. And actually today I got a tender, a possibility to offer that in that particular material. And it is also spreading in the media right now. Mostly in Sweden but also in Denmark. In UK we are going to plant the rumour by contacting a few news magazines through the internet.
R: These two cases have something in common as well actually. When you are a problem solver (with your product). You give a solution to a problem then you can find success. In the call center solution, they were facing the same problem. Problems with productivity, sick leaves, back ache etc. But we could not go there selling the ergonomic features but we had to sell the effect it had based on the increased productivity based on a proven study and based on KPIs they are familiar with.
R: And when it comes to this environmental material, the customers today that are using plastic are struggling because it is a fossil raw material and they want to lower that carbon footprint and they want to use renewable raw material. Big companies right they have Corporate Social responsibility directors and they promise to do everything they can to be environmentally friendly. And when we are presenting are solution they kind of have to accept our products. These companies often have targets for having a lower carbon footprint but they do not know how to do it. Of course there are the obvious choices of changing the sales rep his car to an electric car but at some point you will be running out of easy fixes. And then what should they do then? We come with another thing. And its not a disturbance. Our packaging is the same quality, the same function etc etc but on top of that it is also environmentally friendly.
I: Have you ever felt like a positive or negative WOM of your competitor has influenced you and your entry timing decisions?
R: Yes I would say right now in finland we have a strong competitor who is on the stock market. They are struggling with their financial reports and they are publicly traded so everyone knows they are struggling and the rumours are spreading very fast. And of course they must be open with what
they're doing and how they plan on increasing their profits. Their customers tend to be a little bit afraid and then we are entering Finland as well with our own products. And basically they do not want to go with the loser PLUS we have a differentiating material. So basically the bad reputation of the competitor and our own differentiation plays an important role in this case.

I: How about WOM based on the reputation of being Swedish. That you're a Swedish company with Swedish products.

R: I think it helps a lot actually. But it can also go both ways. Sweden is also connected to higher prices but also of course connected to high quality, engineering trustworthy etc.

I: So ok that actually influence potential markets like.. they know you're from Sweden. You have a certain reputation and then you say for example for us as a company its time to take advantage of that.

R: Yes hmm definitely but of course you have to do it in a balance. But definitely it is something to lean on and I think the reputation of Sweden is quite good. I also use for example in the launch in France where I was using the Swedish embassy or the export counsel. They have connections to the local firms and the diplomats. So basically I could arrange dinner in Paris in the embassy of Sweden. It was very easy for, as I had that platform, to pick any people I wanted to meet. They can't say no to that basically (haha).

R: So that's one way to use Sweden but I also know for example that bigger companies like Ericsson they are using even the king and the queen in the sense of diplomatic missions.

I: Ok great! We can move on to the next part of the interview. The Swedish stepwise internationalization. We found 1975 research by Uppsala, Swedish firm follow 4 steps of entering new foreign market. First is you will go for exporting, Second is to choose the right sale agent who know the local market, third is if you see the revenue go up, you will replace that sale agent with your own sale rep or subsidiaries. Finally, if you think everything is going well, you will move your production to that country. What do you think. Is this true for you as well?

R: Yes I think this is true. If you go step by step you get a trial and error effect and you lower your risk. Also Swedes are quite small entrepreneurs with low capital and I do not think if you go to the bank you get a loan for entering the UK. You can call it a kind of pilot project. You're trying to sell, trying to get a footprint and then you go from there.

I: Would you also consider other options other than exporting? For example M&A, subsidiary, JV etc or something. Or do you feel that's a step that you're much less likely to take.

R: I can see a very obvious pattern when I was working with office chairs. We started up with export, then sales man, then find agents and dealers etc but the increase of sales when we started a local company8 and we also hired a local country managers. Even if they were just one or two
persons but it was a address and it wsa a company like an “ltd” and we have a local telephone number etc. And these guys are supposed to know the local market but also they are much more likely to be accepted. They are part of the local community and they have their own network. The next step after that we would have a logistic hub, where we had a small warehouse for distribution so we could deliver very fast. And the third step we did in the UK we had a small assembly. Not full on production we rather assembly of combining different parts. It wasn’t really production iwhx our own factory. Often you have a local competitor and their advantage is their social network and speaking the right language as well as fast delivery. And also of course the next step is to take care of quality problems or when you get problems qith the product u have to be there to fix it.

I: Alright. The third association is window of opportunity. A WoO is when there is a fit with what you have, so the firms capabilities with the market potentials.

R: If you have a company in Sweden, and here we a have population of 9mn people and you are sort of satisfied with ur business. But if you want an increase of sales of about 20% on top. If you then look at Holland where there is 16mn in quite a small area. Even if you have a quite narrow target group so if you are successful in small population with 5% market share so if you even have just 0.5% in Holland you will have a nice increase in sales if you go to that country. Also with such a small market share you will probably not disturb the local competitors. They will not react in lowering the prices or being aggressive or something. And then if you take to the step to uk with 70mn people then its enough to have a very small market share. In that respect its an advantage to come from Sweden and its much more difficult to do it the other way around I think.

I: What about certain relations or connections in regard to WoO and market entry decisions.

R: I think that for example uyour customer could be expanding their sales. For example we are working with H&M and if they grow their business to new markets, we will also grow our business. In terms of coincidence I haven’t really experienced that so much. Of course now in finland I had thoughts on how to enter finland and I was browsing on the internet and al lof a sudden I saw a kind of fair in finland and we booked a booth and we get a great response. So it is not really coincidence but more of a guided coincidence. I think it’s a combination. First of all I decide I want to expand my business. Then how should I expand. Own market or foreign market? So then you decide to go to a foreign market because u already have a big market share in your home market. So we decide to export and we decide to pick a foreign market which is the most easy. For example a country where you speak the language like England or Norway and even Holland. Also based on experience. We know from experience that Germany is quite tough. If you narrow it down you basically have like 5 countries whiclh are possible. And then maybe you get this kind of opportunity and then you will do that market first because it’s the easy way and you could make it work. But of
course as a start and as a platform you have to have some kind of drive to do it other I think if you do not have that, and you do not have your eyes open, the opportunity will pass you. When you're starting to act you start whipping up rumours and people and all of the sudden things are happening. I think you could call it a coincidence but you are more or less in the right spot and you are open minded and ready to expand. Also there was a customer from the UK, he said that the luck is following the well-prepared. Also we are working with a very big Swedish-finish cartboard company and they are working globally. They have export all over the world and they are also delivering to our competitors in the UK. That also means I can ask them, because there is a sense of loyalty, how is business in the UK, they will probably answer me. If I ask them who else they are selling to they will probably tell me. These are basically my competitors and if I ask them who the customers of those competitors are they will probably tell me as well because we’ve been doing business with them for such a long time. I can use the loyalty of my subcontractor so that’s also a way of using your contacts.

I: Based on your previous answer, is it fair to say that WoO has had an impact on your entry timing decisions?
R: Yes it definitely had a great impact for us, as I explained in those cases just now!
I: The last part is about Near Market knowledge. The economic and the cultural knowledge that you gain from one of your current markets and using that to enter a similar market. So for example when you’re already operating in Denmark you might have gained certain knowledge from that market which would also be applicable on the dutch or the Norwegian market. Or anything similar to this scenario. So have you experiences any cultural factors that are transferable?
R: Hmm yes. Ill tell you a story of how it was the other way around. Basically we set up an office in the Netherlands right at the Belgian border. And basically our plan was to set up a hub there so we can easily distribute centrally to the entire Benelux. We had success in holand but inf fact we sold nothing in Belgium. Also when we were delivering office chairs there was quite a big difference in terms of marketing material between Norway or Sweden and compared to denarmk. We found that for example in the UK the head rest of the office chair is only for the top management and not for the normal employees while this is not true in all the other countries we operated. So there are reallly big cultural differences and you have to adapt to those. Once again go for the easy way fi there are cultural borders, price borders, colours, environmental etc. You have to do the analysis and you have to decide whether to argue for this or take it away.
I: Can you describe the culture of Swedish firms in your experience and its impact?
R: I would say Swedish firms are quite structured. Not 100% like when I was working with germans. I think we have a good mix of being entrepreneurs and nbeing structured. Also we are
quite flexible and quite fast when we are doing things. Also trustworthiness is definitely a quality of the swedes. That also allows us to make decisions very fast because we are trusting eachother, however the preparation and discussion preceeding those decisions is long. We do not really have a second agenda or something. Compared to other countries we have quite a low political level in the companies. We are honest to eachother and honest in the company. That maens if I say something the people and the organisation will listen. And then we take a decision together instead of being suspicious. Then on the other hand we are very much into consensus. People discuss a lot together and talk a lot and the discussion is basically allready taken before it is formally taken. Basically the Swedish way of making decisions is spending a lot of time in disacussing planning consensus, making product plans etc. The preparation time is long but the implementantion is fast. A disadvantage about Sweden is that its very hard for a foreigner to realize when the decision is taken because its not really a distinctive point. On top of that I also think we are a little bit naïve. You can see that we are a bit naïve. We are a trusting people. When you are going abroad you are facing people who are trying to cheat you. You cant really lower your guard. For example last time something costed 2 euro and next time 4 euro. Why? Because you did not ask. But to come back on the second part of your question, all in all our Swedish culture is not something that impacts us as much as the other factors when we are deciding when on a new market
I: Ok the economic factors then. How does influence your decisions regarding market entry timing? What is the impact of that?
R: I think that’s quite important also because of the difference in currency between Swedish kronor and the euro. The Swedish kronor has been very strong compared to the euro. It affects quite a lot of your on-going business. It can be a disadvantage. It could also go to if you have euhm.. I mean we did business with spain before the crisis and of course that was no good. We saw the obvious trend there and of course we backed off fast from that market. And now we see for example an increase in retail in the UK so of course that’s one part of the decision of moving to the uk.
I: What would you consider to be more important for your entry timing decisions. Is economic more important than culture or perhaps the other way around?
R: I would say culture I mean if the culture is not working then it does not matter how big a potential customer base the country has. Once again go the easy way. Do not work against the culture because that could be really hard.
I: Ok, I think we pretty much covered everything. Once we finished with the thesis we will send it and you can go through the analysis and the conclusion, if you like!
R: Yes that would be great
Interviewer (I) vs Respondent (R)
I: We are master students at the department of Business and economics at the university here in Vaxjo. We are doing our master thesis in the field of international marketing strategy and we are focusing on the topic of market entry decisions. We are basically trying to find new associations with respect to entry timing decisions. We are doing in depth interviews with companies which fit within two main criteria. The first one being that the company obviously has entered a foreign market in the past. Preferably multiple foreign markets in fact. The second one is the firms we selected are all supposed to be Swedish firms. We want to hear about your experience with foreign market entry decisions and tap into that knowledge. We want to establish new associations for entry timing decisions, being WOM, step by step internationalization, window of opportunity and Near Market Knowledge. The definition of WOM is for example the rumours that are being spread amongst consumers and they talk about your product to eachother. However you can also talk about the WOM in your entire product category. For example the kind of product that you are also producing can be experiencing an upward trend. Also WOM can either be positive or negative for your company.
I: You can start by telling us about your experience in foreign market entry, what kind of job you have been doing, in what kind of position
R: I was quite young when I enter Company C, it was coincidence, I am a building engineer. When I graduated, I went to the biggest contract company, Skanska>???. That was bad timing because in the 90s, the whole building market in Sweden dropped. from the crisis, 80 000 new houses to 12 in one year, 80% of the market jus disappeared. It was big big crisis in the beginning of 1992 and 1993. All building engineer younger than 40 of age, they have to go home. That was bad timing. But I saw a job opportunity in town of Gamla. And I started to work at Company C/ as an indoor salesman. I stayed there, I became sales manager 1996 and managing director 1999, shared owner 2002. Majority owner in 2006. Me and Patrick, my colleague, bought 51% of the share 2005. And then, the oldman, the biggest owner, he died in 2007. His daughter did not want to work in the company, and that was a good opportunity for me and Patrick to become the owner. 2008, 21st of May, we sign the agreement, to buy 49% left. We loan a lot of money to finance acquisition. What happened in August to October, crisis. Bad timing, but we managed. 2009, 2010 to 2012 was fantastic years. We had very very good. Not turn over but we launch new product which we can higher the margin and earn a lot of money.
I: New product in ventilation industry?
R: Yes.
Then we decided 2012, should we continue, to put the company to the next step. We had to either loan a lot of money, to expand new products, new markets. It is around 40 50 million Kronor to borrow. We decided it not worth the risk. We do not have fix wallet, so maybe we sell it to company who already have the market and the products. So we sold it to English company, and now Company C is a part of big group. And they have a lot of entries to new markets that Company C can benefit on. Also some new product could fit in the product ranges, so it is a perfect match. And they continue to grow now.

I: So you spend almost 20 years in Company C?
R: yes
I: We need to know your experience from one company, so it could be Company C. Not now but maybe in the past.
R: Yes, from 1992 to Oct 2012. More than 20 years. If we focus on export markets. 1992, Company C was a very small company. We had the turnover of 20 mil Kronor. The majority was Swedish market.
I: any where else, maybe Norway?
R: I think, 5 export countries. Denmark, Norway, Finland the neighbor. We started a bit in Germany and a little bit in England. Very very small. The way we had done export activities in 1990s-2000, 2002- 2010 that is pretty much of coincidence. Because we exhibited in exhibition, we were doing lot of work, but actually it was the coincidence that we find the right company. It is not like “look at the map, where should we go?” More or less, coincidence.
I: We can pick up on that, we are basically on Window of Opportunity, the strategic window. Basically, it has to be a fit between the company and the potential market. But we also, from our pilot interview with a business leader, he said, “For us is more coincidence, that we had somebody who can speak French, and then we can go to France”. It was kind of similar, because you speak about the same.
R: Yes it is. We had in 1992, we exhibited in every 2 years, they had a very big exhibition in Frankfurt, call ISH. It is for the ventilation industry. All the major players were exhibiting. And most of our export customer, we have found on this. I think in 1993, we found an Japanese contact, he said japan is very interested in this kind of product. He convinced us to go there, we came with him to Sapor, Hokaido. Hokaido has the same weather with us, cold winter is important. You have to have the control of ventilation. It was a very big market for us. We were the early in that Japanese market, this man, the professor in indoor climate. He took our product. Japanese were our biggest market. from 1992-1997 it rose like this( Increase a lot) , in 1997, I went there with the Japanese guy, we have the order of 7 million Kronor, in just 1 year. We had it in our pocket, our
turnover of that year 27 million Kronor, so that deal was almost 25% of turnover. But what happen
in 1997, crisis in Asia. They cancel all orders, We have no deal in 1 year. This thing happened once
in a while every 5 years, big things happen. And then you have to maybe, restart. But in the mid
90s, Japanese market were very very good. Because of this man, who found our product in
Frankfurt, we had great success in entering japan. Then more companies call us, they want to buy
from us, all of them from Japan, I think we supply 4 of 5 major players in Japan. From our small
production.

R: We have done the opposite way, sometime, it has never succeeded. For example, we have
identified France as very interesting market, it was much closer than Japan. We hired the Swedish
trade council to do the market report, we invested a lot of time and money to identify potential
customers and make the analysis of market structure and the building regulation, everything. They
said it suitable for your products. But still, it was extremely small market for us.

I: Basically, you choose to enter this market base on some criteria, right. Maybe something related
to the way they think, the way they build house?

R: Yes, exactly. There are competitors with similar products, but we have never succeeded in
France, we tried to push, but sometime it is better you get the demand, you find one personal
contact who really fit with you, then they do the market for you. But we tried to push to France
market, but it did not work. I think it is pretty much coincidence. You cant plan next year we are
going to Argentina, you never know, because you find the right person we need in Chile, then the
Chile market will come. That is pretty much coincidence.

I: Could you elaborate on the Chile market more?

R: Five years ago, our export manager found a very good contact, a Norwegian guy who lived
there, and he connected, and now they developed very very well.

I: So through personal contact basically.

R: Yes, I think that is more important than you can figure. If you have a map, you see here is 20
million market, here is 100 million market, yes of course it is 5 times bigger the market, you have
the same regulation, but if you have the right contact in the country with 20 mil people, it may be
20 times bigger than the market. It is all about you have the right person, right time, right market.
And you can not plan that. It is more about coincidence. You can be lucky and find those guy.

R: Timing to find export possibility is tough, it is not easy. And people said, coincidence, a little bit
of luck and export friendly product as much as possible. We struggling for a lot of years, exporting
not Scandinavian products, and even the thinking behind the products, it is still very tough. And in
the end, we have luck in global type of product, and therefore we have a lot of success.

Maybe 5 years ago, we had a niche product, very narrow. It is not like glasses or telephone who
have big big market everywhere, we have warm ventilator? Most the people in the world has never heard about it. We tried to invent a market, create the market. And that is very tough, then 5 years ago, we develop the very new, interesting bathroom fan. Bathroom fan existed in most country, almost in every countries you have bathroom fan in toilet to extract the smelly air. And we succeeded to export it to the world. In the past, we had niche products which people in other countries never heard about, it is time consuming, a lot of hard work from the beginning, to convince them that they need to have fresh air into the building. And then some countries like Japan, they also have the same idea, they have almost the same building regulation so that why we had our opportunity in Japan to fill that gap. And also other Scandinavian countries have similar building regulation. So our products were also fitted into the building in Denmark, Norway, Finland, to some extent also in Germany. Most of the countries do not have the building regulation demanded the fresh air inside the building.

I: For me right now, I want to focus on the way you exporting. We had quite old findings, they said that Swedish firm they often share the same when why expand their business outside the country. For example, for you the Swedish firm, when you want to expand your business in to diffent market. The first step you will do is to export, you will not do M&A or licensing. The second you will choose the sale agent. As I said before, this is the guy who located in that market, and know everything about this market. Step three, if the sales goes up, we will replace that guy with the guy from your company. To be your sales rep. Sep four is that you will move your production to that market. So that is the four step, they said the Swedish firm will allway do. Because this model come from Uppsala University in 1975, so is it true that exporting is till your first choice of expanding your business or not?

R: It is true

I: alright, is there any reason behind the choice of exporting as your first choice?

R: It is cost efficient. Because it is pretty much depend on the product you sell. As I told you, we had niche products, it is not like commodity, you can start your own production, normally, our typical customers were ventilation producer having 99% of the product, we just put 1% there. We did not have the full range. We cant go into the market ourselves, we have to find companies who complement ourselves

I: That means you will find somebody who knows the market before you go there?

R: They know the market, and they have the right complement to the products.

We cannot go directly to the end users. We have a case in China, there we do all the four steps that you said. First, in 2000, we also in Frankfurt, we found a Chinese woman who move to Sweden, so she speaks Swedish as well. She were architect of a Swedish building products on the Chinese
market, or actually the Beijing market. Then she saw the demand for our product. She started to buy our products, we export through her. She talked to the contractors. We visited her, and saw huge potential because they needed our products. Together with her, we started a sale Rep in Beijing. It is more like a brand, it is easier to do business in China if you have Rep office there. It is not ltd, it is more branch. We worked with her, because Rep office we need chinese rep as well, so we started to sell and expand and then we decided they did not have a chance to push it further. I think we started a company, and we produce in Shanghai. 2006, we also started our production in South East of China.

I: The time span here is?
R: 5 years. We did not have our own production, we only go for toolings. We hired a space in another company. We found a company who made molding, we bought them and start production. We did not hire any labor.

I: So you are part of someone else’s production?
R: yes

I: So that means that you have 4 steps on the case of Chinese market follow the model of Uppsala model?
R: Yes

I: The last question about this, how do you think this choice affect your timing choice, because you always choose exporting as your first option. Does it mean you will wait until you find the right person in the market?
R: Yes, by coincidence, we find the guy who you think you can connect with, then you’ll go there. So we wait until we find the right person.

You can be visible, you can be active in the exhibition, travel around, but it pretty much coincidence when you find right person. Or you do not find like in the French case, we never find the right personnel in France, and it still not the big market of Company C

I: Because of cost efficiency, you only choose exporting without other options are there?
R: In our case, we did have a partner with wider range of product complimentary to our products.

I: Because you have introduce your market in more than 5 different countries like Denmark, Netherlands .. Here we have a new theory, the near-market knowledge. It is like this, lets say you already entered Denmark, then your next move will likely be Norway, Finland, because you already have the knowledge in the market which is similar to your target market?
R: Yes

I: Can you describe the culture of Swedish firms?
R: the respondent find it hard to answer directly.
I: Why Swedish firms go to Denmark, Finland ....?

R: 1. Geographically, very easy. It is 2 hours from here to Copenhagen, it is not a big thing. Culture, we have almost the same background, almost the same language easy to communicate. Ventilation market is pretty similar, they have the same demand for our kinds of products. It's easier if you enter a market that already has the demand, not try to push products to markets. For our case, in Africa, you can open the window, it is not the issue not to have the ventilation.

I: go deeper in Culture thing, how do you think they are similar in term of business ethic or something? In our pilot interview, we go to Holland, we were a bit shock, because they are straight, they tell you what they think and more aggressive

R: Dutch they are very good sale people, they do not have big market, they do not produce much, but very good sale people, very hard to meet when you negotiate. We did not gain that much from our knowledge on a similar market. We struggled a lot in Denmark, we had to fight for our brands and even at some point we went to court over one of our brands, it is very tough. Dutch are the same, but also quite skillful.

I: do they live up to their promise?

R: You find honest companies and dishonest firms in every countries. We had negative cases in Denmark, but I think in Holland we are lucky, we had a lot of suppliers, we had 3-4 suppliers, 3-4 customers, always good relationship with Dutch. We often assume people are not dishonest but sometimes that honesty is not rewarded unfortunately.

I: Before you go to Netherland, if you have some knowledge of similar market. Like because of the knowledge in Denmark, you know how to deal with Dutch.

R: we did not think about it so much. When we enter Japan market, we hired a professor, he came with us because he talk Japansese, We did not think that much, how to do business.

I: In Japan, you figure out the culture is not too different with Sweden

R: After we go, in China, we hired a company there.

I: Maybe Swedish firms share some common characteristic, for example in our pilot study, Swedish firms are naïve, they believe .... IS this influence your choice?

R: It is very hard for me to answer

I: How is the impact of this topic on your entry timing:

R: If you find the right people, you focus on them. We are quite loyal, even if we got demand from other competitors. The guy who have us create the market, we always have feedback from him. This important, not only for your own feeling, it benefit for long. We never try to do quick business and live everybody behind. We always try to create long and faithful relationship. Incremental growth.
I: If you had to choose, which one is more important. Economic or cultural knowledge?
R: You have to take both into account and have a good balance I think. Cultural is very important but if it is a market like most of Africa where they can just open a window instead of needing a ventilation system then economic is also decisive.
I: Back to WOM, we wondering, let’s say you have positive WOM within the product category (ventilation system), so how does this influence your timing? So the country Japan, the ventilation system is very popular, they start realize they like this product, they love it. How do you pick up on that?
R: Then you focus on that. We found 1 professor, he started to talk about Company C to the whole market. Everybody wants to have products from us. Basically because that professor talked about our products to the Japanese people, we had a WOM present there. Then we went to the market.
I: So for you the initial WOM was generated, there was nothing there before.
R: Yes, they created the market, then expanded it. So all the ventilation player want to have products from origin, us. Even if somebody else produce it, because we are the pioneer, so they come to us.
I: So literally, the guy say we want to have product from Company C only. That guy from Japan, helped you to create very positive WOM and you benefit from that?
R: It is very important that to structure the market, and choose the right customer because you could not choose everybody. It is important to know the market, the structure. Sometimes we did some failures, we sell to the wrong person or we did not sell to them because we did not see the whole picture. They always find a way to our product.
For example, in Japan, we sold more than we did directly, because in Luela, we had a retail shop. They started to buy container from us. Normally, they just buy 100 pieces, but now they buy 25 000. And they say want to to send it to Gothenburg, instead of Luela, because they want to export it. They did it for 3 years, and we do not know who was the real customer. And that was Gardilous?? They are big trading firm in Japan. And 1994 we say no to that retail, and find Gardilous and now they are the big player in Japan.
I: Have you ever been in the situation that you have negative WOM about your product?
R: In one way, you can say French. They invented a new way of ventilation, which is different with Swedish way. It was obstacle for us.
I: The end consumers like the way it is, the French way?
R: Yes
I: what about the negative WOM of your competitors? Is that a factor? Is it ever happen to you? For example, because the competitor perform poorly in the market, then you think you may take
R: I do not think so. The german market we had company working with us, but not in that case.
I: How important you can say, for the impact of WOM in timing?
R: Very important, for us it is very important that you have good reputation and we have good products, but still, we only focus on small market. We never build brand to end user. For example, we could not communicate with 85 mil people in Germany, they never know who is Company C. But maybe 200 professional ventilation companies, we could build our brand to them.
I: Do you feel like, being Scandinavian firm, that will have impact on your entry? For example, any chance that Swedish brands that represent high quality … when you come to Japan, it will help?
R: Yes or No. Germany, in 1990 it was like that. Everything from Sweden can be sold. But then 10 years ago, they surpass us. Now Germans products are better than us. In the past, Sweden were better at ventilation system, we were 15 years ahead of them. But now, they passed us. Germans are much more advanced.
In Japan, the same thing. Some of our customer has the Swedish Flag on them, and it is extremely important, high brand, high quality, you can charge more money.
Today, you benefit from being a country where you have the lower general income, for some consumer it is important to buy expensive BMW, products, Chinese and Russian, they have really rich people. If you target Russia, China, you should target high segment, they do not care about price.
They just want to show off. But the Dutch people it should be cheap.
For Germany, they pass us with the quality of products, and a lot of competitors, then you have to go through them to enter the market.
I: You talked about building regulation, how important the government, institutions for your timing.
R: Institutional and governmental structure is very important to us. It is mandatory, you can not sell it if you do not have the demand, if it is forbidden then you can not sell. Because in some country, you can not sell. For some, they do not have ventilation, you do not have the market because they just open the window.
It is more about coincidence that did a lot for us, because if you talk to Swedish Trade Council, they will tell you to go to UK< Germany, France. But you will get nothing there. If you can find a retailer in Estonia, you can own the market, which is more than just 1-2% of France market.
I: Ok that’s great! I think we have everything we need! Thank you so much for your time and if you like we will send you our thesis once it is finished for you to read through.
R: No problem, it was my pleasure! And yes please do send it!
I: Bye
**Appendix 5: Transcript Company D**

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<tr>
<th>Interviewer (I) vs Respondent (R)</th>
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<tr>
<td>I: We are master students at the department of Business and economics at the university here in Vaxjo. We are doing our master thesis in the field of international marketing strategy and we are focusing on the topic of market entry decisions. We are basically trying to find new associations with respect to entry timing decisions. We are doing in depth interviews with companies which fit within two main criteria. The first one being that the company obviously has entered a foreign market in the past. Preferably multiple foreign markets in fact. The second one is the firms we selected are all supposed to be Swedish firms. We want to hear about your experience with foreign market entry decisions and tap into that knowledge. We want to establish new associations for entry timing decisions, being WOM, step by step internationalization, window of opportunity and Near Market Knowledge. The definition of WOM is for example the rumours that are being spread amongst consumers and they talk about your product to each other. However you can also talk about the WOM in your entire product category. For example the kind of product that you are also producing can be experiencing an upward trend. Also WOM can either be positive or negative for your company.</td>
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<td>R: Quite typical scenario.</td>
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<tr>
<td>I: Because the finding was in 1975, so we do not know if it is still valid nowadays or not?</td>
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<tr>
<td>R: It is true, very much.</td>
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<td>I: Near – market knowledge, For example, If you already establish your business in Belgium, maybe you will go to Holland because of the similarity between those two countries. (in fact, they are not). But we may start by asking questions follow our guideline.</td>
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<td>I: First about the stepwise internationalization, how did that happen?</td>
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<td>R: For us it is quite typical development. Development takes evolutionary way like you said. It always start case by case, step by step. A customer called say they want to buy something, or you meet the customer somewhere. Then step 2, you organize it a bit better with some kind of dealers.</td>
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<tr>
<td>I: you improve your distribution?</td>
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<tr>
<td>R: Yes we improve our distribution, and when it work well, then you start up your own subsidiary.</td>
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That take numerous time for COMPANY D and it has happened a couple of time that COMPANY D has acquired some distributor in Switzerland, Belgium …

I: So you do M&A to have control or are there any reasons behind this?

R: To get 100% access to the dealer network, of course. And then the matter of profitability. It is about to get the sales forces full focus on our products. Normally, a distributor work with multiple product line and suppliers, and it is always the restriction in setting up the distribution. You can not control, you have to live with it. There is advantage and disadvantage of it. But the big advantage of having your own subsidiary is to have 100% of the sale forces focus on your products. But in Norway, we have done M&A also, but our latest subsidiary is in Germany 1 year ago.

There we start to consider, because there was some really good candidates for hiring them as distributors. Then we build everything by our own.

I: It will take lot of time to build the network, the distribution right?

R: Actually those guys already had network. In this case, the key is to find the right person, who have experience in that industry, otherwise, it will take a longer time. I would say, you can not do it from really scratch with inexperienced person.

I: Do you have any reasons why you always choose exporting as your first choice?

R: Our market is very niche, is low vision market. It is hard to only live on Swedish market. This is the company’s history, and from the beginning, the person who started COMPANY D worked abroad. In our case, a bit special, our company sell mainly to public customer. University, but also low vision center. This company start with it, very much in Sweden, because of the low cision center was established first in Sweden. And the people who started COMPANY D, the founder they participated in the creation of that center and they have close connection between the company and the authority. And that was the success for the company of course, because they create the market. Then they set up low vision center all around the country. Then they export this idea to Norway, Belgium very early, Spain, Middle East. Setting up Low vision center, they exported not only the product but the whole concept.

I: So the founders realized that, in order to extend the market, we need to export because of the niche market?

R: Yes, the founders realized, we sell very little of products to the end customer. We need to send them to financial public. Just like in pharmaceutical industry, you do not sell directly to the end customer, but through the doctor. It is like to sell a therapy.

This is how it works, with the public funding center, we have a market. If there is no public funding center, the market is not existed, more or less. Because our potential is huge, 1-2% of the population suffer from low vision. Then people say there are many people in our market.
I: You have to export to country that the government support the public center, and the welfare system
R: Exactly, that is the key factor for us. Enter the market where it has well funded public. The second you have to understand how the financial system work. How much are they paying. In some country like Norway, handicapt persons they are tided to the old equipment, there is no limit and in Belgium they have …. That the product will not cost more than 1000 EUR. Of course, you have to adapt to that system. In Germany, took us decades to understand the financial system. Until we employ the two guys who understand the price. We have reasonable sales at low level and stable, okay distribution system , reasoanable network of dealer, and not so much things happen. And we know that the market is huge in Germany , why we sell so little in there . We understood after having investigation, that is about understanding the financial system. Then it works a bit different with insurance company. You have to have contract with them. That is complicated. You must understand how your model work in that country.
I: So the key here for you is to find the right person. Those guys understood the market.
R: They have the knowledge the financial system, then they must understand the products.
I: About the social welfare, for example in Belgium thay have that for low vision people. Do you think it was because of the characteristic of the industry that “social weolfare become important”
R: Yes, of course .
I: So the factor influence your choice, somehow related to your own industry characteristic?
R: Yes
I: Because you choose exporting as your first choice, how does it influence the time you enter that market? For example, because you have to choose the right dealer, then you have to wait until you find the right one. Or it does not influence you at all?
R: Timing is important, finding the right people is the key, if you do not find them then... It depends on you work with your own subsidiary or you work over distributor. Having a mediocre distributor wont be good for business. So find the right people is the key, when you have found the right people, then it is the right time. In our business, the market is not fluctuating very much. The market is quite flat, comes from public financial. So that7s not the problem, then of course, externally you find the right people, internally, you must be able to afford that entry, because it cost a lot of money. That also can influence, you have the financial power.
I: Do you have experience, we feel like the good system of welfare, then you push too quick, then you have negative expericne.
R: We have negative experience in Germany. We took 3 steps, First we worked for many years with distributors, Then we had a guy here , We saw the market, we hired a German person in Germany,
who took care of market and do some marketing. We call her sales rep, agent. But we had a woman for couple of years, look good in the paper, the performance, should be good. After spending a lot of time, quite little things happen. We understood in the end, she might not has the knowledge, we do not have the right person. Then we took step, to employ two guys started their own company as our subsidiary ?? , we all understood that our distributor they will never put enough focus, they have so much thing to do. So they will remain the same level, what we did, we push that woman but nothing happen. We understood, if something going to happen, we have to push. And last year when we started, we almost mor than double the sales in just 1 year. Key factor is right people, understand the market.

R; Talking about timing, we expand to 3 markets, we have been in Norway for at least 5 years. But we were in critical phase in Norway. We were on the way out of market with poor performance. Because of competition, and our own fault, and wrong people. Lower sales, lower results, cut off people, → having less market activity. We realized the market is there, you have always seen that the market is good, it is up to ourself, then we acquire 1 company with 11 people. And they have right contact, good reputation in the market. Then we turned around good results, success in Norway. It cost a lot of money to buy that company. But it is possible.

Third example, in Denmark, we did it in another way, we have been there for 5 years, with 1 sales guy. We see own limitation, he show reasonable sales and profit, but it is impossible to expand with just 1 people. We realized, reasonable market should be able to do more. We hired 2 more guys 2 years ago, then we have expand the product range. We sell much more new products for that market. We also buy some product to sell in that market.

I: About reputation, WOM is one of our topic, we would like to know positive WOM of your own product and product category influence your timing choice. For example, if you have positive WOM in that market, then you choose to go there.

R; I would like to re-define the question a bit. Of course you have WOM. Our biggest challenge, we have no problems in WOM, we have high position of quality product. Our challenge is more about market pressence and the brand recognition. That happen several of time, we overestimate our brand. When we go around, and business customer ask COMPANY D who is that? So it can be lack of WoM. It is very important issue that you spread your words about yourself before you enter that market. Because in our industry, like in may other industry. Products are quite similar. You can not only sell because of product excellent, you must combine with good service, good people who can speak about your product. Putting the product on the market, nothing will happen by itself, to be able to educate customer then they have knowledge about you. My opinion is to focus on one part of market, regionally, and spread the words, and do it correctly. Go deep rather than wide.
I: Do you wait until there is positive WOM, or you just enter to create it by yourself?

R: If there is no, you have to create it.

I: What about negative WOM?

R: Negative WOM almost never happen. Maybe in Norway there is, people want to play with winner not the loser. Customer understand that prosperous company must do something right, and for those who perform poor, there must be something wrong. That was in our case, we took decision, we close our own subsidiary, we understood that will be extremely hard to turn the table because the company has bad reputation. Then we acquired a company, who is distributor. But they distribute other products as well.

I: What about the WOM of your competitors. Like you can’t?

R: Sure, then that’s valid. In our case it is 100% valid. But we of course, we look to choose distributors also. They must have positive WOM, reputation. We are looking in USA seriously at the moment. It is impossible for 1 company to travel the whole USA. We have 20 dealers there, but we are sure most of them are not the right dealers, so certainly it is important. But for the time you enter the market, you can change WOM definitely.

I: How about you have Swedish brand image, how it impact your timing?

R: It is interesting. If it have influence, then maybe Swedish in general overestimate the importance. We go and work with some Germans, they say Oh no, if it made from Germany then it will be different (Germany has better quality product). So you have to be careful about that.

You know Swedish products are high quality, some Swedish Company Deliver mediocre products, which is okay but not superior. You have to live up to Swedish reputation. There is something that related to Swedish product, Good quality, Trustful, Democracy ….

I: WOM somehow always existed in the market, but you can changed it.

R: yes, I agree, in my case, it is possible to influence the WOM.

I: WOM is quite important for timing?

R: Yes, if you are not visible then you are not existing.

I: About the near-market knowledge, Do you have any kind of experience.

R: Yes, it is. In our case, The opposition happened, it can be difference a lot, base on the financial system. In Belgium, in many company, they can ….

For us, we have office in Nijlen, Belgium, 20 km from the border, for us it looks perfect but it would never work. On the other hand, products fit very well, we use the same products in many countries.

We had a guy who speak French in Belgium, we sent him to Flamish region, but the people there recognize he is not Flamish, he is Velonia ??? even though he speak French, and they do not like
him. So the culture blocked it.

The culture is very important, and should not be underestimated.

I: About the cultural knowledge, do you think you can bring the knowledge you earn from Denmark to Norway.

R: Yes, absolutely. The right type of sale person that you looking for some characteristic and knowledge. We sell the product in Denmark, then we sell it in Norway, it will be easy.

(required review, cause I cannot catch his idea here) And for a case, we sell equipment for blind people from a company in Norway??? We can export this concept to another country, but it depends on the supplier of that equipment whether they allow us to do it or not.

yes it is possible, to export the knowledge you gain from near-market, yes but no. Yes for the product, but no for the knowledge in financing system (the way to earn the money) is always different. The financing system belong to the economic knowledge.

I: About the culture, the culture of the Swedish firm, can you have us define some key aspect of culture of Swedish firm? For example, Par said Swedish firms are quite naïve,

R: Generalize, Swedish firms are quite naïve, and we suffer from our very democratic way of organization. Our flat organization, they are good in Sweden, but it wont work in other country. When you try to apply this abroad, it works badly. We need more hierarchy in your organization., must be much more clear when you communicate with distributor, employee. Be more strict, be more precisely, decisive. I think this apply even for expatriate work in Sweden, it is not easy for foreigner. Because normally, the boss will not stand there to tell you do this you do that.

Swedish firm want a lot of discussion, and you want them to make decision themselves. And the boss take the responsibility, and support the decision. When we try to export that model, people think it is very vague and unclear. Then Swedish understand they have to be more clearer in what they want.

Another thing we learn since childhood is that we should not never lie, we must be trustworthy. Then Swedish people will never lie. Swedish is most often structure and plan. And most of the time it is good. But your strength point can be your disadvantage if you have too much. If you go to France, they will not be that strict, but flexible. In Vietnam, people are extremely flexible. So if you want to take advantage of that culture, you should adapt.

I: If you have to rank, between culture and economic knowledge, what factor will be the most impact to your timing.

R: I choose both, take it the safe way. I think that both of those are necessary, you cannot disregard one, not in our case. They all related to each other. They related to financing system.

I: Window of opportunity, it is the fit between the potential market and the firm’s ability. Can you
describe one experience?

R: One hand, it is very hard to do business in exhibition, it did not work well, My hypothesis, you need to do case by case. The Window of Opportunity is that, you can create structure so that you can have continuous treatment of the market???

I claim that, if you go exhibition in Germany , skip it, save the money, employ one person, who travel around the country 365 days of a year. Because in our industry, if you look for the list of contacts, it is not 1000 of them. It would be rather 100 contacts you will get. That is impossible, with restricted resources to approach them. The window opportunity, to find a person or a company who has that list or contacts, and willing to do it. If you find them, there is window opportunity .

I: In our case, they try to plan to go to France, but it did not work. Most of the time, they did it by coincidence that they find the right person.

R: Let’s say you have 4 markets, you check if there are available customers, the financing system is good or not…. In our case, you may meet the distributors in exhibition.

May be you meet a guy say that “we sell 20 mil EUR per year, I can take your product” . And I know that, at that time, you must not be naïve. It always sound so good. Everything he said is true, but will he do the hard work or not? He may have 3 guys travelling, but will they focus on our products, will they learn our product and travel to sell it? Most of the time, no. In reality, when you meet that “guy”, we start to think about a lot of effort must be put to sell the products. And you realize that the distributor you meet, they have a long list of products to sell, they may not focus on your products. And it will not work.

So you have to be very clear, all prepare to do the hard work here. We spend 2 days with them, are you willing to do that?... Are you willing to make marketing … Then they say no. But if you find someone, who is willing, then it is the window opportunity.

We started in France, with multiple distributors, and one of them is the biggest distributor of the market. They control the market. He carried our complete product portfolio but he only sell one of them but not the rest. We spoke to him about this, try to encourage him to do the rest, but nothing happen. Then there is a dilemma here, should we break the contract?

We decide to take away the rest, and give it to other company. We found other company, well organized, a German company operate in France. WE came in to contact, and started to discuss the possibility. They wanted our product, they have lack of our products, and we wanted better sale organization. That is the time we make the decision, to take the rest of product line to that new company. Then we ask to access their sales forces, to train them. And the new company understand it, they are professional. By the book, we train them, do marketing, follow up, and it worked. We double the turnover, in France, in 1 year by finding the right people.
I: After all, if you see a window opportunity, you will take it seriously and you will enter that market while considering other factor. Window of Opportunity will be important?
R: Yes and of course it depends on the right distributor
I: Ok, I think we pretty much covered everything. Once we finished with the thesis we will send it and you can go through the analysis and the conclusion, if you like!
R: Yes that would be great
### Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?

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<th>Company A</th>
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<td>I think that within a country we have been able to increase within the country BECAUSE of WOM. For example in the UK when we entered there in 2000. It was too colourful, too big branding and it took us five years to knock that wall down. But as soon as we opened an account on one of the famous golf courses it started WOM to open up the rest of the country. I wouldn’t say we would open USA because of that though. Because USA has been on our radar for 5 or 6 years already. Why? Simply because it’s the largest golf market in the world. Funny enough when we established in USA, the usa is probably the market with the most potential and that is growing the quickest and this is in fact because of the UK. Because we have a very dominant position in the UK and all the American players to come to the UK and play in all the big tournaments and famous courses. So in a sense we created WOM in the usa because of our success in the UK.</td>
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<td>Yes, I would say ive been through this experience two times. We started up a human design project for our office chairs. We started this project in call centers where people working there are very into detailed measured. How many calls? How fast do they answer? Etc. What we did was to put in 10 chairs in a call center office and we have the key figures, KPIs from before and then we put in the chairs and checked over a period of 4 months and the productivity increased. It was however a sort of placebo effect but anyway, it increased. And that project was set up in each country where we were and then the information and the rumours spread to other call centers and that created a sort of pull effect and other call centers came to us for our chairs. We did that first in Holland and it had that effect and then we did it as well in the UK and the rumours also spread. And then we started using that as a foreign launch strategy. The second thing is something we are facing right now. We are working with a plastic material based on oyster shells for packaging. That’s very interesting because now the rumour is started to spread. We had our first customer here in Sweden and because we got that customer in Sweden I was able to send over samples in the UK. And actually today I got a tender, a possibility to offer that in that particular material. And it is also spreading in the media right now. Mostly in Sweden but also in Denmark. In UK we are going to plant the rumour by contacting a few news magazines through the internet.</td>
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<td>Then more companies call us, they want to buy from us, all of them from Japan, I think we supply 4 of 5 major players in Japan. From our small production. Then you focus on that. We found 1</td>
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professor, he started to talk about Fresh to the whole market. Now because of that everybody wants to have products from us. Basically because that professor talked about our products to the Japanese people, we had a WOM present there. Then we went to the market. Yes, they created the market, then expanded it. So all the ventilation player want to have products from origin, us. Even if somebody else produce it, because we are the pioneer, so they come to us. It is very important that to structure the market, and choose the right customer because you could not choose everybody. It is important to know the market, the structure. Sometimes we did some failures, we sell to the wrong person or we did not sell to them because we did not see the whole picture. They always find a way to our product. WOM is very important, for us it is very important that you have good reputation and we have good products, but still, we only focus on small market. We never build brand to end user. For example, we could not communicate with 85 mil people in Germany, they never know who is Fresh AB. But maybe 200 professional ventilation companies, we could build our brand to them.

Company D
I would like to re-define the question a bit. Of course you have WOM. Our biggest challenge, we have no problems in WOM, we have high position of quality product. Our challenge is more about market pressnece and the brand recognition. That happen several of time, we overestimate our brand. When we go around, and business customer ask LVI who is that? So it can be lack of WoM. It is very important issue that you spread your words about yourself before you enter that market. Because in our industry, like in may other industry. Products are quite similar. You can not only sell because of product excellent, you must combine with good service, good people who can speak about your product. Putting the product on the market, nothing will happen by itself, to be able to educate customer then they have knowledge about you. My opinion is to focus on one part of market, regionally, and spread the words, and do it correctly. Go deep rather than wide. Negative WOM almost never happen. Maybe in Norway there is, people want to play with winner not the loser. Customer understand that prosperous company must do something right, and for those who perform poor, there must be something wrong. That was in our case, we took decision, we close our own subsidiary, we understood that will be extremely hard to turn the table because the company has bad reputation. Then we acquired a company, who is distributor. But they distribute other products as well.

Q2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?

Company A
We do not have any competitors. We have colleagues. But for example the worst thing that oculd
happen to us is if a sales guy comes into our office and says “could not we do this jacket or that jacket” which means he has seen it somewhere else. Then it is not interesting because we should invent things that the customer does not have yet. We have a lot of colleagues who are doing what we are doing but what we think is poor. However there also are people who copy us but they cant really deliver on the full package.

**Company B**

We do not have any competitors. We have colleagues. But for example the worst thing that could happen to us is if a sales guy comes into our office and says “could not we do this jacket or that jacket” which means he has seen it somewhere else. Then it is not interesting because we should invent things that the customer does not have yet. We have a lot of colleagues who are doing what we are doing but what we think is poor. However there also are people who copy us but they cant really deliver on the full package.

**Company C**

I do not think so. The german market we had company working with us, but not in that case.

**Company D**

Could not really answer the question

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**Q3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?**

**Company A**

No real answer here

**Company B**

Yes hmm definitely but of course you have to do it in a balance. But definitely it is something to lean on and I think the reputation of Sweden is quite good. I also use for example in the launch in france where I was using the Swedish embassy or the export counsil. They have connections to the local firms and the diplomats. So basically I could arrange dinner in paris in the embassy of Sweden. It was very easy for, as I had that platform, to pick any people I wanted to meet. They cant say no to that basically (haha). So that’s one way to use Sweden but I also know for example that bigger companies like Ericsson they are using even the king and the queen in the sense of diplomatic missions. But it can also go both ways. Sweden is also connected to higher prices but also of course connected to high quality, engineering trustworthy etc.

**Company C**

Yes or No. Germany, in 1990 it was like that. Everything from Sweden can be sold. But then 10 years ago, they surpass us. Now Germans products are better than us. In the past, Sweden were better at ventilation system, we were 15 years ahead of them. But now, they passed us. Germans are
much more advanced. In Japan, the same thing. Some of our customer has the Swedish Flag on them, and it its extremely important, high brand, high quality, you can charge more money. Today, you benefit from being. Country where you have the lower general income, for some consumer it its important to buy expensive BMW, products, Chinese and Russian, they have really rich people. If you target Russia, China, you should target high segment, they do not care about price. They just want to show off. But the Dutch people it should be cheap. For Germany, they pass us with the quality of products, and a lot of competitors, then you have to go through them to enter the market.

Company D
It is interesting. If it have influence, then maybe Swedish in general overestimate the importance. We go and work with some Germans, they say Oh no, if it made from Germany then it will be different (Germany has better quality product). So you have to be careful about that. You know Swedish products are high quality, some Swedish Company Deliver mediocre products, which is okay but not superior. You have to live up to Swedish reputation. There is something that related to Swedish product, Good quality, Trustful, Democracy. We look to choose distributors also. They must have positive WOM, reputation. We are looking in USA seriously at the moment. It is impossible for 1 company to travel the whole USA. We have 20 dealers there, but we are sure most of them are not the right dealers, so certainly it is important. But for the time you enter the market, you can change WOM definitely. WOM is quite important for timing if you are not visible then you are not existing.

Q4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?

Company A
Yes absolutely. Except the last one. Because we will never do production in Germany or something. Other than the last one it actually is the case for us. We started to find the right person and over a couple of years and then we actually acquire them. And in a way to come back on what you said earlier. There are many reasons for exporting but one of them for us was the “season”. In Sweden you play golf from March to October. We needed to find countries to prolong that business period and we needed countries who also played in autumn. UK and Ireland golfing season is year round and their autumn business is huge. The second reason is of course that for internally to create a collection is does not matter whether it is 10 pieces or 200 pieces. You need a certain collection to present and whether you do that for one country or many countries the work for the development team is internally is the same. To purchase products for 10mn or 100mn is the same work, but just to add more, You do not need more people working to just increase. The reason for exporting is also
especially for having control and building the brand in the right way.

**Company B**

Yes I think this is true. If you go step by step you get a trial and error effect and you lower your risk. Also swedes are quite small entrepreneurs with low capital and I do not think if you go to the bank you get a loan for entering the UK. You can call it a kind of pilot project. Youre trying to sell, trying to get a footmark and then you go from there. : I can see a very obvious pattern when I was working with office chairs. We started up with export, then sales man, then find agents and dealers etc but the increase of sales when we started a local company and we also hired a local country managers. Even if they were just one or two persons but it was a address and it was a company like an “ltd” and we have a local telephone number etc. And these guys are supposed to know the local market but also they are much more likely to be accepted. They are part of the local community and they have their own network. The next step after that we would have a logistic hub, where we had a small warehouse for distribution so we could deliver very fast. And the third step we did in the UK we had a small assembly. Not full on production we rather assembly of combining different parts. It wasn’t really production with our own factory. Often you have a local competitor and their advantage is their social network and speaking the right language as well as fast delivery. And also of course the next step is to take care of quality problems or when you get problems with the product you have to be there to fix it.

**Company C**

Yes it is true. It is cost efficient. Because it is pretty much depend on the product you sell. As I told you, we had niche products, it is not like commodity, you can start your own production, normally, our typical customers were ventilation producer having 99% of the product, we just put 1% there. We did not have the full range. We can’t go into the market ourselves, we have to find companies who complement ourselves. They know the market, and they have the right complement to the products. We can’t go directly to the end users. We have a case in China, there we do all the four steps that you said. First, in 2000, we also in Frankfurt, we found a Chinese woman who move to Sweden, so she speaks Swedish as well. She were architect of a Swedish building products on the Chinese market, or actually the Beijing market. Then she saw the demand for our product. She started to buy our products, we export through her. She talked to the contractors. We visited her, and saw huge potential because they needed our products. Together with her, we started a sale Rep in Beijing. It is more like a brand, it is easier to do business in China if you have Rep office there. It is not ltd, it is more branch. We worked with her, because Rep office we need chinese rep as well, so we started to sell and expand and then we decided they did not have a chance to push it further. 2006, we also started our production in South East of China. China is the only country where we
also do production. Not in the other countries.

**Company D**

It is true, very much. For us it is quite typical development. Development takes evolutionary way like you said. It always start case by case, step by step. A customer called say they want to buy something, or you meet the customer somewhere. Then step 2, you organize it a bit better with some kind of dealers. Then you start up your own subsidiary. That take numerous time for LVI and it has happened a couple of time that LVI has acquired some distributor in Switzerland, Belgium … And the people who started LVI, the founder they participated in the creation of that center and they have close connection between the company and the authority. And that was the success for the company of course, because they create the market. Then they set up low vision center all around the country. Then they export this idea to Norway, Belgium very early, Spain, Middle East. Setting up Low vision center, they exported not only the product but the whole concept. (step by step process)

**Q5. Do you believe there are alternative choices? If yes, please name some of them?**

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<td>Company C</td>
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<tr>
<td><strong>Company D</strong></td>
<td>To get 100% access to the dealer network, of course we need something like M&amp;A. And then the matter of profitability. It is about to get the sales forces full focus on our products. Normally, a distributor work with multiple product line and suppliers, and it is always the restriction in setting up the distribution. You can not control, you have to live with it. There is advantage and disadvantage of it. But the big advantage of having your own subsidiary is to have 100% of the sale forces focus on your products. But in Norway, we have done M&amp;A also, but our latest subsidiary is in Germany 1 year ago.</td>
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**Q6. How does this choice impact your entry timing? And Why?**

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<td><strong>Company C</strong></td>
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By coincidence, we find the guy who you think you can connect with, then you’ll go there. So we wait until we find the right person.

You can be visible, you can be active in the exhibition, travel around, but it pretty much coincidence when you find right person. Or you do not find like in the French case, we never find the right personnel in France, and it still not the big market of Fresh AB

Company D

Actually those guys already had network. In this case, the key is to find the right person, who have experience in that industry, otherwise, it will take a longer time. I would say, you can not do it from really scratch with inexperienced person. Timing is important, finding the right people is the key, if you do not find them then… It depends on you work with your own subsidiary or you work over distributor. Having a mediocre distributor wont be good for business. So find the right people is the key, when you have found the right people, then it is the right time

Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?

Company A

Yes in terms of personal connections or relations it was like that for us in Canada. Someone we knew had a contact who was eager to sell GG and also France was an interesting case where this distributor was also responsible for Belgium. That guy for example met a Swedish woman who he got married to and that was familiar with GG and that’s how he started to sell GG for us as well. He also took the brand out to Belgium and Luxembourg and France as well. So that is how things sometimes develop. He basically was operating for us in Belgium and he kind of begged us if he could just do France and Luxembourg as well.

Company B

I think that for example your customer could be expanding their sales. For example we are working with H&M and if they grow their business to new markets, we will also grow our business.

R: In terms of coincidence I haven’t really experienced that so much. Of course now in Finland I had thoughts on how to enter Finland and I was browsing on the internet and all of a sudden I saw a kind of fair in Finland and we booked a booth and we got a great response. So it is not really coincidence but more of a guided coincidence. I think it’s a combination. First of all I decide I want to expand my business. Then how should I expand. Own market or foreign market? So then you decide to go to a foreign market because you already have a big market share in your home market. So we decide to export and we decide to pick a foreign market which is the most easy. For example a like England or Norway and even Holland. Also based on experience. We know from experience that Germany is quite tough. If you narrow it down you basically have like 5 countries which are
possible. And then maybe you get this kind of opportunity and then you will do that market first because it’s the easy way and you could make it work. But of course as a start and as a platform you have to have some kind of drive to do it other I think if you do not have that, and you do not have your eyes open, the opportunity will pass you. When you are starting to act you start whipping up rumours and people and all of the sudden things are happening. I think you could call it a coincidence but you are more or less in the right spot and you are open minded and ready to expand. Also there was a customer from the UK, he said that the luck is following the well-prepared. Also we are working with a very big Swedish-finish cardboard company and they are working globally. They have export all over the world and they are also delivering to our competitors in the UK. That also means I can ask them, because there is a sense of loyalty, how is business in the UK, they will probably answer me. If I ask them who else they are selling to they will probably tell me. These are basically my competitors and if I ask them who the customers of those competitors are they will probably tell me as well because we’ve been doing business with them for such a long time. I can use the loyalty of my subcontractor so that’s also a way of using your contacts.

Company C

On an exhibition in germany we found an Japanese contact, he said japan is very interested in this kind of product. He convinced us to go there, we came with him to Saporoo, Hokaido. Hokaido has the same weather with us, cold winter is important. You have to have the control of ventilation. It was a very big market for us. We were the early in that Japanese market, this man, the professor in indoor climate. He took our product. Japanese were our biggest market. from 1992-1997 it rose like this( Increase a lot) , in 1997, I went there with the Japanese guy, we have the order of 7 million Kronor, in just 1 year. Because of this man, who found our product in Frankfurt, we had great success in entering japan. Could you elaborate on the Chile market more?

R: Five years ago, our export manager found a very good contact in chile , a Norwegian guy who lived there, and he connected, and now they developed very very well.

I: So through personal contact basically.

R: Yes, I think that is more important than you can figure. If you have a map , you see here is 20 million market, here is 100 million market , yes of course it is 5 times bigger the market, you have the same regulation , but if you have the right contact in the country with 20 mil people, it may be 20 times bigger than the market. It is all about you have the right person, right time, right market. And you can not plan that. It is more about coincidence. You can be lucky and find those guy.

Company D

Key here for you is to find the right person. Those guys understood the market. They have the knowledge the financial system, then they must understand the products. The window opportunity,
to find a person or a company who has that list or contacts, and willing to do it. If you find them, there is window opportunity.

**Q8. How do they impact your entry timing? And how important is this impact on your entry timing decisions?**

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<td>Well sometimes it had an impact for us when entering a new foreign market for us however usually we have a the map and we know which countries we want to enter based on the information we have of that market so usually it does not impact us that much.</td>
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<td>Yes it definitely had a great impact for us, as I explained in those cases just now!</td>
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<td>I think it is pretty much coincidence that did a lot for us, . You cant plan next year we are going to Argentina, you never know, because you find the right person we need in Chile, then the Chile market will come. That is pretty much coincidence. It is more about coincidence that did a lot for us, because if you talk to Swedish Trade Council, they will tell you to go to UK&lt; Germany, France. But you will get nothing there. If you can find a retailer in Estonia, you can own the market, which is more than just 1-2% of France market.</td>
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<td>Window of Opportunity will be important and of course it depends on the right distributor</td>
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**Q9. Can you describe the culture of Swedish firms?**

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<td>Yea I think that it comes from how we live the life and it helps us to do business as well. The importance of business is the relations. We do not want to do business with a lunatic or a crazy guy just to increase sales. We rather do business in a slower term with a partner that we love to work with. I think that is quite typical for us. I do not think its good or bad. But it is about meetings. Swedish people have meeting. When do Swedish people work? They do not, but they do meeting and often they do meetings about those meetings and premeetings etc (haha). But when we then take the decision we are quite well equipped because of that. But naïve ye perhaps. We approach relationships slowly and step by step. Yes, we are quite slow decision makers but when we take the decision we have all the facts. Another thing that I noticed is that the partners, for example in the uk, who we work with get either Galvinized or Swedenized. In the sense that Swedish people to value the balance between work and family life a lot.</td>
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<td>I would say Swedish firms are quite structured. Not 100% like when I was working with germans. I</td>
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think we have a good mix of being entrepreneurs and being structured. Also we are quite flexible and quite fast when we are doing things. Also trustworthiness is definitely a quality of the swedes. That also allows us to make decisions very fast because we are trusting eachother, however the preparation and discussion preceeding those decisions is long. We do not really have a second agenda or something. Compared to other countries we have quite a low political level in the companies. We are honest to eachother and honest in the company. That means if I say something the people and the organisation will listen. And then we take a decision together instead of being suspicious. Then on the other hand we are very much into consensus. People discuss a lot together and talk a lot and the discussion is basically already taken before it is formally taken. Basically the Swedish way of making decisions is spending a lot of time in disacussing planning consensus, making product plans etc. The preparation time is long but the implementantion is fast. A disadvantage about Sweden is that its very hard for a foreigner to realize when the decision is taken because its not really a distinctive point. On top of that I also think we are a little bit naïve. You can see that we are a bit naïve. We are a trusting people. When you are going abroad you are facing people who are trying to cheat you. You cant really lower your guard. For example last time something costed 2 euro and next time 4 euro. Why? Because you did not ask.

**Company C**

You find honest companies and dishonest firms in every countries. We had negative cases in Demark, but I think in Holland we are lucky, we had a lot of suppliers, we had 3-4 suppliers, 3-4 customers, always good relationship with Dutch. We often assume people are not dishonest but sometimes that honesty is not rewarded unfortunately. If you find the right people, you focus on them. We are quite loyal, even if we got demand from other competitors. The guy who have us create the market, we always have feedback from him. This important, not only for your own feeling, it benefit for long. We never try to do quick business and live everybody behind. We always try to create long and faithful relationship. Incremental growth.

**Company D**

Generalize, Swedish firms are quite naïve, and we suffer from our very democratic way of organization. Our flat organization, they are good in Sweden , but it wont work in other country. When you try to apply this abroad, it works badly. WE need more hierarchy in your organization., must be much more clear when you communicate with distributor, employee. Be more strict, be more precisely , decisive. I think this apply even for expatriate work in Sweden, it is not easy for foreigner. Because normalllly, the boss will not stand there to tell you do this you do that. Swedish firm want a lot of discussion, and you want them to make decision themselves. And the boss take the responsibility, and support the decision. When we try to export that model, people
think it is very vague and unclear. Then Swedish understand they have to be more clearer in what they want.

Another thing we learn since childhood is that we should not never lie, we must be trustworthy. Then Swedish people will never lie. Swedish is most often structure and plan. And most of the time it is good. But your strength point can be your disadvantage if you have too much. If you go to France, they will not be that strict, but flexible. In Vietnam, people are extremely flexible. So if you want to take advantage of that culture, you should adapt.

Q10. How do these characteristics impact the time you decide to enter new markets?

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<td>Quite slowly and step by step. Perhaps in the end it is all about business. You do not enter a new market to have a loss. You’re going into a market because you see the potential of growing and establish the brand. It comes down to culture, people. You want to work with people who understand where you come from. You need to understand their culture as well and adopt to how things work in that country. Also the strong point in our culture is that we cant possibly know perfectly how things work in a foreign market and we have to rely on the people working for us in that foreign market and that he lives up to what we expect. It’s a lot about trust and reputation and the soft values are valuable. Also you have to keep promises.</td>
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<td>Culture, we have almost the same background, almost the same language easy to communicate., Ventilation market is pretty similar, they have the same demand for our kinds of products. Its easier if you enter a market that already has the demand, not try to push products to markets.</td>
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Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

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<td>yes and its like heared about it and they’ve tried so there is some WOM in here as well in fact. On the one hand it is some coincidence but definitely as well as it being a strategy from the company. We consciously decided to try to have a strong position in the home market as well as Germany uk and Ireland.--- Well, it impacts us absolutely. No doubt that you learn from your mistakes but if you select a country to entry and you wonder how should we do it. Agents? Distributuion, ourselves, subsidiary? You need a lot of knowledge of that market. If you have...</td>
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everything there and you know there is a market the most important thing is the person you select in there. Because if he can't spread your message of Galvin Green, how we do business etc. We have done so many mistakes when selecting certain people. So people and getting the right persons involved is one of the important things you can do. Of course you learn from country per country. What faults you have done.

**Company B**

If you have a company in Sweden, and here we a have population of 9mn people and you are sort of satisfied with ur business. But if you want an increase of sales of about 20% on top. If you then look at Holland where there is 16mn in quite a small area. Even if you have a quite narrow target group so if you are successful in small population with 5% market share so if you even have just 0.5% in Holland you will have a nice increase in sales if you go to that country. Also with such a small market share you will probably not disturb the local competitors. They will not react in lowering the prices or being aggressive or something. And then if you take to the step to UK with 70mn people then its enough to have a very small market share. In that respect its an advantage to come from Sweden and its much more difficult to do it the other way around I think.---I think that’s quite important also because of the difference in currency between Swedish kronor and the euro. The Swedish kronor has been very strong compared to the euro. It affects quite a lot of your ongoing business. It can be a disadvantage. It could also go to if you have uhm.. I mean we did business with Spain before the crisis and of course that was no good. We saw the obvious trend there and of course we backed off fast from that market. And now we see for example an increase in retail in the UK so of course that’s one part of the decision of moving to the UK.

**Company C**

Institutional and governmental structure is very important to us. It is mandatory, you cant sell it if you do not have the demand, if it is forbidden then you cant sell. Because in some country , you cant sell . For some, they do not have ventilation, you do not have the market because they just open the window.--- We have done the opposite way, sometime, it has never succeeded. For example, we have identified France as very interesting market, it was much closer than Japan. We hired the Swedish trade council to do the market report, we invested a lot of time and money to identify potential customers and make the analysis of market structure and the building regulation, everything. They said it suitable for your products. But still, even though we identified france as a economically interesting market, it was extremely small market for us. we have never succeeded in France, we tried to push, but sometime it is better you get the demand , you find one personal contact who really fit with you, then they do the market for you. But we tried to push to France market, but it did not work. I think it is pretty much coincidence
Company D
We understood after having investigation, that is about understanding the financial system. Then it works a bit different with insurance company. You have to have contract with them. That is complicated. You must understand how your model work in that country. Yes, it is. In our case, The opposition happened, it can be difference a lot , base on the financial system. In Belgium, in many company, they can …..
For us, we have office in Nijlen, Belgium, 20 km from the border, for us it looks perfect but it would never work. On the other hand, products fit very well, we use the same products in many countries. ---It is very depended on the governmental system, institution and insurance system. Also we do a lot better in countries with a strong wellfare system.

Q12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

Company A
No we did not really use cultural knowledg in new markets because they differ so much. Fore example a golf shop in UK and Ireland is completely different from those in Germany. It’s a different way also in terms of pricing. So the role of the pro and the shop is very different from country to country. In Germany for example 80% of turnover of the golf shop is for ladies. But in UK 95% of the turnover is men.

Company B
Ill tell you a story of how it was the other way around, of how it did not work across countries. Basically we set up an office in the Netherlands right at the Belgian border. And basically our plan was to set up a hub there so we can easily distribute centrally to the entire Benelux. We had success in holand but inf fact we sold nothing in Belgium. Also when we were delivering office chairs there was quite a big difference in terms of marketing material between Norway or Sweden and compared to denarmk. We found that for example in the UK the head rest of the office chair is only for the top management and not for the normal employees while this is not true in all the other countries we operated. So there are really big cultural differences and you have to adapt.

Company C
we did not think about it so much. When we enter Japan market, we hired a professor, he came with us because he talk Japansese, We did not think that much, how to do business. We did not gain that much from our knowledge on a similar market. We struggled a lot in Denmark, we had to fight for our brands and even at some point we went to court over one of our brands, it is very tough. Dutch are the same, but also quite skillful.

Company D
We had a guy who speak French in Belgium, we sent him to Flamish region, but the people there recognize he is not Flamish, he is Velonia even though he speak French, and they do not like him. So the culture blocked it. The culture is very important, and should not be underestimated. But also, i think you can bring cultural knowledge you earn from e.g. Denmark to Norway. The right type of sale person that you looking for some characteristic and knowledge. We sell the product in Denmark, then we sell it in Norway, it will be easy.

Q13. What is more important for you, Cultural or economic knowledge and Why?

**Company A**

It comes back to what I said before. It is step by step process. When it comes to decisions its very hard to say. On the one hand for example we would have never considered japan as a market if they weren’t the second biggest golf markets but then again also its also about your relations with certain people in market so its more both I guess and very hard to pick on one of them. Other things that affect our choices is to a little WOM and also sizing. For example we can use the asme sizing throughout Europe but when it comes to asia we have to get back to product development. The actual physique is different in asia than in Europe. So it is again a certain industry feature.

**Company B**

I would say culture I mean if the culture is not working then it does not matter how big a potential customer base the country has. Once again go the easy way. Do not work against the culture because that could be really hard

**Company C**

You have to take both into account and have a good balance I think. Cultural is very important but if it is a market like most of Africa where they can just open a window instead of needing a ventilation system then economic is also decisive.

**Company D**

I choose both, take it the safe way. I think that both of those are necessary, you can not disregard one, not in our case. They all related to each others. They related to financing system.
Appendix 7: Step 2 Qualitative Analysis

Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?

| Company A | 
| --- | --- |
| I think that within a country we have been able to increase within the country BECAUSE of WOM. For example in the UK when we entered there in 2000. It was too colourful, too big branding and it took us five years to knock that wall down. But as soon as we opened an account on one of the famous golf courses it started WOM to open up the rest of the country. I wouldn’t say we would open USA because of that though. Because USA has been on our radar for 5 or 6 years already. Why? Simply because it’s the largest golf market in the world. Funny enough when we established in USA, the usa is probably the market with the most potential and that is growing the quickest and this is in fact because of the UK. Because we have a very dominant position in the UK and all the American players to come to the UK and play in all the big tournaments and famous courses. So in a sense we created WOM in the USA because of our success in the UK. | 

| Company B | 
| --- | --- |
| Yes, I would say ive been through this experience two times. We started up a human design project for our office chairs. We started this project in call centers where people working there are very into detailed measured. How many calls? How fast do they answer? Etc. What we did was to put in 10 chairs in a call center office and we have the key figures, KPIs from before and then we put in the chairs and checked over a period of 4 months and the productivity increased. It was however a sort of placebo effect but anyway, it increased. And that project was set up in each country where we were and hten the information and the rumours spread to other call centers and that created a sort of pull effect and other call centers came to us for our chairs. We did that first in Holland and it had that effect and hten we did it as well in the UK and the rumours also spread. And then we started using that as a foreign launch strategy. The second thing is something we are facing right now. We are working with a plastic material based on oyster shells for packaging. That’s very interesting because now the rumour is started to spread. We had our first customer here in Sweden and because we got that customer in Sweden I was able to send over samples in the UK. And actually today I got a tender, a possibility to offer that in that particular material. And it is also spreading in the media right now. Mostly in Sweden but also in Denmark. In UK we are going to plant the rumour by contacting a few news magazines through the internet. | 

| Company C | 
| --- | --- |
| Then more companies call us, they want to buy from us, all of them from Japan, I think we supply 4 of 5 major players in Japan. From our small production. Then you focus on that. We found 1 |
professor, he started to talk about Fresh to the whole market. Now because of that everybody wants to have products from us. Basically because that professor talked about our products to the Japanese people, we had a WOM present there. Then we went to the market. Yes, they created the market, then expanded it. So all the ventilation player want to have products from origin, us. Even if somebody else produce it, because we are the pioneer, so they come to us. It is very important that to structure the market, and choose the right customer because you could not choose everybody. It is important to know the market, the structure. Sometimes we did some failures, we sell to the wrong person or we did not sell to them because we did not see the whole picture. They always find a way to our product. WOM is very important, for us it is very important that you have good reputation and we have good products, but still, we only focus on small market. We never build brand to end user. For example, we could not communicate with 85 mil people in Germany, they never know who is Fresh AB. But maybe 200 professional ventilation companies, we could build our brand to them.

Company D

I would like to re-define the question a bit. Of course you have WOM. Our biggest challenge, we have no problems in WOM, we have high position of quality product. Our challenge is more about market pressnece and the brand recognition. That happen several of time, we overestimate our brand. When we go around, and business customer ask LVI who is that? So it can be lack of WoM. It is very important issue that you spread your words about yourself before you enter that market. Because in our industry, like in may other industry. Products are quite similar. You can not only sell because of product excellent, you must combine with good service, good people who can speak about your product. Putting the product on the market, nothing will happen by itself, to be able to educate customer then they have knowledge about you. My opinion is to focus on one part of market, regionally, and spread the words, and do it correctly. Go deep rather than wide. Negative WOM almost never happen. Maybe in Norway there is, people want to play with winner not the loser. Customer understand that prosperous company must do something right, and for those who perform poor, there must be something wrong. That was in our case, we took decision, we close our own subsidiary, we understood that will be extremely hard to turn the table because the company has bad reputation. Then we acquired a company, who is distributor. But they distribute other products as well.

Q2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?

Company A

We do not have any competitors. We have colleagues. But for example the worst thing that could
happen to us is if a sales guy comes into our office and says “could not we do this jacket or that jacket” which means he has seen it somewhere else. Then it is not interesting because we should invent things that the customer does not have yet. We have a lot of colleagues who are doing what we are doing but what we think is poor. However there also are people who copy us but they can’t really deliver on the full package.

**Company B**

Yes I would say right now in finland we have a strong competitor who is on the stock market. They are struggling with their financial reports and they are publicly traded so everyone knows they are struggling and the rumours are spreading very fast. And of course they must be open with what theyre doing and how they plan on increasing their profits. Their customers tend to be a little bit afraid and then we are entering finland as well with our own products. And basically they do not want to go with the loser PLUS we have a differentiating material. So basically the bad reputation of the competitor and our own differentiation plays an important role in this case

**Company C**

I do not think so. The german market we had company working with us, but not in that case.

**Company D**

Could not really answer the question, hadn’t come across it

**Q3. How about WOM of Swedish products? How important is this impact on your entry timing decisions?**

**Company A**

No real answer here

**Company B**

Yes hmm definitely but of course you have to do it in a balance. But definitely it is something to lean on and I think the reputation of Sweden is quite good. I also use for example in the launch in france where I was using the Swedish embassy or the export counsil. They have connections to the local firms and the diplomats. So basically I could arrange dinner in paris in the embassy of Sweden. It was very easy for, as I had that platform, to pick any people I wanted to meet. They can’t say no to that basically (haha). So that’s one way to use Sweden but I also know for example that bigger companies like Ericsson they are using even the king and the queen in the sense of diplomatic missions. But it can also go both ways. Sweden is also connected to higher prices but also of course connected to high quality, engineering trustworthy etc.

**Company C**

Yes or No. Germany, in 1990 it was like that. Everything from Sweden can be sold. But then 10 years ago, they surpass us. Now Germans products are better than us. In the past, Sweden were
better at ventilation system, we were 15 years ahead of them. But now, they passed us. Germans are much more advanced. In Japan, the same thing. Some of our customer has the Swedish Flag on them, and it its extremely important, high brand, high quality, you can charge more money. Today, you benefit from being. Country where you have the lower general income, for some consumer it its important to buy expensive BMW, products, Chinese and Russiann, they have really rich people. If you target Russia, China, you should target high segment, they do not care about price. They just want to show off. But the Dutch people it should be cheap. For Germany, they pass us with the quality of products, and a lot of competitors, then you have to go through them to enter the market.

Company D

It is interesting. If it have influence, then maybe Swedish in general overestimate the importance. We go and work with some Germans, they say Oh no, if it made from Germany then it will be different (Germany has better quality product). So you have to be careful about that. You know Swedish products are high quality, some Swedish firm deliver mediocre products, which is okay but not superior. You have to live up to Swedish reputation. There is something that related to Swedish product, Good quality, Trustful, Democracy…. We look to choose distributors also. They must have positive WOM, reputation. We are looking in USA seriously at the moment. It is impossible for 1 company to travel the whole USA. We have 20 dealers there, but we are sure most of them are not the right dealers, so certainly it is important. But for the time you enter the market, you can change WOM definitely…..WOM is quite important for timing if you are not visible then you are not existing.

Q4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?

Company A

Yes absolutely. Except the last one. Because we will never do production in Germany or something. Other than the last one it actually is the case for us. We started to find the right person and over a couple of years and then we actually acquire them. And in a way to come back on what you said earlier. There are many reasons for exporting but one of them for us was the “season”. In sweden you play golf from March to October. We needed to find countries to prolong that business period and we needed countries who also played in autumn. UK and Ireland golfing season is year round and their autumn business is huge. The second reason is of course that for internally to create a collection is does not matter whether it is 10 pieces or 200 pieces. You need a certain collection to present and whether you do that for one country or many countries the work for the development team is internally is the same. To purchase products for 10mn or 100mn is the same work, but just
to add more, You do not need more people working to just increase. The reason for exporting is also especially for having control and building the brand in the right way.

**Company B**

Yes I think this is true. If you go step by step you get a trial and error effect and you lower your risk. Also swedes are quite small entrepreneurs with low capital and I do not think if you go to the bank you get a loan for entering the UK. You can call it a kind of pilot project. Youre trying to sell, trying to get a footmark and then you go from there. : I can see a very obvious pattern when I was working with office chairs. We started up with export, then sales man, then find agents and dealers etc but the increase of sales when we started a local company and we also hired a local country managers. Even if they were just one or two persons but it was a address and it was a company like an “ltd” and we have a local telephone number etc. And these guys are supposed to know the local market but also they are much more likely to be accepted. They are part of the local community and they have their own network. The next step after that we would have a logistic hub, where we had a small warehouse for distribution so we could deliver very fast. And the third step we did in the UK we had a small assembly. Not full on production we rather assembly of combining different parts. It wasn’t really production in our factory. Often you have a local competitor and their advantage is their social network and speaking the right language as well as fast delivery. And also of course the next step is to take care of quality problems or when you get problems with the product you have to be there to fix it.

**Company C**

Yes it is true. It is cost efficient. Because it is pretty much depend on the product you sell. As I told you, we had niche products, it is not like commodity, you can start your own production, normally, our typical customers were ventilation producer having 99% of the product, we just put 1% there. We did not have the full range. We cant go into the market ourselves, we have to find companies who complement ourselves. They know the market, and they have the right complement to the products. We cant go directly to the end users. We have a case in China, there we do all the four steps that you said. First, in 2000, we also in Frankfurt, we found a Chinese woman who move to Sweden, so she speaks Swedish as well. She was architect of a Swedish building products on the Chinese market, or actually the Beijing market. Then she saw the demand for our product. Together with her, we started a sale Rep in Beijing. It is more like a brand, it is easier to do business in China if you have Rep office there. It is not ltd, it is more branch. We worked with her, because Rep office we need chinese rep as well, so we started to sell and expand and then we decided they did not have a chance to push it further.
2006, we also started our production in South East of China. China is the only country where we also do production. Not in the other countries

**Company D**

It is true, very much. For us it is quite typical development. Development takes evolutionary way like you said. It always start case by case, step by step. A customer called say they want to buy something, or you meet the customer somewhere. Then step 2, you organize it a bit better with some kind of dealers. then you start up your own subsidiary. That take numerous time for LVI and it has happened a couple of time that LVI has acquired some distributor in Switzerland, Belgium … And the people who started LVI, the founder they participated in the creation of that center and they have close connection between the company and the authority. And that was the success for the company of course, because they create the market. Then they set up low vision center all around the country. Then they export this idea to Norway, Belgium very early, Spain, Middle East. Setting up Low vision center, they exported not only the product but the whole concept. (step by step process)

**Q5. Do you believe there are alternative choices? If yes, please name some of them?**

| Company A | Not really |
| Company B | Not really |
| Company C | Not really |
| Company D | To get 100% access to the dealer network, of course we need something like M&A. And then the matter of profitability. It is about to get the sales forces full focus on our products. Normally, a distributor work with multiple product line and suppliers, and it is always the restriction in setting up the distribution. You can not control, you have to live with it. There is advantage and disadvantage of it. But the big advantage of having your own subsidiary is to have 100% of the sale forces focus on your products. But in Norway, we have done M&A also, but our latest subsidiary is in Germany 1 year ago. |

**Q6. How does this choice impact your entry timing? And Why?**

| Company A | We started to find the right person (see Q4) |
| Company B | And these guys are supposed to know the local market but also they are much more likely to be |
Company C

By coincidence, we find the guy who you think you can connect with, then you’ll go there. So we wait until we find the right person.

You can be visible, you can be active in the exhibition, travel around, but it pretty much coincidence when you find right person. Or you do not find like in the French case, we never find the right person in France, and it still not the big market of Fresh AB

Company D

Actually those guys already had network. In this case, the key is to find the right person, who have experience in that industry, otherwise, it will take a longer time. I would say, you can not do it from really scratch with inexperienced person. Timing is important, finding the right people is the key, if you do not find them then… It depends on you work with your own subsidiary or you work over distributor. Having a mediocre distributor won’t be good for business. So find the right people is the key, when you have found the right people, then it is the right time

Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?

Company A

Yes in terms of personal connections or relations it was like that for us in Canada. Someone we knew had a contact who was eager to sell GG and also France was an interesting case where this distributor was also responsible for Belgium. That guy for example met a Swedish woman who he got married to and that was familiar with GG and that’s how he started to sell GG for us as well. He also took the brand out to Belgium and Luxembourg and France as well. So that is how things sometimes develop. He basically was operating for us in Belgium and he kind of begged us if he could just do France and Luxembourg as well.

Company B

I think that for example your customer could be expanding their sales. For example we are working with H&M and if they grow their business to new markets, we will also grow our business. R: In terms of coincidence I haven’t really experienced that so much. Of course now in Finland I had thoughts on how to enter Finland and I was browsing on the internet and all of a sudden I saw a kind of fair in Finland and we booked a booth and we get a great response. So it is not really coincidence but more of a guided coincidence. I think it’s a combination. First of all I decide I want to expand my business. Then how should I expand. Own market or foreign market? So then you decide to go to a foreign market because you already have a big market share in your home market. So we decide to export and we decide to pick a foreign market which is the most easy. For example a
like England or Norway and even Holland. Also based on experience. We know from experience that Germany is quite tough. If you narrow it down you basically have like 5 countries which are possible. And then maybe you get this kind of opportunity and then you will do that market first because it’s the easy way and you could make it work. But of course as a start and as a platform you have to have some kind of drive to do it other I think if you do not have that, and you do not have your eyes open, the opportunity will pass you. When you're starting to act you start whipping up rumours and people and all of the sudden things are happening. I think you could call it a coincidence but you are more or less in the right spot and you are open minded and ready to expand.

Also there was a customer from the UK, he said that the luck is following the well-prepared. Also we are working with a very big Swedish-finish cardboard company and they are working globally. They have export all over the world and they are also delivering to our competitors in the UK. That also means I can ask them, because there is a sense of loyalty, how is business in the UK, they will probably answer me. If I ask them who else they are selling to they will probably tell me. These are basically my competitors and if I ask them who the customers of those competitors are they will probably tell me as well because we’ve been doing business with them for such a long time. I can use the loyalty of my subcontractor so that’s also a way of using your contacts.

**Company C**

On an exhibition in Germany we found an Japanese contact, he said Japan is very interested in this kind of product. He convinced us to go there, we came with him to Saporos, Hokaido. Hokaido has the same weather with us, cold winter is important. You have to have the control of ventilation. It was a very big market for us. We were the early in that Japanese market, this man, the professor in indoor climate. He took our product. Japanese were our biggest market. from 1992-1997 it rose like this( Increase a lot) , in 1997, I went there with the Japanese guy, we have the order of 7 million Kronor, in just 1 year. Because of this man, who found our product in Frankfurt, we had great success in entering japan. Could you elaborate on the Chile market more?

Five years ago, our export manager found a very good contact in Chile, a Norwegian guy who lived there, and he connected, and now they developed very very well. So through personal contact basically. Yes, I think that is more important than you can figure. If you have a map, you see here is 20 million market, here is 100 million market, yes of course it is 5 times bigger the market, you have the same regulation, but if you have the right contact in the country with 20 mil people, it may be 20 times bigger than the market. It is all about you have the right person, right time, right market. And you can not plan that. It is more about coincidence. You can be lucky and find those guy.

**Company D**

key here for you is to find the right person. Those guys understood the market. They have the
knowledge the financial system, then they must understand the products. The window opportunity, to find a person or a company who has that list or contacts, and willing to do it. If you find them, there is window opportunity.

Q8. How do they impact your entry timing? And how important is this impact on your entry timing decisions?

Company A
Well sometimes it had an impact for us when entering a new foreign market for us however usually we have a the map and we know which countries we want to enter based on the information we have of that market so usually it does not impact us that much.

Company B
Yes it definitely had a great impact for us, as I explained in those cases just now!

Company C
I think it is pretty much coincidence that did a lot for us, . You cant plan next year we are going to Argentina, you never know, because you find the right person we need in Chile, then the Chile market will come. That is pretty much coincidence. It is more about coincidence that did a lot for us, because if you talk to Swedish Trade Council, they will tell you to go to UK< Germany, France. But you will get nothing there. If you can find a retailer in Estonia, you can own the market, which is more than just 1-2% of France market.

Company D
Window of Opportunity will be important and of course it depends on the right distributor

Q9. Can you describe the culture of Swedish firms?

Company A
Yea I think that it comes from how we live the life and it helps us to do business as well. The importance of business is the relations. We do not want to do business with a lunatic or a crazy guy just to increase sales. We rather do business in a slower term with a partner that we love to work with. I think that is quite typical for us. I do not think its good or bad. But it is about meetings. Swedish people have meeting. When do Swedish people work? They do not, but they do meeting and often they do meetings about those meetings and premeetings etc (haha). But when we then take the decision we are quite well equipped because of that. But naïve ye perhaps. We approach relationships slowly and step by step. Yes, we are quite slow decision makers but when we take the decision we have all the facts. Another thing that I noticed is that the partners, for example in the uk, who we work with get either Galvinized or Swedenized. In the sense that Swedish people to value the balance between work and family life a lot.

Company B
I would say Swedish firms are quite structured. Not 100% like when I was working with germans. I think we have a good mix of being entrepreneurs and not being structured. Also we are quite flexible and quite fast when we are doing things. Also trustworthiness is definitely a quality of the swedens. That also allows us to make decisions very fast because we are trusting eachother, however the preparation and discussion preceeding those decisions is long. We do not really have a second agenda or something. Compared to other countries we have quite a low political level in the companies. We are honest to eachother and honest in the company. That means if I say something the people and the organisation will listen. And then we take a decision together instead of being suspicious. Then on the other hand we are very much into consensus. People discuss a lot together and talk a lot and the discussion is basically already taken before it is formally taken. Basically the Swedish way of making decisions is spending a lot of time in discussing planning consensus, making product plans etc. The preparation time is long but the implementantion is fast. A disadvantage about Sweden is that its very hard for a foreigner to realize when the decision is taken because its not really a distinctive point. On top of that I also think we are a little bit naïve. You can see that we are a bit naïve. We are a trusting people. When you are going abroad you are facing people who are trying to cheat you. You cant really lower your guard. For example last time something costed 2 euro and next time 4 euro. Why? Because you did not ask.

Company C
You find honest companies and dishonest firms in every countries. We had negative cases in Demark, but I think in Holland we are lucky, we had a lot of suppliers, we had 3-4 suppliers, 3-4 customers, always good relationship with Dutch. We often assume people are not dishonest but sometimes that honesty is not rewarded unfortunately. If you find the right people, you focus on them. We are quite loyal, even if we got demand from other competitors. The guy who have us create the market, we always have feedback from him. This important, not only for your own feeling, it benefit for long. We never try to do quick business and live everybody behind. We always try to create long and faithful relationship. Incremental growth.

Company D
Generalize, Swedish firms are quite naïve, and we suffer from our very democratic way of organization. Our flat organization, they are good in Sweden, but it wont work in other country. When you try to apply this abroad, it works badly. We need more hierarchy in your organization., must be much more clear when you communicate with distributor, employees... Be more strict, be more precisely, decisive. I think this apply even for expatriate work in Sweden, it is not easy for foreigner. Because normaly, the boss will not stand there to tell you do this you do that. Swedish firm want a lot of discussion, and you want them to make decision themselves. And the
boss take the responsibility, and support the decision. When we try to export that model, people think it is very vague and unclear. Then Swedish understand they have to be more clearer in what they want. Another thing we learn since childhood is that we should not never lie, we must be trustworthy. Then Swedish people will never lie. Swedish is most often structure and plan. And most of the time it is good. But your strength point can be your disadvantage if you have too much. If you go to France, they will not be that strict, but flexible. In Vietnam, people are extremely flexible. So if you want to take advantage of that culture, you should adapt.

Q10. How do these characteristics impact the time you decide to enter new markets?

Company A
Quite slowly and step by step. Perhaps in the end it is all about business. You do not enter a new market to have a loss. You’re going into a market because you see the potential of growing and establish the brand. It comes down to culture, people. You want to work with people who understand where you come from. You need to understand their culture as well and adopt to how things work in that country. Also the strong point in our culture is that we can’t possibly know perfectly how things work in a foreign market and we have to rely on the people working for us in that foreign market and that he lives up to what we expect. It’s a lot about trust and reputation and the soft values are valuable. Also you have to keep promises.

Company B
But to come back on the second part of your question, all in all our Swedish culture is not something that impacts us as much as the other factors when we are deciding when on a new market.

Company C
Could not really come up with any impact

Company D
Could not really come up with any impact

Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?

Company A
Yes and its like they heared about it and they’ve tried so there is some WOM in here as well in fact. On the one hand it is some coincidence but definitely as well as it being a strategy from the company. We consciously decided to try to have a strong position in the home market as well as Germany uk and Ireland.--- Well, it impacts us absolutely. No doubt that you learn from your mistakes but if you select a country to entry and you wonder how should we do it. Agents? Distrubution, ourselves, subsidiary? You need a lot of knowledge of that market. If you have everything there and you know there is a market the most important thing is the person you select in
there. Because if he can't spread your message of galvin green, how we do business etc. We have done so many mistakes when selecting certain people. So people and getting the right persons involved is one of the important things you can do. Of course you learn from country per country. What faults you have done.

**Company B**

If you have a company in Sweden, and here we have a population of 9mn people and you are sort of satisfied with your business. But if you want an increase of sales of about 20% on top. If you then look at Holland where there is 16mn in quite a small area. Even if you have a quite narrow target group so if you are successful in small population with 5% market share so if you even have just 0.5% in Holland you will have a nice increase in sales if you go to that country. Also with such a small market share you will probably not disturb the local competitors. They will not react in lowering the prices or being aggressive or something. And then if you take the step to uk with 70mn people then its enough to have a very small market share. In that respect its an advantage to come from Sweden and its much more difficult to do it the other way around I think.---I think that’s quite important also because of the difference in currency between Swedish kronor and the euro. The Swedish kronor has been very strong compared to the euro. It affects quite a lot of your ongoing business. It can be a disadvantage. It could also go to if you have euhm.. I mean we did business with spain before the crisis and of course that was no good. We saw the obvious trend there and of course we backed off fast from that market. And now we see for example an increase in retail in the UK so of course that’s one part of the decision of moving to the uk.

**Company C**

Institutional and governmental structure is very important to us. It is mandatory, you can't sell it if you do not have the demand, if it is forbidden then you can't sell. Because in some country, you can't sell. For some, they do not have ventilation, you do not have the market because they just open the window.--- We have done the opposite way, sometime, it has never succeeded. For example, we have identified France as very interesting market, it was much closer than Japan. We hired the Swedish trade council to do the market report, we invested a lot of time and money to identify potential customers and make the analysis of market structure and the building regulation, everything. They said it suitable for your products. But still, even though we identified France as an economically interesting market, it was extremely small market for us, we have never succeeded in France, we tried to push, but sometime it is better you get the demand, you find one personal contact who really fit with you, then they do the market for you. But we tried to push to France market, but it did not work. I think it is pretty much coincidence

**Company D**
We understood after having investigation, that is about understanding the financial system. Then it works a bit different with insurance company. You have to have contract with them. That is complicated. You must understand how your model work in that country. Yes, it is. In our case, The opposition happened, it can be difference a lot , base on the financial system. In Belgium, in many company, they can …. For us, we have office in Nijlen, Belgium, 20 km from the border, for us it looks perfect but it would never work. On the other hand, products fit very well, we use the same products in many countries. ---It is very depended on the governmental system, institution and insurance system. Also we do a lot better in countries with a strong welfare system.

Q12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing Why?

Company A
No we did not really use cultural knowledge in new markets because they differ so much. For example a golf shop in UK and Ireland is completely different from those in Germany. It’s a different way also in terms of pricing. So the role of the pro and the shop is very different from country to country. In Germany for example 80% of turnover of the golf shop is for ladies. But in UK 95% of the turnover is men.

Company B
Ill tell you a story of how it was the other way around, of how it did not work across countries. Basically we set up an office in the Netherlands right at the Belgian border. And basically our plan was to set up a hub there so we can easily distribute centrally to the entire Benelux. We had success in holland but infact we sold nothing in Belgium. Also when we were delivering office chairs there was quite a big difference in terms of marketing material between Norway or Sweden and compared to denarmk. We found that for example in the UK the head rest of the office chair is only for the top management and not for the normal employees while this is not true in all the other countries we operated. So there are really big cultural differences and you have to adapt.

Company C
we did not think about it so much. When we enter Japan market, we hired a professor, he came with us because he talk Japansese. We did not think that much, how to do business. We did not gain that much from our knowledge on a similar market. We struggled a lot in Denmark, we had to fight for our brands and even at some point we went to court over one of our brands, it is very tough. Dutch are the same, but also quite skillful.

Company D
We had a guy who speak French in Belgium, we sent him to Flamish region, but the people there recognize he is not Flamish, he is Velonia ??? even though he speak French, and they do not like
So the culture blocked it. The culture is very important, and should not be underestimated. But also, I think you can bring cultural knowledge you earn from e.g. Denmark to Norway. The right type of sale person that you looking for some characteristic and knowledge. We sell the product in Denmark, then we sell it in Norway, it will be easy.

Q13. What is more important for you, Cultural or economic knowledge and Why?

Company A
It comes back to what I said before. It is step by step process. When it comes to decisions its very hard to say. On the one hand for example we would have never considered Japan as a market if they weren’t the second biggest golf markets but then again also its also about your relations with certain people in market so its more both I guess and very hard to pick on one of them. Other things that affect our choices is to a little WOM and also sizing. For example we can use the asme sizing throughout Europe but when it comes to Asia we have to get back to product development. The actual physique is different in Asia than in Europe. So it is again a certain industry feature.

Company B
I would say culture I mean if the culture is not working then it does not matter how big a potential customer base the country has. Once again go the easy way. Do not work against the culture because that could be really hard

Company C
You have to take both into account and have a good balance I think. Cultural is very important but if it is a market like most of Africa where they can just open a window instead of needing a ventilation system then economic is also decisive.

Company D
I choose both, take it the safe way. I think that both of those are necessary, you can not disregard one, not in our case. They all related to each others. They related to financing system.
### Appendix 8: Step 3 Qualitative Analysis

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Pattern</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?</td>
<td>Impact wom increase BECAUSE of WOM Right time open up new market due WOM to open up the rest of the country // created WOM in the usa because of our success in the UK. no experience with neg. WoM</td>
<td>information and the rumours spread //pull effect using that as a foreign launch strategy // Mostly in Sweden but also in Denmark We do not have any competitors.</td>
<td>WOM is very important, for us we had a WOM present there Then we went to the market//Yes, they created the market//he started to talk about Fresh to the whole market</td>
<td>It is very important issue that you spread your words about yourself before you enter that market Negative WOM almost never happen.</td>
<td></td>
</tr>
<tr>
<td>Q2. How does positive/negative WOM effect of competitors’ product/service influence your entry timing choice? And Why?</td>
<td>No impact of WoM of competitor impact of neg WoM of competitor</td>
<td>No impact of WoM of competitor</td>
<td>I do not think so. hadnt come across it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3. How about WOM of Swedish products? impact on your entry timing decisions?</td>
<td>influence of Swedish reputation</td>
<td>Yes // struggling and the rumours are spreading very fast // they do not go with the loser</td>
<td>Yes hmm definitely//something to lean on //reputation of Sweden is quite good // Sweden is also connected to higher prices// high quality, engineering trustworthy</td>
<td>Yes /high brand, high quality, you can charge more money.</td>
<td></td>
</tr>
<tr>
<td>Q4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?</td>
<td>Stepwise internationalization without production only enter when right people</td>
<td>Yes absolutely, Except the last one, never do production Yes I think this is true// wasn’t really production</td>
<td>Yes it is true. // China is the only country where we also do production. Not in the other countries</td>
<td>It is true, very much you meet the customer somewhere// the people</td>
<td></td>
</tr>
<tr>
<td>Q5. Do you believe there are alternative choices? If yes, please name some of them?</td>
<td>No real alternatives</td>
<td>Not really</td>
<td>Not really</td>
<td>Not really</td>
<td></td>
</tr>
<tr>
<td>Q6. How does this choice impact your entry timing? And Why?</td>
<td>Acquisition</td>
<td>We started to find the right person (see Q4) And these guys are supposed to know the local market but also they are much more likely to be accepted (see Q4) Enter once right people</td>
<td>by coincidence, we find the guy //be visible be active// find right person guys had network// find right person, //finding the right people is key.// have right people, then right time</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

125
<table>
<thead>
<tr>
<th>Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?</th>
<th>Business Connections</th>
<th>personal connections or relations // Someone we knew had a contact// He also took the brand out to Belgium and Luxembourg and France as well</th>
<th>/use the loyalty of my subcontractor so that’s also a way of using your contacts. //kind of a fair</th>
<th>Because of this man, who found our product in Frankfurt, we had great success in entering Japan. // found a very good contact // personal contact</th>
<th>find the right person// If you find them, there is window opportunity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guided coincidence</td>
<td>kind of a fair//it more of a guided coincidence// decide I want to expand my business then opportunity // drive to do it // have your eyes open</td>
<td>exhibition in Germany we found an Japanese contact,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q8. How do they impact your entry timing? impact on your entry timing decisions?</td>
<td>Impact WoO</td>
<td>great impact</td>
<td>did a lot for us. // Because of this man, who found our product in Frankfurt, we had great success in entering Japan.</td>
<td>important</td>
<td></td>
</tr>
<tr>
<td>Limited impact</td>
<td>sometimes it had an impact // does not impact us that much,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9. Can you describe the culture of Swedish firms?</td>
<td>Business relations</td>
<td>importance of business is the relations/business i a partner we love // approach relationships slowly</td>
<td>people</td>
<td>relationship// right people, you focus on them. // faithful relationship</td>
<td>communicate with distributor, employees</td>
</tr>
<tr>
<td>1st discussion then decision</td>
<td>meetings about those meetings and premeetings // slow decision makers</td>
<td>however the preparation and discussion preceding those decisions is long// consensus. // preparation time is long but the implementation is fast// decision together</td>
<td>feedback// never try to do quick business// Incremental growth</td>
<td>decision// lot of discussion</td>
<td></td>
</tr>
<tr>
<td>trustworthiness</td>
<td>-</td>
<td>trustworthiness/honest/ a low political level</td>
<td>honesty</td>
<td>never lie // trustworthy.</td>
<td></td>
</tr>
<tr>
<td>naive</td>
<td>-</td>
<td>naive</td>
<td>-</td>
<td>naive</td>
<td></td>
</tr>
<tr>
<td>structured</td>
<td>-</td>
<td>structured</td>
<td>-</td>
<td>structure and plan.</td>
<td></td>
</tr>
<tr>
<td>Q10. How do these characteristics impact the time you decide to enter new markets?</td>
<td>Enter once right people</td>
<td>rely on the people working in foreign market</td>
<td>not something that impacts us as much as the other factors</td>
<td>No real impact</td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing</td>
<td>Impact</td>
<td>strategy // consciously decided to try to have a strong position // it impacts us absolutely.</td>
<td>population//currency// affects quite a lot // business with Spain before the crisis and of course that was no good</td>
<td>financial system// Yes, it is government al system, // insurance system</td>
<td></td>
</tr>
<tr>
<td>No big impact</td>
<td>we identified France as a economically interesting market, it was extremely</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing? Why?</td>
<td>Low to no impact</td>
<td>not really use cultural knowledge in new markets because they differ so much.///s very different from country to country.</td>
<td>did not work across countries///g difference for marketing material between Norway/swe/DK/// big cultural differences and you adapt</td>
<td>did not think about it so much/// not gain that much from our knowledge on a similar market</td>
<td>3</td>
</tr>
<tr>
<td>Q13. What is more important for you, Cultural or economic knowledge and Why?</td>
<td>Both important</td>
<td>very hard to say.///its more both I guess and very hard to pick on one of them</td>
<td>both</td>
<td>I choose both</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Culture more important</td>
<td>I would say culture</td>
<td>1</td>
<td></td>
<td></td>
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</table>
# Appendix 9: Step 4 Qualitative Analysis

<table>
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<tr>
<th>Question</th>
<th>Response Pattern</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. How does positive/negative WOM effect of your product/service or of the product/service category influence your entry timing choice? And Why?</td>
<td>Impact wom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Right time open up new market due WoM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>no experience with neg. WoM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Q2. How does positive/negative WOM effect of competitors’ product/service category influence your entry timing choice? And Why?</td>
<td>No impact of WoM of competitor</td>
<td></td>
<td></td>
<td></td>
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<td>3</td>
</tr>
<tr>
<td></td>
<td>impact of neg WoM of competitor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Q3. How about WOM of Swedish products? impact on your entry timing decisions?</td>
<td>influence of Swedish reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Q4. Do you still follow these steps when entering new foreign market? Why did you choose exporting and other steps?</td>
<td>Stepwise internationalization without production</td>
<td></td>
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<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>only enter when right people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Q5. Do you believe there are alternative choices? If yes, please name some of them?</td>
<td>No real alternatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Acquisition</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Q6. How does this choice impact your entry timing? And Why?</td>
<td>Enter once right people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Q7. Which windows of opportunity have you recognized when entering foreign markets? Can you describe them?</td>
<td>Business Connections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Guided coincidence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Q8. How do they impact your entry timing? impact on your entry timing decisions?</td>
<td>Impact WoO</td>
<td></td>
<td></td>
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<td>3</td>
</tr>
<tr>
<td></td>
<td>Limited impact</td>
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<tr>
<td>Q9. Can you describe the culture of Swedish firms?</td>
<td>Business relations</td>
<td></td>
<td></td>
<td></td>
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<td>4</td>
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<tr>
<td></td>
<td>1st discussion then decision</td>
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<td></td>
<td>trustworthiness</td>
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<td>naïve</td>
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<td></td>
<td>structured</td>
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<td></td>
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<td></td>
<td>2</td>
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<tr>
<td>Q10. How do these characteristics impact the time you decide to enter new markets?</td>
<td>Enter once right people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>No big impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Q11. Can you describe the economic knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing Why?</td>
<td>Impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>No big impact</td>
<td></td>
<td></td>
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<tr>
<td>Q12. Can you describe the cultural knowledge that you gain from operating in similar market to the market you enter? How does it impact your entry timing Why?</td>
<td>Low to no impact</td>
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<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Some impact</td>
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<td></td>
<td></td>
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<td>Q13. What is more important for you, Culture of Economic knowledge and Why?</td>
<td>Both important</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
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<tr>
<td></td>
<td>Culture more important</td>
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</table>
Appendix 10: Summary of pilot study

0. First, please describe your experiences in foreign market entry.
The interviewee X has been working for different companies ranging from packaging, printing machine, to business chair manufacturing. He has more than 20 years of experiences in dealing with foreign market entry of Swedish firms. His decision-making role gave him chances to work with local teams from US, UK, Holland, Nordics countries, and more than 5 other countries across 3 continents.

1. What are the reasons for you to expand your business in foreign markets?
For interviewee X, Swedish market is quite small with only 10 million people; expansion therefore is needed to earn more profits.

2. When you expand your business, what are the factors that associate with your entry timing?
Interviewee X suggested that the factors could be:

- Home and Host country characteristics
- Cultural distance, Language border
  - For example, interviewee X has experienced failure once when he decided to establish a subsidiary in the border of Belgium and Holland in order to sell his products for both countries. However, the culture between Belgium and Holland was so different and it took he 3 years to realize the situation.
- Patriotism (local preference).
  - For example, the case of German market. Customers from Germany always want to buy German products because of its high quality reputation. But in the past, Swedish quality was perceived as higher than German products.
- Economic factors
  - Interviewee X wants to know the structure of the economic system, of the industry that he is about to enter. These information is needed for better entry decision making.
- Competition
- National branding
  - Sweden presents high quality product, trustful business people.
- Firm characteristics
- Price barrier
  - In the case of Finland, because of the price gap between Sweden and Finland, interviewee X decided to sell his company product their and easily gain market
3. Did you perceive any WOM effect that associate with your entry timing? If yes, please describe them

WOM of a similar company in the market, such as competitors, companies come from the same country with the firm may influence entry timing. For example, company comes from Sweden, because H&M, IKEA perform well in the market, so they also benefit from them. This could relate to building trust among business customers.

In term of reputation, first his firm go to UK and then to Holland when it has proven itself.

4. Did you perceive any Window of Opportunity that may influence your entry timing? If yes please describe them

The company that X worked for has a staff who speaks French very well, they start to look for business in France and actually did it. The time they enter France market was decided by the connection developed by that French-speaking staff.

5. Did you think competition will influence your entry timing, and in what sense?

Before entering market, interviewee X will ask questions about existed dominant player and how well are the other players performing in the market. They do not want to make too much noise if you do not want to wake up the “big guy” in the market. They choose to go under the radar when entering foreign market in some case, slowly, gradually and not too soon. Timing in a wise way will provide time for company X to develop its business.

Also, you need competition between firms to raise awareness of your products/services among customers.

6. How about the Swedish step-by-step internationalisation? Do you think it can have any impact on your entry timing? The Swedish step-by-step internationalization here can be understood as the four steps Swedish firms usually follow: Step 1: Exporting, Step 2: Choose sale agents who located in local market, Step 3: If sales go up, firm will replace this sale agent with its own sale representatives Step 4: Move production to that market.

Interviewee X agreed that most of his companies still follow these steps. He pointed out that M&A can be an option but it is also a bigger concern. Because in M&A it may take longer time to integrate, firm has to take care of culture gap, prepare the capital. If you choose exporting first, sometime it can be slower, sometime can be faster than M&A. This decision may influence timing due to your speed of entry. Always remember that you have to find your foothold, get the first customer and then you can get bigger customer.