



UNIVERSITY OF
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BODØ GRADUATE SCHOOL OF BUSINESS

MASTER THESIS

**Internationalization process of SMEs: motives
and barriers**

Case study of "Taste of North"

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Abstrakt

Coviello og McAuley (1999) lagt merke til at før 1990-tallet var det en vanlig oppfatning at små og mellomstore bedrifter har begrensede muligheter for å utvide sin virksomhet i utlandet.

Men en økende betydning av internasjonal markedsføring i løpet av de siste 20 årene ledet til økende av mengden av SMB som begynte å utvide sin virksomhet til internasjonale markedet.

Det er grunnen til at det var en stor utvikling av nye teorier med det formål å forklare hvorfor og hvordan bedrifter internasjonaleseres. Alle disse teorier og tilnærminger er rettet mot å tolke internasjonaliseringsprosess som foregår når et firma gjør en beslutning om å starte eksport aktiviteter.

Denne forskningen beskriver internasjonaliseringen av det lokale norske selskapet " Taste of North " for å få dypere forståelse av denne prosessen. Empiriske resultater er mottatt fra intervjuene med leder og eier av ovennevnte selskap. Alle de dataene jeg innhentet ble oppsummert, strukturert og klargjort for analyse.

De viktigste funnene i studien er beskrivelsen av motiver og barrierer i internasjonaliseringsprosessen av " Taste of North ".

Nøkkelord: SMB, internasjonalisering teorier, internasjonaliseringsprosess av SMB, motiver, barrierer, "Taste of North"

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During my studying on Master of Science in Business program I chose specialization in International Business and Marketing. And now I am done with my master thesis, which is the final assignment. The work on this thesis has been a challenge for me, because sometimes it was hard to write it. But at the same time, the process of writing master thesis was also thrilling and extremely interesting. And I'm so grateful that I got opportunity to study in Bodø in University of Nordland.

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As author, I take full responsibility for the content of the present master thesis.

Bodø, 20 May 2014

Anna Kozlova

Abstract

Coviello and McAuley (1999) noticed that before 1990s there were a common opinion that small and medium-sized enterprises have limited possibilities for expanding their activities abroad.

But a growing importance of the international marketing during the last 20 years led to increasing of amount of SMEs that started to extend its activities to international market.

That is why there was a big development of the new theories with the purpose to explain why and how companies internationalize. All of this theories and approaches are aimed to interpret the internationalization process which takes place, when a firm makes a decision to start export activities.

This research describes the internationalization process of the local Norwegian company "Taste of North" in order to get deeper understanding of this process. Empirical results are received from the interviews with the leader and owner of above-mentioned company. All of the data I obtained were summarized, structured and prepared for analysis.

The main findings of the study represent the description of motives and barriers of the internationalization process of "Taste of North".

Keywords: SMEs, internationalization theories, internationalization process of SMEs, motives, barriers, "Taste of North".

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Chapter 1 Introduction

International marketing has a huge importance for companies of all sizes in the 21st century. Most of the worldwide companies use materials, equipment or sell products to other nations. International sales provide additional income for companies, and for some of them it is the only way to get profit.

A growing importance of the international marketing during the last 20 years is the result of many interrelated factors:

- There were a reduction of barriers to trade and investment through various agreements. This fact helped many companies to expand export activities and to create production and sales abroad.
- Development in transportation and logistics continued to decrease the costs of exporting and importing.
- Entrepreneurial novelties and improvements in technologies have gotten a result in the creation of new services and goods that became attractive for international markets.
- Markets became wide and linked because of the emergence of electronic commerce (e-commerce).
- Industries and firms in different countries became interdependent with regard to materials and business activities.
- Capital markets became international because their regulations were decreased and this process led to increasing growth of cross-national connections.
- Different industries in many countries have excess capacities. It was partly a result of increased productivity in existing and new facilities. National and local producers managed to achieve economies of scale, use of oversupply of labor and to sell products in new zones. All of these factors increased the attempts of many companies to export activities.
- The commerce around the world continued to expand faster than world gross national product and this promoted to increase importance of international markets. (Albaum et.al, 2005)

1.1 Background of the research

During last 50 years many researches created different theories with a purpose to explain why and how companies internationalize. There were a lot of debates about existing theories of the internationalization process of the firm. But all of them had a goal to explain internationalization processes which take place, when a firm makes a decision to expand across national borders.

Coviello and McAuley (1999) noticed that before 1990s there were a common opinion that small and medium-sized enterprises (SMEs) have limited possibilities for expanding their activities abroad. SMEs have limited financial and administrative resources in comparison with the large firms. Often SMEs do not have enough information resources, because of limited network connections. These factors had a big influence on the role of SMEs in the international marketing activities and were the reason why SMEs considered to be unlikely to internationalize (Bilkey and Tesar, 1977).

During 1990s and further different researches began to describe another way of internationalization process of SMEs (Knight and Cavusgil, 1996). SMEs became a significant part of advanced market economies and transitions economies (Fillis, 2001). Studies show that many firms managed to reach international markets with a high rapidity and a fast resource commitments. These firms were often created by persons with international experience from their background that is an important reason for initial process of the internationalization of the firm (Madsen and Servais, 1997).

Description of the internationalization process of the firm includes several considerable parts, such as a formulating a proper strategy to enter new market, choice of a market entry mode, consideration of possible risks, uncertainties and barriers which the firm can face during the whole process. Market knowledge is one of the most important elements for creating a good strategy for becoming a participant of international market. There are other factors which also should be taken into account, such as manager's skills, financial resources, age and size of the firm, etc. Every company should consider all of these and many other factors, I will talk about further in the thesis, when it decides to expand its activities abroad to try to prevent and avoid a possible failure.

1.2 Research purpose and research questions

The purpose of the master thesis is to get a better understanding of the internationalization process of the firm on the example of one specific company. To achieve this goal I will analyze existing theories of internationalization, which are applicable for big and small companies and will get a deep insight into the process by obtaining information about export activities of a Norwegian firm operating abroad.

In order to reach the purpose of the study, the following research questions were created, which guided me during of the study process:

- 1. What kind of motives can have impact on the decision of the firm to internationalize?***
- 2. What kind of barriers can the firm face during the internationalization process?***

To accomplish a task I will analyze the company “Taste of North”, which has a main office in Bodø and a factory in Tysfjord.

1.3 Limitations and implications

There are external and internal factors, which have an influence on the internationalization process of the firm. It means that this process can differ in different companies in different countries, because of differences in company’s technologies, business culture, owner and manager of the company, economic conditions, infrastructure, etc. Thus, the main limitation of the study is that I will describe internationalization process of the particular company in Norway. But in spite of this limitation, this study can be relevant for other future investigations in this area. Norway is the developed country, member of several trade associations such as, European Free Trade Association, Canada-EFTA Free Trade Agreement and World Trade Organization (source: websites of EFTA and WTO). Thereby, it means that this research can be applicable for companies in the countries, which are member of the same associations and have similar business conditions.

1.4 Outline of the thesis

The master thesis consists of several parts: introduction, theoretical chapter, methodological chapter, empirical chapter, analytical chapter and conclusions. The structure of the thesis is shown on the figure 1.4.

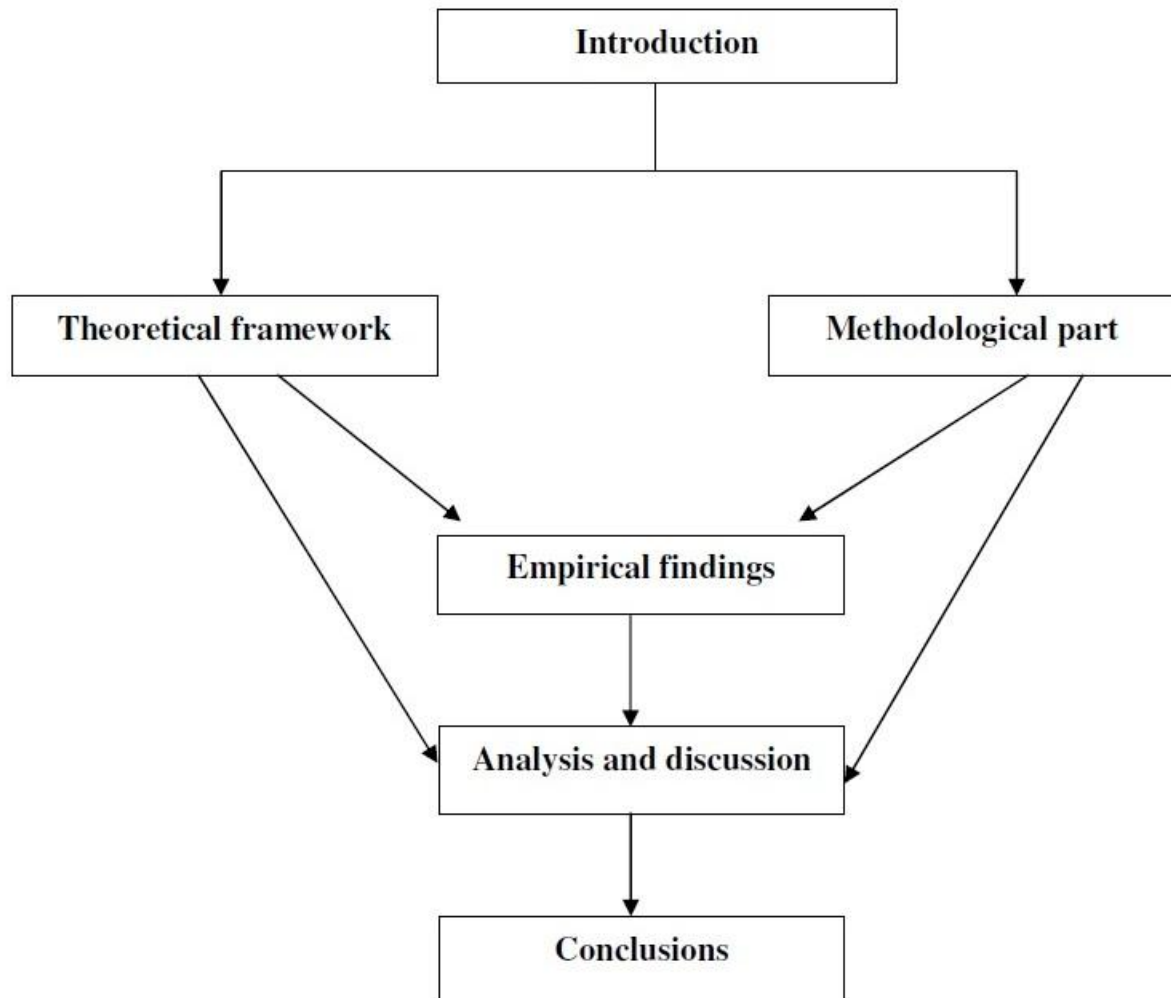


Figure 1.4 The structure of the master thesis

Introduction presents background of the topic, research purpose, research questions, limitations and implications of the study.

Theoretical chapter includes important and relevant internationalization theories. These theories were chosen as the most significant theories, which describe the internationalization process of the firm.

Methodological chapter discusses methodological and philosophical issues of the master thesis. It also has description of data collection and research design.

Empirical chapter presents main empirical findings, which were discovered during the interviews with the leader of the company "Taste of North".

Chapter of **analysis** and **discussion** represent findings of the research by analyzing it through the prism of theoretical framework.

The last chapter reveals main findings and **conclusions** of the master thesis and suggestions for the future research of the topic.

Chapter 2 Theoretical framework

The current chapter is devoted to give general understanding of the internationalization process and its theoretical foundation. The main internationalization approaches, motives, barriers and risks will be also discussed in this chapter.

2.1 Definition of internationalization

The object of the research is to study the process of internationalization of a firm. First of all, let's give a definition of it. A review of the literature shows that currently there is no agreed definition of internationalization. We can view internationalization as a process of increasing involvement of enterprises in international markets (Welch & Luostarinen, 1988). The origin of the process stems in the 1960s, when Simmonds and Smith identified internationalization as a successful route to increase exports (McAuley, 2001). This work became formalized into models of export behavior, mainly by a number of Swedish researchers including Johanson, Olson and Wiedersheim-Paul (1978) who stated that "internationalization usually refers to either an attitude of the firm towards foreign activities or to the actual carrying out activities abroad". For them it was the interaction of these attitudes and actual behavior which describe the internationalization process (McAuley, 2001).

2.2. Theories of internationalization

Literature review shows that existing internationalization theories can be divided into two groups: theories that describe internationalization with the economic approach and theories that describe internationalization with the behavioral approach (Andersson, 2000; Mort and Weerawardena, 2006). Economic approach is applicable for large multinational enterprises (MNEs) and behavioral approach is developed for small and medium sized enterprises (SMEs).

Seifert and Machadoda- Silva (2007) wrote that internationalization can be influenced by external and internal variables. We can see main aspects of both variables in a table 2.2.

Table 2.2 The main internal and external variables both approaches to internationalization theory focuses on (adopted from Seifert and Machadoda- Silva 2007, p.42)

The main variables the internationalization process is influenced by	Economic approach	Behavioral approach
Internal variables	<ul style="list-style-type: none"> ▪ Ownership advantages ▪ Tacit knowledge ▪ Product characteristics ▪ Communication ability 	<ul style="list-style-type: none"> ▪ Experiential knowledge ▪ Learning
External variables	<ul style="list-style-type: none"> ▪ Location advantages ▪ Comparative advantages ▪ Industry characteristics ▪ Uncertainty ▪ Government intervention ▪ Opportunism 	<ul style="list-style-type: none"> ▪ Psychic distance ▪ Geographic distance ▪ Cultural differences ▪ Inter-organizational networks

Now let’s talk about every aspect in the both approaches and discuss examples of theories that follow each approach.

2.2.1. *Economic approach of internationalization*

The economic approach is based on mainstream economics, and has its focus on the company and its environment (Andersson, 2000). The main assumption of the economic approach is that firms are quasi rational in their choice of investments and that the decision maker has access to perfect information. He is rational and will choose the optimal solution. (Seifert and Machado-da-Silva, 2007).

Jones (1999) claims that theories, that follow the economic approach, have tended to advocate a gradual move from lowcost, low-risk strategies, such as exporting, to higher-cost, higher-risk strategies, such as wholly owned production subsidiaries.

There are several economic theories that have been proposed to explain the choice of foreign entry modes by firms. Among the best known are Transaction Cost Analysis Model, Dunning’s eclectic theory and International Product Life Cycle Model (Hermannsdottir, 2008). Each of these theories will be discussed and explained.

a) Transaction Cost Analysis (TCA) Model

The foundation for this model was made by Ronald Coase (1937). He argued that “a firm will tend to expand until the cost of organizing an extra transaction within the firm will become equal to the cost of carrying out the same transaction by means of an exchange on the open market” (p.395). It is a theory which predicts that a firm will perform internally those activities it can undertake at lower cost through establishing an internal (‘hierarchical’) management control and implementation system while relying on the market for activities in which independent outsiders (such as export intermediaries, agents or distributors) have a cost advantage (Hollensen, 2014).

Transaction costs emerge when markets fail to operate under the requirements of perfect competition (‘friction free’); the cost of operating in such markets (i.e. the transaction cost) would be zero, and there would be little or no incentive to impose any impediments to free market exchange. However, in the real world there is always some kind of ‘friction’ between buyer and seller, resulting in transaction costs (Hollensen, 2014).

A high level of transaction cost results in a preference for internalizing the transaction (Johanson and Mattsson, 1987). Firms therefore decide to produce abroad if they perceive that the reduction in transaction costs resulting from the replacement of the external imperfect markets will be greater than the cost of organizing such activities internally. Otherwise, foreign markets will be supplied by exports, licensed sales, or some other form of international activity (Anastassopoulos and Traill, 1998). TCA model predicts that international expansion of the firm will start in nearby markets, because administrative and risk-taking cost will be lower in such markets (Johanson and Mattsson, 1987).

b) Dunning’s eclectic theory

The eclectic paradigm is also known as the OLI-Model or OLI-Framework. It was developed by the British economist John Harry Dunning. The intention was to offer a holistic framework by which it was possible to identify and evaluate the significance of the factors influencing both the initial act of foreign production by enterprises and the growth of such production (Dunning, 1988). Glückler (2006) says, that Dunning’s model is eclectic because it integrates distinct explanatory approaches from different theories into one single framework.

According to the theory, the firm’s decision to enter a foreign market and the choice of entry form depend on a combination of three advantages that are necessary conditions for

entry into foreign markets (Dunning, 1988). First of all, firm must have a specific **Ownership** advantage, which compensates for the general “liability of foreignness” that comes from operating at a distance as well as the generally superior competitive position of rival domestic firms in the target market (Benito and Gripsrud, 1992). Second, the **Location** advantage of the target market has to be identified and to be evaluated with respect to its fit with the firm’s strategy (Ólafsson and Hermannsdóttir, 2009). Third, there are **Internalization** advantages which refer to the benefits of retaining assets and skills within the firm. I-advantages accrue to firm from the internal use of its O-advantages rather than renting them out to external parties in the form of licensing agreements or franchising (Mtigwe, 2006).

Figure 2.2.1 describes all three advantages in the eclectic theory.

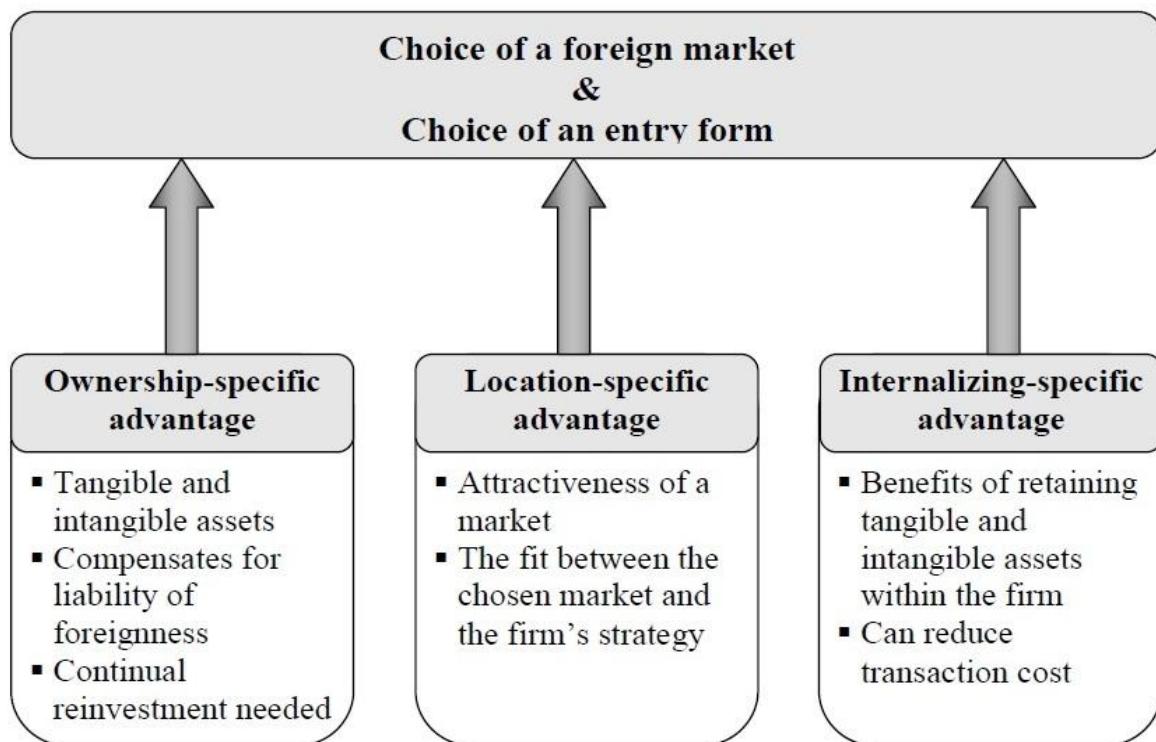


Figure 2.2.1 Firm’s specific advantages needed when entering foreign markets according to Dunning’s eclectic theory (adopted from Hermannsdottir 2008, p.7)

c) International Product Life Cycle (IPLC) Model

This theory was developed by Raymond Vernon. IPLC model is based on product life cycle, which consists from four stages: introduction, growth, maturity and decline. Location of production depends on the stage of the cycle. The introduction stage is domestic and innovators locate production activities at home where the product was developed. The firm will start to export, when it gets enough knowledge about the foreign market, so it manages to

shift production abroad. When the product reaches the growth stage, export activities will increase and the product will be expanded to new markets. At the maturity stage major markets are saturated and a certain degree of standardization of the product has usually taken place (Melin, 1992). Firms will start to be concerned more about production costs than about product characteristics. It leads to a change of the location of production facilities to the less developed countries with the lower production costs (Almor et al., 2006). At the end, the firm will export its product from the less developed countries back to the original innovating country (Sikorski and Menkhoff, 2000). According to IPLC model, cost advantage and low labour cost are the major motivating factors. Firms will move endlessly between different locations to secure and maintain their cost advantage (Mtigwe, 2006). Next table shows three stages of IPLC model.

Table 2.2.1 The International Product Life Cycle Model (adopted from Hermannsdottir 2008, p.10)

Three stages of the IPLC model		
Stage 1: Introduction	Stage 2: Growth	Stage 3: Maturity
<ul style="list-style-type: none"> ▪ Production activities are located in the developed country where the product was developed ▪ The product is exported into other industrial markets 	<ul style="list-style-type: none"> ▪ Export activities increase and finally the production activities are located in proximity to consumers in other developed countries 	<ul style="list-style-type: none"> ▪ Production activities are located in less developed countries where costs are low ▪ The firm exports its product from the less developed country back to the original innovating country

2.2.2. Behavioral approach of internationalization

Behavioral approach is based on organizational theory. It also can be called process approach. The main role in this approach is an importance of organizational knowledge in the process of internationalization. International experience has a great influence on the rate and direction of internationalization (Clercq, Sapienza and Crijns, 2005). As it was mentioned above, behavioral approach of internationalization was developed in order to describe the internationalization process of SMEs.

Models which follow behavioural approach show an importance of knowledge of top managers, when it comes to understanding of the international behavior of the firm

(Andersson, 2000). Understanding, perception, view and attitude to the situation on the foreign market come from a special knowledge of international markets of the person(s) who is responsible for making decisions (Erramilli and Rao, 1990).

There are several theoretical models which can be applied to behavioral approach of the internationalization process. Ahroni's Decision Making Model, Uppsala Model and Innovation-Related Internationalization Models are well-known models of this approach. These three models will be discussed in the next part of my work.

a) Ahroni's Decision Making Model

This model was made by Yair Ahroni in 1966. He perceived internationalization as a complicated of social process with "many different attitudes and opinions, social relationships both inside and outside the firm and the way such attitudes, opinions and social relations are changing"(Aharoni 1966, p.13). He described different stages of the process of internationalization and underlined the importance of market information, possible risks and previous experience of decision maker. Social and organizational structures of the firm, its history and some problems, which the firm can face at the moment, also play an important role in the decision to export.

When the decision maker starts to export for the first time, he comes to new, unknown way. There are some triggers, which can push the firm to start internationalization process. It can be a business proposal, which the firm gets from abroad. Or maybe competing firms have successful activities abroad and this fact leads to make firm's decision about beginning its own abroad activities (Törnroos, 2002).

The decision to look abroad is often a combination of several motivating factors, not only the one specific factor. Those factors create the situation, when the decision maker feels that export can help to solve some problems of the firm, create important business activities or simply give income for important needs, which the firm has. All of these factors lead the firm to the way of changing the focus from domestic market and look about possibilities abroad. The decision to start business abroad is a decision to find possibilities in a specific market in a specific country, not the decision to look around the whole globe (Aharoni, 1966).

b) Uppsala Model

The Uppsala model explains internationalization as a process of gradual learning of the firm through experiences gained from foreign markets. It was introduced by Swedish researchers from Uppsala University Johanson and Wiedersheim-Paul in 1975.

The model explains two patterns in the internationalization process of the firm. First pattern is that firm's level of engagement within specific country follows an establishment chain, which is a sequence of stages, such as:

1. No regular export activities
2. Export via independent representatives (agents)
3. Establishment of an overseas sales subsidiary
4. Overseas production/manufacturing units

The firm gets a gradual increase in market experience with the every stage (Johanson and Wiedersheim-Paul, 1975).

Second pattern is that firms enter new markets with a big differences in language, culture, political system, in other words, markets that have great psychic distance from the home market. In many cases, those markets have a big geographical distance too. There is a huge role of firm's experience that helps the firm to find new business opportunities and reduce a risk of uncertainty which take place, when the firm enter to a new market. (Johanson and Vahlne, 1990).

Johanson and Wiedersheim-Paul's theory was further developed and revised by Johanson and Vahlne (1977,1990,2006). They formulated a dynamic model to explain growing character of internationalization. Johanson and Vahlne (1977, p.23) argue that the model has focus "on of the development of individual firm and particularly on its gradual acquisition, integration, and the use of knowledge about foreign markets and operations and on its successively increasing commitment to foreign markets". Dynamic model is such a model, where the output of one cycle of events establishes the input of the next. This model consists of state and change aspects. The state aspects are the market commitment (resource commitment to the new markets) and the knowledge about these new markets. The change aspects are decisions to

commit resources and performance of present activities of the firm (Johanson and Vahlne, 1990). The mechanism of the model is shown on the Figure 2.2.2.

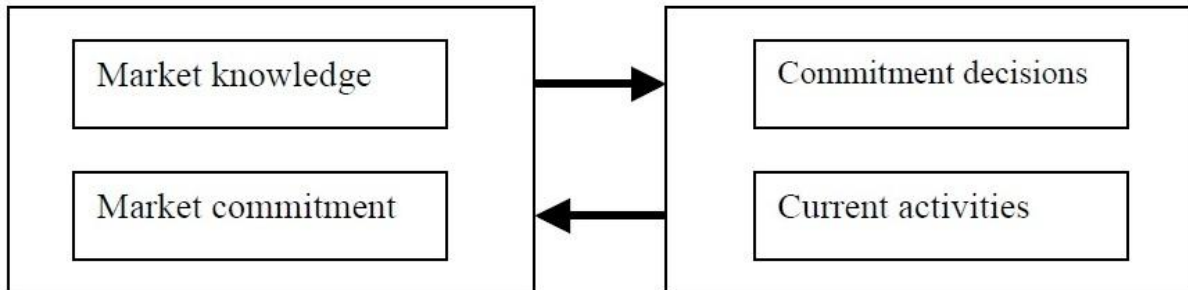


Figure 2.2.2 Internationalization process of the firm (adopted from Johanson and Vahlne 1990, p.12).

Johanson and Vahlne (1990) assumed that market knowledge and market commitment affect commitment decisions and current activities, and these, in rotation, change market commitment and knowledge.

One of the main assumptions of this model is that “the lack of knowledge is an important obstacle to the development of international operations” (Johanson and Vahlne, 1977 p.23) So when the firm starts its international activities, it supposes to have general knowledge and knowledge of a specific market. The better knowledge firm has about market, the stronger market commitment it has (Johanson and Vahlne, 1990).

Market commitment consists of the amount of resources committed (size of the investment in the new market) and the degree of commitment (difficulty to find an alternative use for resources).

Authors (1990) underline that business activities of the firm are the main source of firm’s experience and the commitment decisions depend on it and, in turn, relate to the current business activities of the firm.

Uppsala model shows an importance of the learning process of the firm and interaction between development of market knowledge that the firm gradually gets and increasing foreign market commitments (Johanson and Vahlne, 2006).

c) Innovation-Related Internationalization Models

Innovation-related internationalization models were created on the basis of the Uppsala model (Andersen, 1993). Andersen (1993) writes about four well-known models which were presented during the period 1977-1982. These models use innovation-related perspective to describe the internationalization process. In other words, decision about internationalization is always an innovation for the firm (Andersen, 1993).

Reid (1981) supposed that viewing export process as an innovation can help us to understand initiation and developing of it. He also said that motivations, hopes and previous experience of decision-maker have a significant influence on the process of internationalization.

Innovation-related internationalization models show us a sequential process toward a deeper spreading into new markets (Luostarinen, 1979).

Table 2.2.2 represents a short review of these four innovation-related internationalization models.

The main differences in Innovation-related models are the number of stages (between 5-6) the firm goes through during the internationalization process and the description of every stage.

For example, the firm's motivation to start export has different explanation in different works. Bilkey and Tesar (1977) and Czinkota (1982) suppose that during the Stage 1 the firm is not interested in exporting and only partially interested at Stage 2. So Andersen (1993) concludes that there is a "push"-mechanism which can affect the firm. By the words "push"-mechanism, he means an external change which initiates the decision to export.

Cavusgil (1980) and Reid (1981) suppose that the firm is more active and interested in export during the early stages. Andersen (1993) explains it by describing a "pull"-mechanism. The "pull"-mechanism is an internal change which initiates the movement of firm's from one stage to another.

Table 2.2.2 Innovation-related internationalization models (adopted from Andersen 1993, p.213)

	Bilkey and Tesar (1977)	Cavusgil(1980)	Reid (1981)	Czinkota (1982)
Stage 1	Management is not interested in exporting	Domestic marketing: The firm sells only to the home market	Export awareness: Problem of opportunity recognition, arousal of need.	The completely uninterested firm
Stage 2	Management is willing to fill unsolicited orders, but makes no effort to explore the feasibility of active exporting	Pre-export stage: The firm searches for information and evaluates the feasibility of undertaking exporting	Export intention: Motivation, attitude, beliefs, and expectancy about export	The partially interested firm
Stage 3	Management actively explores the feasibility of active exporting	Experimental involvement: The firm starts exporting on a limited basis to some psychologically close country	Export trial: Personal experience from limited exporting	The exploring firm
Stage 4	The firm exports on an experimental basis to some psychologically close country	Active involvement: Exporting to more new countries; direct Exporting, increase in sales volume	Export evaluation: Results from engaging in exporting	The experimental firm
Stage 5	The firm is an experienced exporter	Committed involvement: Management constantly makes choices in allocating limited resources between domestic and foreign markets	Export acceptance: Adoption of exporting/ rejection of exporting	The experienced small exporter
Stage 6	Management explores the feasibility of exporting to other more psychologically distant countries			The experienced large exporter

Andersen (1993) underlines that every new stage in the internationalization process represents more experiential knowledge. He also says that the innovation-related models are applied from the moment of initiation of an idea about exporting to the moment the firm sees its international activities as ordinary and common part.

As it was mentioned above, there are external and internal factors that influence firm’s initiation to export. Vissak (2003) describes such internal factors, as general characteristics of the firm (size, background, and goals), decision-maker characteristics (age, country of birth, value system and past experience) and the level of organizational commitment to export marketing, which includes willingness to learn and spare resources to export activities. There were also describes such external factors, as home country conditions (size, demand in domestic market, level of competitors, production and transport costs), industry characteristics, which includes foreign and domestic competition, national policies (export support services and export incentives) and foreign market conditions (size, level of competitors, trade barriers and product standards) (Vissak, 2003).

The key elements of innovation-related internationalization theories are export attitude and knowledge the firm gets during export activities and the way these features influence choice of country and recognition of potential market opportunities (Vissak, 2003).

2.3. Latest internationalization approaches

Some researches (Jones, 1999; Collinson and Houlden, 2005) noticed that there were changes in the internationalization process of the SMEs. That was the reason for developing of the newest internationalization approaches.

Glückler (2006, p.369) states that “firm internationalization has become a more complex phenomenon than the initially theorized in the mainstream approaches”. He mentioned two reasons of it. First, firm’s international expansion has not only grown in traditional manufacturing-based businesses, but also in services (especially in knowledge-intensive services). Second reason is that firm’s internationalization is no longer relates to only large firms, but also to medium, small and micro firms.

SMEs often have limited amount of the resources and low brand recognition that makes the process of entering to the new markets more complicated for them. A failure in the new market can be fatal for SMEs, because investments firms have to make to enter the new market are often high in comparison with the firm’s available resources (Buckley et al., 2004). Most of the researches were based on the cases of multinational enterprises and several authors were not sure that it is possible to use these researches for SMEs (Jones, 1999; Collinson and Houlden, 2005; Glückler, 2006). That was the reason why were created new theoretical approaches, which are applicable for internationalization process of SMEs: Born Global and Network theory. Let’s discuss both approaches in details.

a) Born Global

Kalinic (2009) describes Born Global firms as firms having international direction in business activities from their inception. Such firms can reach a specific degree of internationalization within some years. Some authors notice that it can take only two years for the firm to internationalize from the moment of its foundation (Mckinsey, 1993), other researches write that it take up to three years (Knight and Cavusgil, 2004). And the last group of researches defines the period of internationalization for firms as eight years (McDougal and Oviatt, 1994). Different authors argue about time that the firm needs to internationalize, but all the authors agree that Born Global firms enter new markets by turning into a lead market or a global niche marker and they often ignore their domestic market (Bell, 1995; Coviello and Munro, 1995).

Loane and Bell (2006) mentioned that Born Global firms view the whole world as an arena for their business activities and use opportunities in different markets, irrespective of geographic and psychic distances involved.

Andersson and Wictor (2003) developed a conceptual framework that describes factors, which have influence on development of Born Global firms. This framework is shown on the figure 2.3.1.

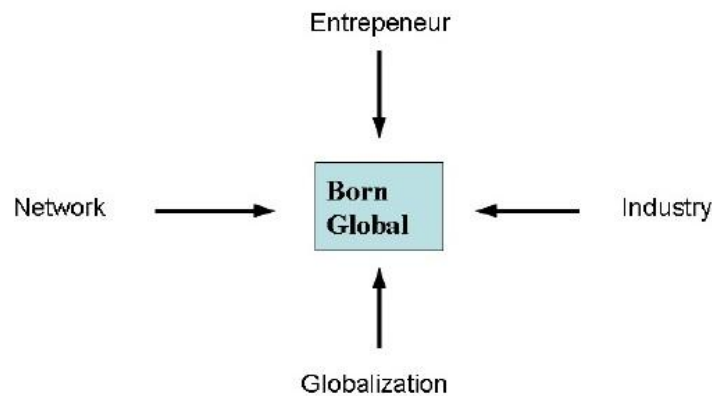


Figure 2.3.1 Born Global conceptual framework (adopted from Andersson and Wictor 2003, p.254)

As we can see on this figure, the authors divided factors that have influence on Born Global firms into four main groups: entrepreneur, industry, networks and globalization.

1. One of the key features of Born Global firms is personal characteristics of its **entrepreneur**/owner or manager of the company, such as global mindset, being innovative, proactive and risk taking (Mort and Weerawardena, 2006). Oviatt and McDougall (1997) noticed that this person should also have a high degree of previous international experience. If manager/owner of the firm previously has practical knowledge about other markets, the Born Global firm has a big opportunity to engage in new markets quite fast (Madsen and Servais, 1997).
2. Characteristics of the **industry** play an important role in understanding of international development of Born Global firms. Madsen and Servais (1997) noticed that these firms have tendency to be more niche-oriented than other firms.
3. **Network** features has also a significant role for Born Global firms. Every firm has to develop and contribute its relationships with suppliers, financiers and customers from the moment of the appearance of the firm (Andersson and Wictor, 2003).

4. **Globalization** is last factor that has influence on Born Global companies according to Andersson and Wictor. It creates progress in communication technology, transportation and decrease trade barriers.

Chetty and Campbell-Hunt (2003) suppose that Born Global firms have a tendency for being established in small countries with open economies and progressive technologies. These countries can also have a limited local demand for products, and it can stimulate firms to export from the moment of their establishment (Knight and Cavusgil, 2004). Gabrielsson and Kirpalani (2004) wrote that the examples of such countries can be called Finland, Sweden, Denmark, Israel, Australia and New Zealand.

b) Network theory

Network theory underlines the importance of business relationships of the firm during its internationalization process. Networks facilitate firms to reach success by helping to find new market opportunities and get market knowledge (Coviello and Munro, 1995).

Rundh (2007) defines networks as a set of two or more connected exchange relationships. Durrieu and Soldberg (2006) wrote that networks consist of independent agents or distributors, sales subsidiaries, local dealers and customers. Ford (2002) mentioned that supplier networks and distribution networks are the most important examples of firm's networks.

Initially the firm has connections in domestic market, and during the internationalization process it gets other networks in foreign markets (Johanson and Vahlne, 2009). The firm can use domestic networks to form new network connections in a new country. Hollensen (2014, p.86) noticed that "a basic assumption in the network model is that the individual firm is dependent on resources controlled by other firms". Powell et al. (1996) confirm it by saying that networks provide a path of innovation, because they give access to resources and knowledge that impossible to reach without network connections.

Coviello and Munro (1995) argued that network connections can have different intentions, for example, a reduce of the cost of production or contribution to the development of new knowledge and competencies.

There is a huge importance of network relationships in the firm's international market entry, because the firm's decisions of entry way and market choice are influenced by its network partners (Coviello and Munro, 1995). The entry of a foreign market can be also the result of

decision taken by the firm’s partner. Mtigwe (2006) argues that firm’s internationalization is newer an independent effort, but it is the result of network relationships. Glückler (2006) think that the position the firm has in the network has a strategic value and gradually becomes an intangible resource.

Bounds between different network agents in home and the new country are shown on the figure 2.3.2.

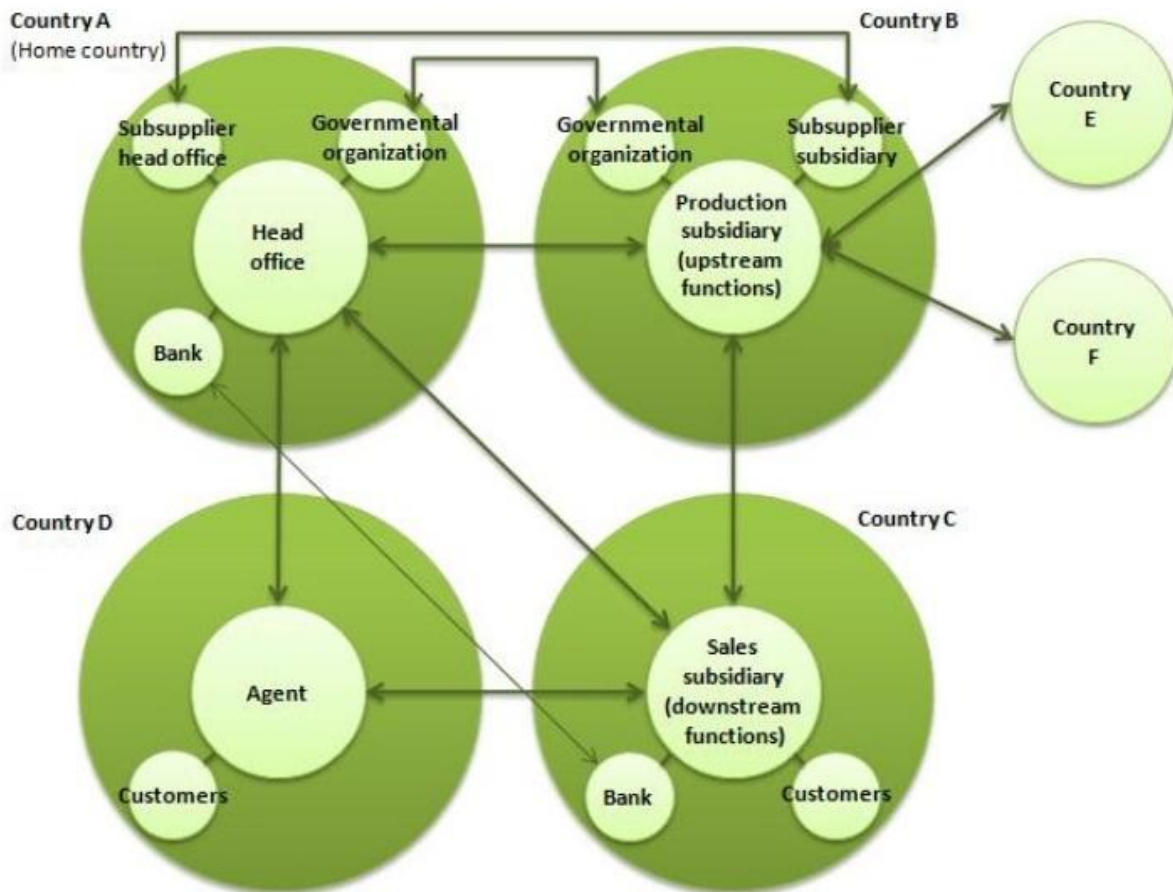


Figure 2.3.2 En example of an international network (adopted from Hollensen 2014, p. 87)
 Country A on the figure 4 is the home country of the firm. The firm has subsupplier in its home country. The subsupplier created a subsidiary in country B and it means that the firm has its production subsidiary in country B, because it is easy to use pre-existing relationship between the firm and subsupplier, than to create new in new country. By using this example, Hollensen (2014, p.87) shows that “the relationships of a firm in a domestic network can be used as bridges to other networks in other countries”.

Mtigwe (2006) suppose that network mechanism accelerates internationalization process, because every network of the firm has a great value and gives necessary knowledge about new market very fast, than if the firm would not have network connection.

Johanson and Mattson (1988) view internationalization as a process, where the firm establishes new relationship with foreign partners, develops and supports it continuously in order to achieve its own international development.

2.4. Internationalization motives

Internationalization occurs when a firm expands its research and development (R&D), production, selling and other business activities into international markets. However, for SMEs, internationalization is often a relatively discrete process; that is, ones in which management regards each internationalization venture as distinct and individual (Hollensen, 2014).

Freeman (2002) says that in the pre-internationalization stages, SME managers use information to achieve relevant knowledge to start internationalization process. On figure 2.4 we can see different stages in pre-internationalization. Further I will talk more about every stage in this figure.



Figure 2.4 Pre-internationalization: initiation of SME internationalization (adopted from Hollensen 2014, p.53)

For most firms the main factor to begin internationalization is to make money. But in general the only one factor cannot lead to the decision to start business abroad. Usually it is a mix of several reasons, which give an impact for exporting. Svend Hollensen (2014) divided internationalization motives into proactive and reactive motives.

Table 2.4. Major motives for starting export (adopted from Hollensen 2014, p.54)

Proactive motives	Reactive motives
<ul style="list-style-type: none"> ● Profit and growth goals ● Managerial urge ● Technology competence/unique product ● Foreign market opportunities/market information ● Economies of scale ● Tax benefits 	<ul style="list-style-type: none"> ● Competitive pressures ● Domestic market: small and saturated ● Overproduction/excess capacity ● Unsolicited foreign orders ● Extend sales of seasonal products ● Proximity to international customers/psychological distance

Proactive motives show stimuli to attempt strategy change, based on the firm’s interest in exploiting unique competences (e.g. a special technological knowledge) or market possibilities. Reactive motives indicate that the firm reacts to pressures or threats in its home market or in foreign markets and adjusts passively to them by changing its activities over time (Hollensen, 2014).

Let’s talk more about every internationalization motive.

2.4.1. Proactive motives

a) Profit and growth goals

During the stage of initial interest in exporting it is really important for SMEs to get short-term profit, because it will give a great motivation to continue with export. A wish of the firm to grow also has importance, when the firm makes a decision to start export. Hollensen (2014, p.54) supposes that “ the stronger the firm’s motivation to grow, the greater will be the activities it generates, including search activity for new possibilities, in order to find means of fulfilling growth and profit ambitions”.

b) Managerial urge

Managerial urge is manager’s commitment and motivation that shows the desire and enthusiasm to drive internationalization forward. It can be a reflection of general entrepreneurial motivation: to continue growth and market expansion.

c) Technology competence/unique product

The firm has an advantage on the international market, if it has unique technology or produce special goods or services. In this case the firm has a competitive edge over other firms and can have leading positions in business abroad. It will last until the firms-competitors get knowledge about technologies. The situation on the world's market changes fast, because there are so many competing technologies and a lack of international patent protection.

d) Foreign market opportunities/market information

Some of the foreign markets are in the stage of growing and it provides a lot of opportunities for expansion-minded firms. The attraction of the south-east Asian markets is based on their economic successes, while the attraction of the Eastern European markets is rooted in their new-found political freedoms and desire to develop trade and economic relationships with countries in Western Europe, North America and Japan (Hollensen, 2014). Knowledge about new market gives advantage to the exporting firm from its competitors. Firm can get such knowledge from market's research or special contacts/connections the firm may have inside of the new market.

e) Economies of scale

As we know, economies of scale are the cost advantages that a firm obtains due to expansion (Silvestre, 1987). So we can conclude that by increasing production for international market, the firm will get reduce of costs of production for domestic market. In other words, it is a double benefit for the firm.

f) Tax benefits

Hollensen (2014, p.57) describes tax mechanism on the example of United States of America. Foreign Sales Corporation (FSC) provides firms with certain tax deferrals that allow the firm to offer its products at a lower cost in foreign markets or to accumulate a higher profit.

2.4.2. Reactive motives

a) Competitive pressures

A huge motivation for a firm to start business abroad is behavior of its competitors. As we talked above, firms that produce goods for international market, have benefits from

economies of scale. It means that they can put a lower price for products on the domestic market and have bigger market share, than firms that don't export and don't gain profit and market share by doing export. And at the same time such firms will lose domestic market share, because they will have higher price than its competitors.

b) Domestic market: small and saturated

A firm starts to develop its export strategy, when it doesn't see possibilities for increasing number of consumers on the domestic market. It can happen in case, if the firm produces special type of goods (for example, industrial products) that have few consumers located in different parts of the world.

Another reason for exporting is a saturated domestic market. As we know, each product has life cycle. There are 4 stages of product life cycle: introduction, growth, maturity, decline (Kotler and Keller, 2012). So it can be a situation, when the product reaches the stage of decline on the domestic market. And "instead of attempting a push-back of the life cycle process, or in addition to such an effort, firms may opt to prolong the product life cycle by expanding the market" (Hollensen, 2014, p.58). Usually level of product's need is much lower in developing countries (product can be on the stage of growth there), in comparison with the level of product's need in industrialized countries, where the same product can be on the stage of decline. That is the way firms use different international markets to prolong the life cycle of their goods.

c) Overproduction/excess capacity

Sometimes a firm can be in a situation, when it produces more goods than domestic market demand needs. In this case we talk about overproduction. And it can be a trigger for the firm to start sell goods abroad via short-term price cut. International activity can be stopped, when level of the domestic market demand returns. But if the firm will try to use this strategy again, it can meet problems, because some international customers are not interested just in temporary business relationships and they will not want to do business with this firm again.

In some cases the company has to develop excess capacity and find other market opportunities, because there was a change in product demand in the domestic market. Domestic market switched to new products and excess of goods, that company didn't manage to sell here, will be sold abroad.

d) Unsolicited foreign orders

Hollensen (2014, p.59) writes, that “many small companies have become aware of opportunities in export markets, because their products generated enquiries from overseas. These enquiries can result from advertising in trade journals that have worldwide circulation, through exhibitions and by other means. As a result a large percentage of exporting firms’ initial orders are unsolicited”.

e) Extend sales of seasonal products

Some companies produce special products, which can be used during specific season (for example, agricultural machinery). Such companies can start export to get stable demand of its products during the whole year. They can deliver its products to the countries that are located in other hemisphere, because there is a difference in seasons between northern and southern hemispheres.

f) Proximity to international customers/psychological distance

Physical and psychological proximity to the international market is another factor that can have an influence in export activities of a firm. Many European firms automatically become international marketers because their neighbors are so close. For example, German firms established near the Austrian border can perceive their international activities as an extension of domestic activities, even though some of their product will go abroad.

Geographic proximity to foreign markets doesn’t mean that the firm, which is geographically close to the foreign customer, will be psychologically close to it. It depends on different cultural and legal factors and social norms, which can be different from one country to another. For example, research has shown that US firms perceive Canada as psychologically much closer than Mexico (Hollensen, 2014).

2.5 Internationalization triggers

Hollensen (2014) states that before the firm starts the internationalization process there is something or someone that initiates the beginning of this process. Author calls it as trigger of internationalization – external or internal event that takes place to start the whole process.

Rundh (2007) noticed that in most of the cases there is a combination of triggers, but not only one trigger that influences the internationalization process. As it was mentioned above, triggers

can be external and internal. Hollensen (2014) argues that market demand, network partners, competing firms, financing and trade associations and outside experts belong to the group of *external triggers*. Let's discuss every particular trigger in details.

1. Market demand

Hollensen (2014) noticed that increase of the demand in international markets can be a reason for some companies to export their production. Author gives an example of pharmaceutical companies, which managed to enter international markets, when it was a growth of demand for their products. Decline of domestic market also can be a motive to start business abroad, especially for SME's, which can get higher profit and bigger volume of sales (Burca, Fletcher and Brown, 2004).

2. Network partners

As it was discussed in previous part of the paper, the company can use its external network partners as a source of new knowledge, so in this case network partners are the triggers for beginning of company's internationalization. Vissak et al. (2008) said that the company, for example, can get access to international sales through distribution networks of their partners.

3. Competing firms

Hollensen (2014) also argues that if the company gets information that its competing company does a good business in the specific market, it can be a trigger for the company to begin internationalization process. Managers of the company have to think that company's competitors can come and infringe on the company's activities. Another reason for internationalization process is the fact that competitors can come to domestic market of the firm and offer better products to the customers and lower prices. This activity, when SME enters home market of its competitors, calls a counterattack (Burca, Fletcher and Brown, 2004).

4. Financing

Financing resources of the firm are required to maintain firm's international activities (for example, exhibiting at world trade fairs or for making changes required within the firm to begin export activities, such as the development of its managerial and marketing capabilities). Ability of the firm to get access to financial resources depends on the firm's willingness to borrow funds

from financial institutions. Grants that the firm can get from the government are a valuable source of finance during the beginning of the internationalization process (Hollensen, 2014).

5. Trade associations and outside experts

There is a huge importance of formal and informal meetings (such as conferences and trade associations' meetings) between managers of companies, because it can lead the firm to decision of export. SME's can make this decision on the basis of collective experience of the firm's group they belong to (Hollensen, 2014).

Hollensen describes export agents, governments, Chambers of Commerce and banks as other outside experts that stimulate internationalization of the firm.

- a) Export agents have experience in international activities from the before, have overseas contacts and approach expected exporters directly, if they see that their products have possibilities in the new markets.
- b) Governments give motivation to start export for firms by providing export assistance programmes, making special governmental policy and laws.
- c) Chambers of Commerce also try to motivate companies to enter new markets. They help to exporter and importer to get in touch with business abroad, by providing information about markets and helping them to find financial institutions capable to finance their global business activities.
- d) Banks give the information about international opportunities to their domestic clients, because they want their services being used abroad, when the domestic clients expand internationally.

Now we will discuss the group of *internal triggers* of the internationalization process.

Hollensen (2014) supposes that this group consists of perceptive management, specific internal event and inward/outward internationalization.

a) Perceptive management

Perceptive managers are often informed about new business opportunities in overseas markets. One of the triggers for managers is business trips abroad, which help to get new market information. Other triggers are knowledge of foreign languages or interest in foreign cultures. These factors have a big influence on managers' perception of new markets. Often managers come to the new firm with the experience of export activities in their previous jobs and they try to develop their background in the new company (Hollenden, 2014).

b) Specific internal event

A specific event also can be a trigger for internationalization. For example, a new employee, who think that the firm should begin international activities, and manage to convince management of the company to try it. It can also be overproduction or reduction in the domestic market size (Hollensen, 2014). Forsman at al. (2002) noticed that interest from the foreign companies to the local firm's products and services also can motivate the decision of internationalization.

c) Inward/outward internationalization

Hollensen (2014) supposes that a successful inward internationalization (import) of the firm can lead to its outward internationalization (export). The natural way for firm's internationalization is to begin form inward activities, gain relationships and knowledge during this process and then to start with the outward activities (Welch *et al.*, 2001).

Hollensen (2014) says that import activities can be initiated by:

- buyer, who has active international search for foreign sources;
- seller, who has initiation by the foreign suppliers.

2.6 Internationalization barriers and risks

Hollensen (2014) write that there are many different barriers that can disturb successful export activities. For example, barriers that can hinder the initiation of internationalization process are lack of finances, knowledge, international market connections, foreign distribution channels and increase of the cost. It can be also a barrier, if the firm has incomplete information about potential customers or competitors.

Hollensen (2014) divides barriers that hinder the process of internationalization into three groups: **commercial risks** (fluctuations of exchange rates, if the contracts are made in a foreign currency, inability to pay of export customers because of bankruptcy or contract disputes, harm of products during shipping or distribution process), **political risks** (national export policies, restrictions from foreign governments, big foreign tariffs on imported production, complication of trade documentation, lack of assistance from the government in overcoming export barriers) and **general market risks** (differences in languages and cultures of different countries, competitors in foreign markets, differences in products usage in specific market, problems to find a good distributor in the foreign market).

Fillis (2002) noticed that the most common problems for firms after entering the new markets are to find a reliable distributor, to promote products and to conform prices of competitors.

There are some strategies which management of the company should use to avoid or reduce risks, such as a shunning of doing business in high-risk countries, using of variety of foreign markets, instead of being concentrated on one single and using government support, when it is possible).

2.7 Summary

First of all, this chapter provides understanding of the concept of the internationalization process and its main factors. Two main internationalization approaches were discussed (economic and behavioral). Economic approach was developed in order to discuss the internationalization process of MNEs and presented by the description of three main theories (Transaction Cost Analysis Model, Dunning's eclectic theory and International Product Life Cycle Model). Behavioral approach was developed to understand the internationalization process of SMEs. I presented this approach by describing three theories (Ahroni's Decision Making Model, Uppsala Model and Innovation-Related Internationalization Models). I also gave a description of two latest internationalization theories of SMEs, such as Born Global and Network theory.

The characteristics of major internationalization motives were also presented in this chapter of the thesis. Proactive motives reflect internal stimuli to change firm's strategy, based on the firm's development of markets possibilities. Reactive motives show the reaction of the firm to pressures in its domestic market or foreign market and regulate it by changing its activities.

There was a discussion of internal and external triggers, which initiate the process of internationalization. The firm should overcome some export barriers to become successful in the international markets. Some of these barriers mainly affect the initiation of export activities and others can hinder the process of internationalization.

Chapter 3 Methodological part

In this chapter I will describe methodological issues which are related to my research. Also I will depict methodological aspects which are connected with the process of data collection. I will give the definition of methodology and description of every stage of the process of research methodology, such as philosophical position, research design, and research strategy, methods of data collection, data analysis, validity and reliability. The plan of the research process is presented on the figure 3.



Figure 3 – The research process plan

3.1 Definition of methodology

The term “methodology” refers to set of methods which show how a research should be undertaken (Saunders et.al, 2009). It means that it relates to analysis of methods which are suitable to the particular area of study or to the algorithms which are specific to a domain of

knowledge. In other words, methodology technique has a purpose to organize an attempt to study a certain problem and suggest new knowledge.

There are several definitions of notion “methodology”. Silverman (1993) describes methodology as a general approach for studying a research topic, which can’t be right or wrong, but only more or less useful. Lawrence (1997) argues that methodology is not only the approach for the research, but also techniques for data collection. Babbie (2001) gives more simple definition of this notion. He assumes that methodology is a way to find a solution to a problem, which is stated in the research topic.

The choice of methodology is based on the purpose of the particular study and the researcher should take into account, when he/she make this choice, that there is no bad or good methodology. Methodology can be only more or less appropriate under specific conditions of the research in order to reach the goal of the investigation (Hellevik, 1993).

3.2 Choice of philosophical position

According to Easterby-Smith et.al (2008) there are three main reasons which show an importance of philosophical issues. First, it can be useful to clarify research designs. Second, researcher can recognize which designs will work and which will not by having knowledge of philosophy. Third, it can help the researcher to find a way how to adapt research designs according to the limitations of different knowledge frames.

There are three main epistemological approaches to the research of the social science: positivism, relativism and social constructionism. According to the defined research topic of my work, it is possible to place my study in the frames of the **social constructionism** paradigm.

Easterby-Smith et.al (2008, p.58) noticed that social constructionism as approach has focus “on the ways that people make sense of the world through sharing their experiences with others via the medium of language”. The major precondition of this approach includes the idea that “reality is determined by people rather than by objective and external factors” (Easterby-Smith et.al, 2008, p.59). Hence, the researcher should evaluate the different meanings which are based on people’s experience.

Social constructionism approach has a set of implication which we can see in the table 3.2.

Table 3.2. Implications of social constructionism (adapted from Easterby-Smith et.al, 2008, p.59)

	Social constructionism
<i>The observer</i>	Is involved of what is being observed
<i>Human interests</i>	Are the main drivers of science
<i>Explanations</i>	Aim to increase general understanding of the situation
<i>Research progress through</i>	Gathering data from which ideas are included
<i>Concepts</i>	Should incorporate stakeholder perspective
<i>Units of analysis</i>	May include the complexity of “whole” situation
<i>Generalization through</i>	Theoretical abstraction
<i>Sampling requires</i>	Small numbers of cases chosen for specific reason

3.3 Formulating the research design

According to Yin (2009, p.26), the research design is “the logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions.” Nachmias and Nachmias (1992) consider the research design as a model of proof which helps the researcher to make a logical conclusions about relations among the variables during investigation. In other words, it is a guide during the process of collecting, analyzing and interpreting observations.

Yin (2009, p.27) underlines that “the main purpose of the design is to help to avoid the situation in which the evidence does not address the initial research questions”. It has to deal with a logical problem, not a logistical. Thus, the research design is much more than an ordinary plan of the work (Yin, 2009).

There are three different types of the research: exploratory, descriptive and explanatory. The main intention of *exploratory research* is to define research questions and hypotheses (Yin, 2009). Robson (2002, p. 59) argues, that it is a way to find out “what is happening, to seek new insights, to ask questions and to access phenomena in a new light”.

Saunders et al. (2009) describe three way of conduction of the exploratory research:

- a search of the literature
- conversations with the experts in the field
- conducting focus group interviews

The main purpose of the *descriptive research* is to get a full description of a single phenomenon within its context. It will help to explain and expand empirical generalizations (Yin, 2009). Churchill (1999) noticed that this type of the research is suitable when it comes to description of the social phenomenon of interest (for example, to describe demographic characteristics of the population) and making certain predictions, which are based on the main findings.

Explanatory research explains casual relationships between cause and effect (Yin, 2009). This research type can be also called causal study. Churchill (1999) argues that the main purpose of this research is to analyze cause-effect connection in order to explain what kind of causes can lead to what effects. The researcher conducts causal study, when he/she has a clear view of the research problem.

I will investigate my research by using **descriptive** and **exploratory** elements. Descriptive research is useful in my study because the main purpose of work is to provide a better understanding of the internationalization process of the firm. This purpose is achieved by giving a detailed description of the internationalization process of different types of companies. Descriptive research answers the questions who, what, where, when and how (Mitchell and Jolley, 2007) and two main questions of my work are:

- What kind of motives can have impact on the decision of the firm to internationalize?
- What kind of barriers can the firm face during the internationalization process?

By using the elements of the exploratory research, I will give a deep insight in the process of internationalization. The interview with leader of the company “Taste of North” and the examination of the literature within the topic of my thesis are major parts of this research type.

3.4 Research strategy

Yin (2009) supposes that the choice of the research strategy depends on research question and purpose of the study, extent of existing knowledge, amount of time and other resources, such as philosophical foundation. There are five main types of the research strategies which help to collect and analyze empirical evidence. These strategies are: experiment, survey, archival analysis, history and cases studies. The researcher needs to evaluate the differences between

the strategies in order to select more suitable for his/her particular study. Next table presents relevant situations for different research strategies.

Table 3.4 Relevant situations for different research strategies (adopted from Yin, 2009, p.8)

METHOD	(1) Form of Research Question	(2) Requires Control of Behavioral Events?	(3) Focuses on Contemporary Events?
Experiment	how, why?	yes	yes
Survey	who, what, where, how many, how much?	no	yes
Archival Analysis	who, what, where, how many, how much?	no	yes/no
History	how, why?	no	no
Case Study	how, why?	no	yes

It seems that I should choose survey or archival analysis as a main strategy for my research, because the research question of my study starts with “what”. But I chose a **case study** as a research strategy, because I can interpret the research question of my work, which sounds as “What kind of motives can have impact on the decision of the firm to internationalize?” into the question “Why does the firm start the internationalization process?” or “How does the firm start the internationalization process?” I used another question word in this case, but the meaning of the question is still the same. That is the reason of my decision to choose case study as the research strategy.

Other reason of my choice of case study method is that I would like to get deep, rich and multilateral understanding of the internationalization process. And case study is such type of the research strategy, which has focus on one specific phenomenon with the purpose to provide all-round and in-depth report of events, connections, processes and experiences which occur in this phenomenon (Denscombe, 2002). Easterby-Smith et.al (2008) confirm this position by saying that case study looks in-depth at one or a small number of organizations, events, individuals over time.

Yin (2009) argues that the case study research should have clear design before the process of collecting data starts, which includes main question and purpose of the research, the unit of analysis, and connections between data and propositions and procedures for interpreting data.

There are several prejudices against the case study design. Yin (2009) notices that although the case study is a distinctive form of empirical inquiry, it has been viewed as a less desirable form of strategy than experiments or surveys. The reason of it is that case study research has lack of rigor. There are many methodological texts which contain many strict procedures to follow for other research strategies, but only few texts can provide such a description for case study methods. Another critical aspect is that case study are generalizable to theoretical proposition and not to population or universes. The investigator's goal is to expand and generalize theories and not to enumerate frequencies. And the last aspect against case study is that the result of the study often can be massive and unreadable (Yin, 2009).

Case study research has also some advantages. It allows the researcher to get a deep insight of a certain phenomenon or series of events and can provide a whole picture since many sources of data are used. Another advantage is that case study is able to show constant and renewed qualities of life and activities in companies, especially where it can change too fast (Noor, 2008).

An indication of the unit of analysis for the case study has a huge importance (Yin, 2009). Easterby-Smith et.al (2008) suppose that the unit of analysis is the object that forms the foundation of any pattern. These patterns can be created from countries, cultures, industrial sectors, companies and individuals. The unit of study in my research is the internationalization process in the company "Taste of North".

3.5 Data collection

The choice of data collection method is very important phase of the research, because data is the basis for the analysis and conclusions. It means if collected information does not reflect the purpose of the study, conclusions will be based on data which do not correspond to the goals of this research. So the results of the study can be influenced by the extent of validity collected information and its relevance for the research.

Creswell (2007) describes data collection as a set of interrelated activities aimed to collect relevant information in order to answer research question. Yin (2009) argues that different

types of research maintain by different types of data collection procedures, which include collection of data, its interpretation, analysis and reporting).

There are two ways of data collection: quantitative and qualitative. Quantitative data collection is any type of technique (for example, questionnaire) for collection of data or procedure for data analysis (for example, statistics or graphs) that uses numerical data. Qualitative data collection is any type of technique (for example, interview) for collection data or procedure for data analysis (for example, categorizing data) that uses nonnumerical data. Pictures and video clips can be also related to qualitative data on the level with data, which consists of words (Saunders et.al, 2009). Van Maannen (1983) argues that qualitative methods of data collection are methods which seek ways to describe, decode, translate and otherwise come to terms with meaning, not the frequency, of certain more or less naturally occurring phenomenon in the social world.”

For this particular I used qualitative method of data collection. According to Silverman (1993) there are four main qualitative methods: observation, analyzing texts, interview and recording and transcribing. I used two of these methods to achieve proper results: interview and analysis of literature. I decided that it is impossible to use quantitative methods in my work, because information should include different points of view, values and perception about topic of the research and cannot be estimated numerically.

Data is generally classified as primary data and secondary data. Primary data is data gathered for the first time by the researcher and it leads to new insights in the outcome of the research. It is always original. Secondary data is data that already exist and can be taken by the researcher from secondary sources, internal or external (Easterby-Smith, 2008).

To collect secondary data I used following sources of information: research articles and reviews, Internet articles about subject of my work, course literature and previous students work and theses. After I defined the research purpose and question of my work, I examine these sources to find information which included words “internationalization process” and “motives and barriers of internationalization”. I had no problems to get secondary data, because I easily reached common publications and journal articles by using Internet and resources of university’s library.

I used interview to collect primary data. It consists of direct quotations of the leader of the company “Taste of North” and expresses his knowledge, opinions and experience according to the topic of my research.

Interviewing is based on conversation between the research, who asks questions and the respondent, who answers to these questions. King (2004) describes three different types of the interviews: structured, semi-structured and unstructured (in-depth). Structured interviews are often related to quantitative research interviews, but semi-structured and unstructured are related to qualitative research interviews. Kvale (1996) noticed that the qualitative research interviews seek to describe the meanings of central themes about the subjects.

- Unstructured interview: during this type of interview, the interviewee says everything he/she thinks is necessary to say. In other words, the person answers freely and that is why this interview type reminds a conversation (Burgess, 1984). Easterby-Smith et.al (2008) noticed that interviewer needs only to set the common area of topics he/she wants to discuss. The researcher can start the interview by asking the key question and the respondent will express his/her opinion about this question. Sometimes it seems that this type of interview can give the researcher a lot of data about the topic, but it is often a mistake, because of lack of structure the interviewee can avoid to talk essentially and look aside from the main point of the conversation, because he/she can be unsure of what kind of information the researcher wants to know.
- Semi-structured interview: the researcher has a questionnaire or interview guide, which includes set of questions. New questions can appear during the interview (Easterby-Smith et.al, 2008).

In my research I used both types of qualitative research interviews: **unstructured** and **semi-structured**. I had two interviews with Sigurd Rydland, who is a manager and owner of the company “Taste of North”. This company is a Norwegian company, which produces fish products and exports it abroad. The company has a main selling office located in Bodø and factory, which has location in Tysfjord. Our first interview was unstructured. I came to the office in Bodø and told Sigurd about the purpose and the topic of my master thesis and asked him to tell me about his company. He told me history of the company, its products, factory, fish market, etc. We also talked about countries, which buy products of “Taste of North”. Our

second interview was semi-structured. I had the interview guide (you can find it in Appendix 1), which included set of questions about the main topic of my work: the process of internationalization, foreign target markets, motives to start business abroad and barriers during the internationalization.

3.6 Data analysis

Information collected during the interviews and presented in the next chapter of my work should be analyzed in order to answer the research questions. So the phase of analyzing data lies between the collection of it and making conclusions based on the result of analysis.

Easterby-Smith et.al (2008) argues that there are 6 primary issues that can influence the results and analysis of interview, such as obtaining trust, being aware of social interactions, using the appropriate language, getting access, choosing the location for the interviews, and recording interviews.

Data analysis in qualitative research consists of preparation data for analysis, reducing the amount of data by elimination of irrelevant information and representing data in discussion, figures and tables (Creswell, 2007).

Cohen et.al (2007) argues that there is no correct way to analyze qualitative data. The researcher should know how he/she wants to display collected data and it will help to define the way of analysis. The researcher can use following ways:

- description
- summarizing
- interpretation
- image
- explanation
- exploration
- test

Even though qualitative data has focus on small number of people than quantitative data, it often can be detailed and rich (Cohen et.al, 2007).

Saunders et.al (2009) suppose that there is no standardized process for data analysis. In spite of this fact, it is possible to distinguish three parts of the process of data analysis:

1. summarizing of meanings (long statement will be compress into brief statements)
2. categorizing of meanings (develop categories of the research and attach these categories to significant data)
3. structuring of meanings by using narration (it will show the flow of the significant parts of the research)

In my research the development of case study description helps me to analyze techniques in order to answer the research questions.

3.7 Quality of the research issues

It is not always easy to estimate a quality of the research, when we talk about case study research. A lot of aspects should be taken into account. Validity and reliability are the main of these aspects. Patton (1990) noticed that validity and reliability of qualitative data depend on methodological skills of the researcher.

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et.al, 2009). Construct validity is about ability of measurement tool (for example, survey, test, interview, etc.) to actually measure concept being studied. Data for my research were received from the interview with the competent person (leader and owner of the company) who has understanding of the internationalization process of the firm, because he has real experience, which he got by managing own company. He based his answers on the existing knowledge and it is a critical factor for construct validity assuming that we measure what we need to measure (Yin, 2009).

Validity of qualitative data might be reached through honesty, depth and scope of the data achieved, involvement of participants of the research and objectivity of the researcher (Winter, 2000).

Validity can be divided into internal and external validity. Internal validity which is concerned whether or not what has been identified as the cause actually produces the effects (Johnson and Duberley, 2000).

Hammersley (1992) argues that internal validity for qualitative data should pay attention on:

- credibility and plausibility
- the kinds and amounts of evidence required

- clarity of the claims made in the research

The main measure of external validity is the process of generalization, and whether results obtained from a small sample group, it can be extended to make predictions about the whole problem. (Trochim, 1999). It means that the finding of the particular research can be applicable to other research settings, such as other organizations (Saunders et.al, 2009).

Reliability refers to the extent to which your data collection techniques or analysis will yield consistent findings (Easterby-Smith et.al, 2008). It means that the researcher should be sure that information he/she gets is reliable. In order to make my interview reliable, I prepared interview guide in English. This language is not the mother tongue for me or for Sigurd, but it is the international language and both of us can use it without any problem.

3.8 Summary

The methodological chapter presents the main steps of my research. The chosen philosophical position is social constructionism. Research design has descriptive and exploratory elements. The results of my research are presented as a single case study. I made a decision to use qualitative method of data collection. Primary and secondary data were gathered to get a deeper understanding of the research purpose and questions. Secondary data presents the review of literature: academic articles, web-pages, textbooks and professional journals. Primary data were collected during unstructured and semi-structured interviews with the leader and owner of the company “Taste of North” Sigurd Rydland. All of the data were summarized, structured and prepared for analysis, which follows in the next chapters.

Chapter 4 Empirical part

This chapter presents the empirical findings of data collection in order to answer core research questions. Chapter is structured the following way: first, I will present information about the company and its history. Afterwards I will give the results of the interviews with the leader of the company Sigurd Rydland and will describe main empirical finding.

4.1 Presentation of the company “Taste of North”

The history of the company began in 1946. The company was founded by brothers Hveding and worked only on domestic market. At the beginning the company had a production of stockfish and cod (dried and salted). In the early 1960s brothers Hveding also began the production of lutefisk. Knowledge of dried fish formed the basis for the production of high quality products lutefisk, and the factory has for decades been a member of the Royal Norwegian Lutefisk.

In 2009 the company became a bankrupt, because it was a hard period on the market and company did manage to have good sales. Another reason was overinvestment of company's resources.

At that time the company changes owner and Sigurd Rydland became became a new owner, leader and manager of the company. He decided to change the image of the company on the market, because at that time it was bad and unsuccessful (and finally leded the company to bankruptcy). First of all, he determined to change the company's strategy and this process started with a change of company's name and full rebranding of the company.

Before bankruptcy the firm had name “Brødrene Hveding” and had a strategy which was oriented only on domestic market. In 2009 it got a new name “Taste of North” and after the rebranding started to operate on the international market. And at the same time the company did not finish its activities on domestic market, but made the international market as a main goal.

And now “Taste Of North” is one of the largest lutefisk manufacturers, high production capacity, both in fresh and frozen lutefisk. (The list of the products of the company you can find in the Appendix 2). The company's factory has its own landing facilities and modern

equipment park with great flexibility adapted for a wide range of different fishing products and packaging methods.

In December 2012 the company achieved a new and important milestone by the installation of a new, modern production line for processing of salmon products intended for both the national and international market. The line is adapted to the production of both fresh and frozen products including own smokehouse.

During the last 5 years it has been exporting fish products to Europe, Africa and South America.

4.2 The results of the interviews

During the interview we discussed the range of questions about company's strategy, markets, motives, goals, etc. My interview guide was structured and had several main aspects in order to understand the internationalization process of the firm, such as:

- characteristics of the firm
- owner/manager characteristics
- sources of information
- entry mode and market selection
- company's strategies
- motives
- barriers
- advantages and disadvantages of export activities
- future suggestions

Let's discuss every of these aspects.

1. Characteristics of the firm

As it was mentioned above, "Taste of North" is the Norwegian company, which operates on domestic and international markets. The main slogan of the company is: "Quality makes the difference". The logotype of the firm has a picture of Stetind. It is a national mountain in Norway. (Logotype of the company is placed in the Appendix 2).

70% of annual sales "Taste of North" receives from export activities.

Sigurd Rydland defines the next definition as the best description of the strategy of the firm:

- “We concentrate our resources on carefully selected target countries”

The amount of employees of the company is between 10 and 20 persons (depends on season). The company sells fish products in Norway (30% of annual sales), and abroad (Dominican Republic, Israel, Portugal, Netherlands and Spain). Also the firm has plans to expand markets in China and Dubai during this year.

2. Characteristics of owner/manager of the company

I have already told that since 2009 Sigurd Rydland is the owner, leader and manager of the company. I asked him, if he had experience of work on the international market before he started his work in “Taste of North” or if he had any international experience (for example, lived or studied abroad). His answer was: “No, I did not live or study abroad. And I did not work on the international market before”.

3. Sources of information

My next questions were about sources of information about foreign target markets. And the answer of Sigurd was: “How do I get information about new markets? There is a largest seafood exhibition in Brussels, Belgium. During this exhibition our company works with potential customer and takes care about customer we already have. That is how we found our first customer after the decision to start export activities was made”.

4. Entry mode and market selection

On the questions about entry modes and market selection I got the following answer: “Our company do not use agents or sales subsidiary, when it comes to entering foreign markets. We find our customers during seafood trade I talked above and sell products directly to these customers.”

5. Company’s strategies

“First of all, we have to find what kind of specific qualities the defined market does not have. And if our company has these qualities, we suggest it to the market. It is also very important, if the chosen market has potential for growth, because we want to have long-term

relationships with the market. I try to specialize products for the market. At the beginning of our export activities I used other strategies than I use now. Now I have a big experience and can apply it, when I choose strategy for the new market. I understand better what kind of products fits to the market,” - says Sigurd.

6. *Motives*

My next question was about motives which have impact on company's decision to export. “The main motivation to start export activities was growth targets. I am interested in constant profitable growth of my company. It is also important that with the market expansion we decrease our production costs, because it is too expensive to run the company and its factory only for Norwegian market. If we have several markets, our fixed costs go down. I do not search the opportunity to get tax benefits by exporting abroad, because it can always change. Increase of sales of seasonal products is another motive, because high season for some types of fish is from October to January. And, for example, Dominican Republic buys dried and salted cod during the whole year. And I hope that salmon will be the product for whole year usage in the future,” – was Sigurd's answer.

7. *Barriers*

“Yes, of course, the company faces different types of barriers during its export activities. For example, lack of finance of some customers and market prices which were made by competitors. Lack of knowledge is also an important barrier, because in some cases customers do not have knowledge about our products and in other cases we do not have knowledge about market. So it is possible to lose a lot of money, if you try to sell the products to the customer, who does not have enough appropriate information about the products or you try to sell to the wrong market. Payment risk can be also other type of barriers. We do always credit check of our customers. And if we are not sure about paying abilities of the customer, we just stop the deal”- that was the Sigurd's answer about possible barriers.

8. *Advantages and disadvantages of export activities*

Sigurd Rydland noticed that one of the biggest advantages is profit and growth of company's volume. Then it comes to disadvantages he thinks that it takes a lot of time for management of the company to run it. “The world is too big and the company needs to have more powerful management working only for export”, - thinks Sigurd.

9. Future suggestions

At the end of our conversation I asked Sigurd, if he can give any suggestions and advices for SMEs which have plans to expand export activities in the future. What can be critical for firms going abroad? “First of all, the management of the company have to get information about every market detail, before the company enter to this market. They need to know everything about market potential, its competitors and prices. They need to find out what kind of strategies they will use for specific market,” – concludes Sigurd.

4.3 Empirical findings

In this part of my thesis I will summarize the main empirical finding, related to the case study of the company “Taste of North”. I will start with presentation of chronology of firm’s activities. You can see it on the figure 4.3.

1. History of companies activities



Figure 4.3 Chronology of firm’s activities (developed by author)

There were several important dates in the history of the company:

- 1946- foundation of “Brødrene Hveding”
- 1946-2009- the company had focus only on domestic market activities
- 2009- bankruptcy of “Brødrene Hveding” and total rebranding of the company made by new leader (new name, logo, position on the market)
- 2009-present- “Taste of North” is the successful Norwegian company, which has activities on domestic and mainly international markets

2. Motives and barriers

During the interview with Sigurd Rydland I manage to define what kind of motives and barriers the company had during the internationalization process.

Motives:

- profit
- targets of growth
- economies of scale
- increase of sales of seasonal products

Barriers:

- lack of finance
- lack of knowledge
- payment risks
- competitors in foreign markets

4.4 Summary

In this chapter I presented main empirical findings of data collected through the interviews I had with the leader of the company “Taste of North”. I described the history of the company and general information about it and gave the results of the interviews, which shows the answers to core research questions of this study.

Chapter 5 Analysis and discussion

In this chapter of my thesis I will analyze the main empirical findings by using the prism of the theoretical framework presented in the second chapter.

5.1 Internationalization process of “Taste of North”

There is no single model, which can give a full description of the success of SMEs in the internationalization process. Different firms can combine different elements of one or another theory. Thus, the internationalization process of the firm can be examined from various theoretical models.

Let's start to view this process with the discussion of *Ahroni's Decision Making Model*. His theory was the first attempt to describe the internationalization process by using behavioral approach. He compared the start of this process with the way to the unknown. It is a development of a new ways of firm's activities, a change of regular life. In our particular case we can see that this approach can be applicable to “Taste of North”. Sigurd Rydland noticed during the interview that he “started export activities from the beginning, without any previous experience; it was a completely new thing for him”.

According to this model, it should be any kind of force that would work as a trigger for the firm to start its exporting. In our case the bankruptcy of the company in 2009 was such kind a push-force. Sigurd decided to revive company's life after this incident. In order to do it, he managed to fulfill full rebranding of the company and change its position on the market.

Ahroni's model states that the company chose a specific target market in a specific country, not look around for after possibilities to do export with many countries without specific concentration (Hermannsdottir, 2008). This statement perfectly fits to our case with “Taste of North”, because the manager noticed that they always carefully select target countries by searching the specific qualities the country doesn't have. The company uses a strategy of “best comparatives”: try to specialize its products to special market by suggesting products with the perfect quality and setting a reasonable price for these products.

Stage model approach (Uppsala model and Innovation-Related internationalization models) describes the process of internationalization as a systematic growth process in stages. The firm gets knowledge from its initial international participation, gains experience over time and becomes more active participant on the international market. The leader of “Taste of North” noticed that for the last 5 years his company managed to expand its international activities by gaining new knowledge about international market.

Uppsala model claims that the firm enters new market with a great psychic distance (big differences in language, culture, political system, etc.). And in many case, those markets have a big geographical distance too (Johanson and Vahlne, 1990). This example is consider in our case too, because the researched company, which has location in Northern Norway, has export activities with such countries, as Dominican Republic and Israel, which are located on a big distance from Norway and have huge differences in cultures and countries’ systems. Moreover, during this year “Taste of North” plans to expand its activities on China and Dubai.

Innovation-Related internationalization models notice that motivation, hopes and previous experience of the manager of the company have a significant influence on the internationalization process. I our case, I found out that the leader of the company did not have any international experience, before he started export activities with “Taste of North”. But at the same time he is really open-minded person, who has a big motivation to continue expanding of export activities of his company. Thus, the characteristics of the decision-maker play the significant role in the internationalization process of the company.

One of the latest approaches of the internationalization process is **Born-Again Global approach**. This approach claims that the company can change its activities from purely domestic focus to international within a short period of time. On the table 5.1 you can see comparative characteristics of traditional, born-global and born-again global firms.

Table 5.1 Comparative characteristics of firms (adopted from Falize and Coeurderoy, 2012)

	Traditional Firms	Born-Global firms	Born-Again Global firms
TIME (precocity)	Operate for a long time in their home markets	Aim for international markets from inception	Operate for a long time in their home markets
TIME (speed)	Gradually increase the number of markets	Reach a certain degree of internationalization within a small number of years	Reach a certain degree of internationalization within a small number of years
SCOPE	Market concentration (narrow geographic scope at the beginning of international operations)	Market diversification (broad geographic scope almost from inception)	Market diversification (broad geographic scope almost from the first international involvement)
SCALE	Slow, evolutionary path of development	Internationalize rapidly with a high share of foreign sales	Internationalize rapidly with a high share of foreign sales

In our case “Taste of North” had the focus only on domestic market during over 60 years. And in 2009 it changed refocused its activities mostly on the international market. Now the company receives 70% of annual sales from international export activities.

5.2 Motives of the internationalization of “Taste of North”

As it was discussed in the chapter 2, Hollensen (2014) divided internationalization motives into two groups: proactive and reactive motives.

Proactive motives:

- profit and growth goals
- managerial urge
- technology competence/unique product
- foreign market opportunities/market information
- economies of scale
- tax benefits

During the interview Sigurd Rydland mentioned that his main motivation is profitable growth of the company. Economies of scale and profit goals are also the important motives for him. He said that he does not search for tax benefits, because it can change at any time. The company also has own factory with has its landing facilities and modern equipment park with

great flexibility adapted for a wide range of different fishing products and packaging methods. I consider that this fact gives the company the advantage over its competitors, because it helps the company to always provide products with the high quality. Also I want to notice that the personal characteristics of the leader of the company and his wish to continue the expansion on the international market are also important factors.

External factors:

- competitive pressures
- domestic market: small and saturated
- overproduction/excess capacity
- unsolicited foreign orders
- extend sales of seasonal products
- proximity to international customer/psychological distance

Sigurd told that the increase of sales of seasonal product is also a good motivation for the company. He mentioned that high season for some types of fish is from October to January. And he would like to sell fish to the different countries during the entire year. He also said that he sells the products to the countries, which has a need in his products. It means that we consider foreign order to be another motive for the company.

5.3 Internationalization barriers

There are many different types of barriers, which can occur during the internationalization process. First of all, Sigurd started to talk about lack of finance of the customers and possible payment risk. He told that his company always does a check of payment abilities of its customers. He also mentioned that lack of knowledge can be also a barrier to enter new market, because sometimes possible customers do not have knowledge about his products and sometimes the company does not have any knowledge about presumed market. Market prices determined by competitors can be another type of barriers. And in general the internationalization process takes a lot of money, so not every company has opportunity to start business abroad because of this reason. Existing laws and regulations and any other political barriers can be also a big problem for the companies.

5.4 Summary

In this chapter was made the analysis of main empirical findings in order to get answers to the research question. Chapter provides the discussion about the internationalization process of the company “Taste of North”, its international activities, motives and barriers, by using the theoretical framework.

Chapter 6 Conclusions

6.1 Summary of the study

This research has studied the process of the internationalization of the firm on the example of the Norwegian company “Taste of North”. It was conducted gradually. First of all, I defined the purpose and research questions of the study. I presented theoretical foundation that maintains the problem statement of the research. I described a range of theories related to internationalization process of SMEs and after applied these theories to the empirical data, which I collected through the interview with the manager of the company in order to answer the research purpose and statement.

The first research question of the study was: “What kind of motives can have impact on the decision of the firm to internationalize?” And now after analyzing empirical data I can give the answer to this question. For the leader of the company “Taste of North” the main motivating factors are:

- profitable growth of the company
- economies of scale
- increase of sales of seasonal products
- competence in the company’s technologies
- general income
- personal motivations

The second question of the research was: “What kind of barriers can firm face during the internationalization process?” Sigurd Rydland mentioned that the main barriers on the ways of the internationalization process of the firm are:

- payment risks
- lack of knowledge
- lack of finance
- competitors and its prices in foreign markets
- some political barriers (for example, foreign tariffs and restrictions from the foreign governments).

I studied the process of internationalization of “Taste of North” and understood that there is no single theory can give a full description of the internationalization of SMEs. Different firm can have in its strategies elements from different theories. Thus, it is possible to investigate the internationalization of the firm by using various theoretical models.

The internationalization of “Taste of North” can be described through Ahroni’s Decision Making model, Uppsala model, Innovation-Related internationalization models and Born-Again Global model.

“Taste of North” has a long history in the domestic market. Several years ago the leader of the company managed to fulfill a successful rebranding of the company in order to change its position on the domestic market and expand international market. Now company operates in several countries in different part of the world and plans to continue to expand its international activities. At the moment the company gets 70% of its annual sales by doing export.

6.2 Suggestions for the future research

This study reflects the internationalization process on the example of one local company and it can be used as a basis for the future development.

The first theory about internationalization process of SMEs appeared in 1960s and it has been a development a large scale of different approaches since then. But as I told above, there is no single theory can explain the whole picture of this process. And it is impossible to predict now, if such kind of theory will be ever developed. That is why it is important to use for future investigations as many sources of information as it possible. The present master thesis is one of possible sources.

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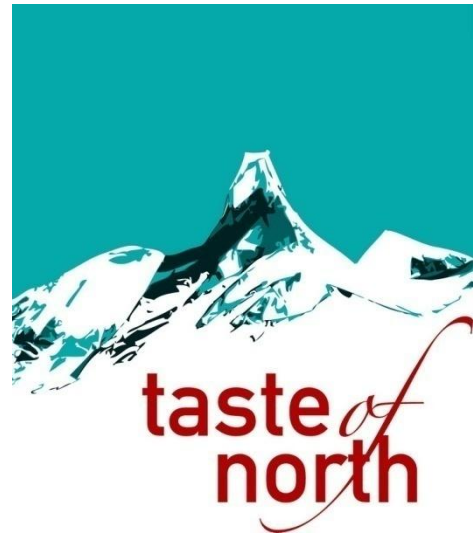
Appendix 1: Interview Guide

- 1) What markets is your company operating in?
- 2) Which of the following statements describes your company the best
 - We concentrate our resources on carefully selected target counties
 - Our purpose is to do business in as many countries as possible without specific concentration
- 3) What percentage of annual sales do you have from export activities?
- 4) What have you been doing before you start to work in the company?
- 5) How do you think if your personal background influenced on the decision to start business abroad and the choice of countries? (if you lived or studied abroad, work in the international company)
- 6) How did you get information about the foreign target market before entering that market?
- 7) When you entered different market what were your entry modes?
- 8) What do you think is critical when going abroad?
- 9) Did you have any networks/contacts/partners in new market, when you export for the first time?
- 10) What were your main driving forces/goals/ strategy when entering different market? And what aspects influenced the choice of markets?
- 11) What was your motives?
- 12) What kind of advantages has your company experienced with export activities?
- 13) What kind of disadvantages has your company experienced with export activities?
- 14) Did you meet barriers during the process of entering new markets?
- 15) Do you still use the same strategies and methods today to go international that you did during the first time? Why or why not?
- 16) Do you have plans to expand in the future? Which countries?
- 17) What would be your suggest to the SMEs that are planning to internationalize in the near future (strategy and methods)?

Appendix 2

Here you can see the logotype and the slogan of the company “Taste of North” and the list of its products.

Quality makes
the difference



Fresh Iced Lutefisk



Lutefisk in Vacuum



Lutefisk the link



Lutefisk Freeze



Laksefilet i vakuum



Lakseloin i vakuum



Laksestykker i vakuum



Laksestykker i pose



Laksestykker i lenke



Tørrfisksnacks i bulk



Lofotsushi, laks



Lofotsushi, kveite



Lofotsushi, torsk



Stetind Røkelaks

Røkelaks, Stetind einerøkt laksebiff



Røkelaks, Stetind einerøkt laks, helside



Tørrfisksnacks i boks



Tørrfisksnacks i pose



Klippfisk Tradisjonell, skål-pakk



Klippfisk Loin, vakuum



Klippfisk Filet i bulk



Klippfisk Loin i bulk



Klippfisk Bacalaobiter i bulk



Klippfisk - Bacalhau - Bacalao - Baccala



Hundeprodukter

