Market Research for Foreign Market Development
- A case study of a Swedish manufacturing firm
Abstract

Market research is a crucial element in a firm’s internationalization process. Expanding into new markets comes with a variety of challenges and high risk of failure which ultimately would impact a firm’s finances negatively. In order to reduce the uncertainty of entering foreign markets, market research is conducted. It aims to collect information and thereby is supposed to help a firm’s decision-making on market entry. However, firms commonly face the issue of having either too much or too little information of a market. This study pursues to identify the information, also known as decision criteria, for Swedish manufacturing firms that seek international market development. This may give firms a superior understanding of important decision criteria when there is an information overload. In addition to that, this study investigates the sources of information which may be useful if too little information is available. Through the research approach – case study – this paper provides in-depth explanations of the how firms conduct market research. It shows that the internet is a useful tool to unveil multiple decision criteria. Moreover, networks are introduced as a source of information which previous scholars have not discussed sufficiently. Using networks complements the internet in a good manner since it information through networks is more detailed and prescriptive, as opposed to the internet which entails objective information.

Key words: market research, information sources, networks, international market development, Swedish manufacturing firms
Acknowledgments

I would like to thank everyone who was involved in the process of this thesis. Firstly, thanks to Derome Hus for giving me the opportunity to write this thesis with them. All people involved were putting in much effort and helped a lot in making this thesis possible. Special thanks to my two supervisors in the company for taking time for all discussion and interviews.

Moreover, I would like to thank my fellow ISM students, especially the ones in my group for providing valuable feedback and suggestion for improvements. Also, I would like to thank my friends back home for taking their time, reading through this paper and providing feedback. Finally, I would like to express my great gratitude to my examiner Rana and tutor Tomas. The long and detailed discussions helped me to see things from different perspectives and rethink a number of aspects which allowed me to improve this thesis.

Thank you all!

Yannik Puth
# Table of Contents

1. **Introduction**
   - Derome Hus .................................................. 6
   - Problem Discussion ....................................... 9
   - Purpose ..................................................... 11
   - Delimitations ............................................... 11
   - Outline of the Paper ...................................... 12

2. **Theoretical Framework**
   - Information and Knowledge for Internationalization ..... 13
   - Market Research ........................................... 15
   - The Type of Information – Decision Criteria .......... 16
   - Sources for Information in Market Research .............. 17
   - Networks as a Source for Information ................... 18
   - Research Gap ............................................... 20
   - Research Questions ........................................ 21

3. **Methodology**
   - A Systematic Combining Approach ...................... 22
   - Qualitative and Quantitative Approaches ............. 23
   - Research Design – Case Study .......................... 24
   - Data Collection Methods ................................ 25
     - Ethnography / Participatory Observation ........... 26
     - Qualitative Interviews ................................ 27
     - Sampling .................................................. 29
   - Operationalization ........................................ 30
   - Presentation of Data ...................................... 31
   - Data Analysis ............................................... 32
   - Quality Considerations ................................... 33
     - Credibility ............................................... 33
     - Transferability .......................................... 34
     - Dependability ........................................... 34
     - Confirmability .......................................... 35
   - Research Ethics Consideration ......................... 35
     - Harm to Participants ................................. 35
     - Lack of Informed Consent .............................. 36
     - Invasion of Privacy .................................... 36
     - Deception ............................................... 37

4. **Empirical Findings**
   - The Aim of Market Research ............................ 38
   - Information in Market Research ......................... 39
   - Available Information on the Internet .................. 41
   - Existing In-House Information ........................... 42
   - The Involvement of Networks ............................ 42

5. **Analysis**
   - The Aim of Market Research ............................ 46
   - Information in Market Research ......................... 47
   - Available Information on the Internet .................. 49
   - Existing In-House Information ........................... 50
   - Networks as a Source of Information ................... 51
6. Conclusion .................................................. 53
6.1. Theoretical Implications .................................................. 55
6.2. Managerial Implications .................................................. 55
6.3. Limitations ............................................................. 55
6.4. Future Research ......................................................... 56
6.5. Concluding Remarks .................................................... 56
References ............................................................. 58
Appendices ............................................................. 64
1. Introduction

This section introduces the topic of market research. It shows where market research belongs in a business context and why it is crucial for firms in terms of internationalization. The topic of networks within market development is introduced briefly and will be discussed more extensively in the following sections. In addition to this, the case of Derome Hus is described in order to provide the context of this study.

Market research is an essential element for organizations that seek to expand their business, both internationally and to new domestic markets (McNeil 2005). In terms of international expansion, it aids decision making for international market selection (Papadopoulos and Martin 2011, He and Wei 2011) and entry mode selection (Shen et al. 2017). Whereas international market selection or IMS, as the name says, is the sheer selection of a foreign market (Papadopoulos and Martin 2011, Brothers et al. 2009), entry mode selection (EMS) concerns the type of entry (Knight and Liesch 2002) such as exporting, franchising, contact manufacturer, contracts, or foreign direct investments (Whitelock and Jobber 2004). Both decisions require a high amount of research (Papadopoulos and Martin 2011, Köksal 2008), since the selection determines success or failure of the new market entry (Reza, 2011, Brouthers 2013).

Already in 1958, Ansoff suggested market development – introducing a product to a new market – as one approach for generating growth (Ansoff 1958). Organizations benefit from direct economic growth as well as non-financial long-term advantages (Min et al. 2017). And although entering new markets is vital for a firm’s growth and profitability (Rundh 2015), it involves a variety of challenges and especially in the beginning, high risk (Leonidou et al. 2002). In terms of EMS, exporting is a dominant choice seeing as it implies low commitment and low risk (Schellenberg et al. 2017), yet international market development still means to enter markets where a firm has no experience in (Whitelock and Jobber 2004). In order to minimize uncertainty and reduce risk, market research is conducted (Brothers et al. 2009) for both IMS and EMS.
Actually, international market selection is conducted prior to entry mode selection (Knight and Liesch 2002), yet the two oftentimes occur simultaneously and lack clear borders in terms of information research (Musso and Francioni 2014).

Market research can have two different functions (Gustafsson et al. 2016). Either to map out what has happened in the past or to attempt to forecast the future. The latter is considered the more difficult (ibid). Market research itself is a tool – not an objective – that aims to obtain relevant information that allows decision making (Faarup and Hansen 2010). In international market selection, research provides valuable information on countries, industries, products and customers, and later aids decision makers in the selection phase (Papadopoulos and Martin 2011). For entry mode selection, country screening as Zaharieva (2016) refers to, implies collecting information on present and future demand and supply, channels and distribution, payment conditions, competition and transferability of money (ibid). The type of information that is being collected is based on decision criteria (Brothers et al. 2009, Schühly and Tenzer 2017). Criteria may be profitability, meaning that a company requires economic growth through its expansion (Ye Sheng and Mullen 2011) or infrastructure, determining if and how a product can be delivered to its destination (Koohi and Alikhani 2014). Decision criteria and the sources of information that reveal answers to these criteria will be discussed in the following chapter (2.2 and 2.4).

Another question that this paper deals with, is the influence of networks in market research and how networks as a source of information can help to reveal answers for decision criteria. Networks have a relatively big influence on both international market as well as entry mode selection (Udomkit and Schreier 2017) and affect market development significantly (Zain and Ng 2006). Prenkert (2016) refers to Blankenburg and Johansons (1992) definition of business networks as “… a set of connected exchange relationships among business units”. In the context of internationalization, networks serve as a source of information and knowledge the internationalization of an organization (Fletcher and Harris, 2012). The pace of entering a new market can be increased, the risk and the costs involved can be reduced when utilizing network (Zain and Ng 2006).
1.1. Derome Hus

The design of this research is a case study which is conducted with Derome Hus, a Swedish company that works in the housing industry. The firm belongs to Derome Gruppen which started 1946. Derome Hus itself holds several subsidiaries. Two of them are Plusshus and A-Hus. Although both are manufacturers for prefabricated houses and their end-products are similar, there is a major difference that justifies the distinction of the two. The primary difference is the method of constructing buildings. A-Hus produces so-called “planelement”, which essentially is a type of panel system. In this way, one produces finished wall-, floor-, and ceilings modules that later are put together at the construction site. The outer and inner sides of the walls are fabricated in-house which results in time-savings on the construction site. Plusshus, on the other hand, produces volumetric solutions. These are finished rooms where all parts (walls, floor, and ceiling) are assembled in a factory, including the inner fittings, and later erected on-site. This solution is even more time-saving and requires less expertise at construction sites. The main advantages of those construction methods are:

- Time-savings
- Cost-efficiency
- Less expertise required on-site
- More environmental friendly due to less waste
- Construction is less depending on weather conditions
- When using volumetric methods, houses can grow through flexible modules that may be erected on an existing building

For expansion, Derome Hus is currently investigating in the United Kingdom as a new market outlet for the two business lines. The ongoing housing crisis in the country along with these new methods of prefabrication or off-site construction, endorse the companies approach. Derome Hus has already delivered several “planelement” solutions to the UK throughout the past, however, those were mostly delivered on demand of consumers that approached the company. Yet this time, Derome Hus is seeking frequent business through providing its products on a B2B basis. To be able to make a well-thought-out decision on entering the UK market, Derome Hus’ initial step is to conduct a market research. The purpose of this is to
gain as much relevant insight on the market as possible. Main points that shall be covered in this process are market structure, competition, housing regulations and laws, potential clients or partners, delivery options, as well as business setups. Once the company has evaluated all this information, the decision, whether to enter the UK will be made. Although Derome Hus carries out the market research in order to decide whether to enter the UK or not, it also aims to obtain information allowing to select an appropriate entry mode. Therefore, the purpose aligns more with the IMS concept, yet the concept of entry modes is incorporated as well.

1.2. Problem Discussion

This section starts with discussing the practical relevance of this study by showing the difficulties in market research. Thereafter, it presents the theoretical relevance through research requests by scholars and research gaps.

Existing research stresses the importance of market development (Leonidou et al. 2002, Ansoff 1958). Economic growth along with non-financial long-term advantages are major motivators for new market entry (Min et al. 2017), and companies increasingly initiate business activities overseas (Pflanz 2013). However, throughout the process, new entrants face a number of challenges. During the initial phase, international activities have the greatest risk of failure; hence achieving success in foreign markets remains a difficult task (Leonidou et al. 2002).

Frequently, organizations make the mistake to assume that they understand a foreign market as well as their home market, which impacts them negatively. Although firms usually identify opportunities in foreign markets, the lack of market knowledge commonly frightens organizations to pursue entry (Mullen 2009). Oftentimes, uncertainty keeps companies from pursuing international initiatives since they avoid to enter markets where one has little experience and information of (Ketkar and Acs 2013). And despite the necessity of conducting market research in order to resolve this uncertainty, as previously elaborated, it involves a number of difficulties which later impact gained knowledge negatively and therefore may affect the success of a market entry (Papadopoulos and Martin 2011).
Oftentimes, accessing adjuvant information is difficult, especially prior to actually entering a market. For a majority of countries, advanced information is simply unavailable. Due to this unavailability of information, market research still struggles to determine business opportunities (Johanson and Vahlne 2009). Market research is time-consuming (Aghdaie and Alimardani 2015) and costly which may result in overspends (Papadopoulos and Martin 2011). In addition to that, decision makers face nontransparent criteria (Aghdaie and Alimardani 2015) or an overload of criteria which ought to be considered (Buerki et al. 2014).

Scholars claim that the topic of market research and evaluation has not been researched to its fullest extent (Ghorabaee et al. 2017) and little research has been done on the evaluation of market attractiveness and market selection (Aghdaie et al. 2013). Despite the importance of market research for international expansion, “… it is surprising how little research has examined this issue” (Brouthers and Nakos 2005 p. 364). Although the topic has received attention in a Business-to-Consumer context, there has not been sufficient investigation in reference to B2B (Mooi et al. 2018, McNeil 2005).

In matters of market research and networks, it is argued that relationships with other industry players help identify business opportunities in a way market research does not (Johanson and Vahlne 2009). The amount of relevant information needed for internationalization is increased through the application of networks (Fletcher and Harris 2012).

Despite the argument that internationalization requires market research which aims to obtain relevant information (Faarup and Hansen 2010) and that networks help organization to obtain information during internationalization (McNeil, 2005), studies on market research, IMS and EMS have not proposed a detailed relationship between the two (Dat et al. 2015, Aghdaie and Alimardani 2015 Schühly and Tenzer 2017, Mullen 2008).
In conclusion – from a practical perspective – internationalizing firms face uncertainty prior to entering a new market due to a lack of information and knowledge. At the same time, the decision on which criteria to incorporate is not straightforward. In terms of theoretical relevance, it is claimed that networks are crucial within a firm’s internationalization and helps the acquisition of information (Fletcher and Harris 2012, McNeil 2005), networks as an information source within market research has yet to be addressed (Udomkit and Schreier 2017, Octavian-Liviu 2014, Whitelock and Jobber 2004).

1.3. Purpose

This study aims to explore the criteria a Swedish manufacturing firm considers during a market research, the sources for information and if networks are used as a source for information.

1.4. Delimitations

This paper follows a case study design. This method is required in order to obtain in-depth and quality insights into the topic, and ultimately to fulfil the research’s purpose. This, however, leads to the fact that findings concern the case of Company X, a Swedish firm that produces timber houses. It deals with the market research of said company in the United Kingdom. Due to this format, the study’s outcomes are limited to Swedish manufacturing firms and cannot be generalized for dissimilar contexts. This means that the findings do not necessarily apply to other industries, countries or businesses. In relation to countries, findings do neither apply for firms located in a different country nor firms that conduct a market research other than the UK, seeing as this process would perhaps be conducted differently if it would have been for a different location. That being said, this study is of interest for other Swedish manufacturing firms who are conducting a market research for international expansion.
## 1.5. Outline of the Paper

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>This section provides background information on market research and networks as well as a problem discussion</td>
</tr>
<tr>
<td>Literature Review</td>
<td>This section covers the main concepts of market research and networks</td>
</tr>
<tr>
<td>Methodology</td>
<td>This section explains the applied methods of the paper and motivates the respective approaches</td>
</tr>
<tr>
<td>Empirical Findings</td>
<td>This section presents the empirical findings collected through ethnography and qualitative interviews</td>
</tr>
<tr>
<td>Analysis</td>
<td>In this section, findings are interpreted with aid of theoretical concepts</td>
</tr>
<tr>
<td>Conclusion</td>
<td>This section focuses on answering the research questions and narrates the study’s limitations and implications</td>
</tr>
</tbody>
</table>
2. Theoretical Framework

This section covers theoretical concepts and approaches to information for internationalization, market research and sources of information, as well as networks as a source of information in internationalization.

2.1. Information and Knowledge for Internationalization

“It is undoubted that appropriate information is critical to the internationalization of a firm …” (Knight and Liesch 2002 p. 983). Fernhaber et al. (2009) define information as a foundation or source for knowledge in the context of internationalization. There are three types of knowledge which are crucial for firms that pursue foreign market entry (Fletcher and Harris 2012).

Technological knowledge, being one of them, however mostly appropriate for firms with a high level of technology in their products. The other two are market knowledge and internationalization knowledge (ibid).

Market knowledge is country and market-specific; thus limited to a particular market environment (ibid). It derives through information of local conditions, opportunities, competitors, prospective customers, business norms, required resources, market specific rules as well as institutional frameworks (Fletcher and Harris 2012, Prashantham and Young 2011).

In contrast, internationalization knowledge is firm-specific and does not relate to a certain country or market (Fletcher and Harris 2012); thus country-neutral knowledge that is universal (Prashantham and Young 2011). Its main purpose for a company is to develop and execute internationalization strategies and ultimately deals with a company’s ability to obtain information. It strives to evaluate potential strategic partners and distributors, implications of customs as well as foreign exchange (Fletcher and Harris 2012, Prashantham and Young 2011).
Akerman (2016) claims international growth is the outcome of market knowledge and internationalization knowledge, although the latter is influenced by market knowledge. He states four different types of knowledge sources: direct experience, indirect experience, internal information and external research (see Figure 1.).

![Knowledge sources for internationalization (Akerman, 2016)](image)

Direct experience refers to previous operations a firm carried out on foreign markets; thus it is developed internally (Fletcher and Harris 2012). In contrast, indirect experience comes from an external source and may be obtained through observation of other organizations. Internal information is the collection and use of information that already is available within a firm (ibid).

Finally, external search encompasses the search for secondary data; perhaps published information from trade organizations or chambers of commerce. Whereas direct and indirect experience is claimed to be experimental-knowledge, internal information and external search are objective-knowledge (ibid).
2.2. Market Research

Internationalization and market knowledge are crucial for a firm’s expansion and information is a foundation or source for generating knowledge (Fletcher and Harris 2012). Market research is a tool that allows access to that information (Faarup and Hansen 2010). It is a “… process by which we gain insight into how markets work” (Mooi et al. 2018 p. 2) and provides information and insights of a particular market (Faarup and Hansen 2010). With regards to internationalization, market research helps to obtain information and enlarge knowledge about respective target markets. This information is one of the most crucial elements for building an entry strategy and internationalization of a firm (Mullen 2008, Octavian-Liviu 2014).

Although market research does not guarantee correct entry decisions, it somewhat increases the chance to succeed. It enables firms to plan international ventures or warn them if there are problems they might face (Knight 2000). It allows to identify potential customers, their needs, how to effectively communicate with and serve them, as well as uncovers competitors, and partnership opportunities (Parry and Song 2010). Generally, market research can be designed in two ways. Qualitative and quantitative market research, or a combination of both. Whilst quantitative research strives to obtain measurable information such as the number of potential clients or size of the industry, qualitative approaches aim to dig deeper into the issue and perhaps provides answers to more complex non-measurable questions (Faarup and Hansen 2010).

Furthermore, market research can be conducted in different degrees of systematics (He et al. 2016). Systematic approaches utilize “…extensive objective information search of market and country factors” (He et al. 2016 p. 918). They utilize objective criteria. In terms of high-systematic approaches, decisions are based on quantitative methods including extensive information from secondary sources; allowing to assess a market based on attractiveness and accessibility (Marchi et al. 2014, Papadopoulos et al. 2002). An unsystematic approach, on the other hand, is prescriptive and implies less objective information (He et al. 2016).
2.3. The Type of Information – Decision Criteria

The required information market research or evaluation yields from applied decision criteria (Dat et al. 2015), as they are the key-determinant on what aspects to consider within a research and ultimately pave the way by means of collecting information (Aghdaie and Alimardani 2015, Schühly and Tenzer 2017). In other words, decision criteria such as market size, profitability or infrastructure are aspects that require revelation in order to make a decision on whether to enter a certain market or not (ibid). Therefore, they build the foundation of market research (Papadopoulos and Martin 2011). Table 1. shows decision criteria that may be applied to a market research, the implication or meaning as well as studies that argue in favor of utilizing a respective criterion. All decision criteria describe the type of information that is needed in order to make a decision.

Table 1. Decision Criteria

<table>
<thead>
<tr>
<th>Decision Criteria</th>
<th>Supported by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability</td>
<td>Aghdaie and Alimardani 2015, Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Competition</td>
<td>Whitelock and Jobber 2004, Aghdaie and Alimardani 2015, Sakarya et al. 2007</td>
</tr>
<tr>
<td>Profitability</td>
<td>Aghdaie and Alimardani 2015, Simkin and Dibb 1998</td>
</tr>
<tr>
<td>Financial Resources</td>
<td>Buerki et al. 2014</td>
</tr>
<tr>
<td>Rules &amp; Regulations</td>
<td>Koohi and Alikhani 2014, Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Corruption Control</td>
<td>Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Governmental Effectiveness</td>
<td>Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Currency &amp; Monetary Policy</td>
<td>Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Experience</td>
<td>Aghdaie and Alimardani 2015, Buerki et al. 2014</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Aghdaie and Alimardani 2015, Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Geographical Distance</td>
<td>Schühly and Tenzer 2017, Korsakienė and Tvaronavičienė 2012, Pflanz 2013</td>
</tr>
<tr>
<td>Cultural Distance</td>
<td>Whitelock and Jobber 2004, Buerki et al. 2014, Sakarya et al. 2007, Schühly and Tenzer 2017</td>
</tr>
<tr>
<td>Language</td>
<td>Schühly and Tenzer 2017, Moini et al. 2008</td>
</tr>
</tbody>
</table>
2.4. Sources for Information in Market Research

Ideally, market research begins with an internal diagnosis of the own firm and primary aims to identify the potential export capabilities along with strengths and weaknesses (Octavian-Liviu 2014). Subsequently, companies are suggested to start by gathering secondary data; data that is already collected and later published by third parties (ibid). Usually, governmental bodies or semi-public institutions offer good information on a variety of export markets. Governmental statistics can provide information on the potential customers (McNeil 2005). Trade Promotion Organizations (TPO) are a good source for initial data gathering, and also provide assistance in the later stages of the market entry. They also engage as a matchmaker between the exporting company and import demand of the target market (Octavian-Liviu 2014).

Desk research is a valuable market research tool where the researcher or the researching organization collects secondary data in-house (McNeil 2005, Gustafsson et al. 2016). This method is commonly applied when little is known about a market and seeks to obtain knowledge of basic criteria such as market size, players or market potential. It is a comparatively inexpensive approach to market research, due to its nature of secondary data collection (ibid). The most dominant tool that enables desk research is the internet, yet personal interactions with other individuals are oftentimes required since they increase the input of data sources. By means of the internet, one’s primary sources are business-, or industry-related news and magazines, trade associations or governmental statistics (ibid).

Although useful information can be found via these sources, much of it is kept very general and cursorily (ibid). Social media along with other online communities have become a real alternative or extension to traditional market research tools (Patino et al. 2012). Research techniques have changed alongside technology
advancements. Despite, these platforms have received great acceptance for marketing plans, their application within market research has yet to be implemented in a majority of firms. In a business-to-business context, social networks such as LinkedIn serve as a good approach for market research (ibid).

2.5. Networks as a Source for Information

Definitions of networks vary depending on the context they are applied in (Udomkit and Schreier 2017). Lindstrand (2003) claims networks to be a set of minimum two relationships in a business context. Zain and Ng (2006) define networks – in the context of internationalization – as relationships between the management of an organization or its employees with suppliers, competitors, customers, distributors as well as other parties that help the firm to move business activities to another country.

A business network is a set of connected business relationships among business units (Blankenburg and Johanson 1992, cited by Prenkert 2016). A business relationship, on the other hand, is the exchange relationship between to autonomous business units (Håkansson and Johanson 1993, cited by Prenkert 2016). It is the result of two organizations that interact with each other over time, whereas “over time” is not clearly defined (Prenkert 2016). However, an exchange relationship does not necessarily signify a product in exchange for money. It can also concern, skills, experience, access to recourses or communication (ibid).

A business relationship is the outcome of exchange activities which are interactions (ibid). There are four types of interaction; sales and purchase, production, collaboration and networking (Prenkert 2016). Firstly, sales and purchase is the sheer exchange of resources such as goods in exchange for monetary payments. Secondly, production implies sharing of production processes, both physical such as facilities as well as non-physical such as competencies or skills. Collaboration is an interaction where two partners work together towards a common goal such as production-development, access to new geographic markets or innovation processes. Finally, networking is all other types of interaction. Here, firms see each other and the relations they have as resources, one can utilize in different ways
depending on the situations and context. This type of interaction strives to use other firms with the aim to obtain access to resources, skills, money, or customers etc. However, networking is seen as a type of interaction to build or access a network (as previously explained) as well as all interactions that result out of established networks (ibid).

The decision to partake in a network or to have a position in it, is not made individually by an organization (Prenkert 2016). Rather, other actors in a network define an organization’s participation and position in the network based on if they fit into it. As a result, if an organization is not important for another network member, this organization does simply not have a position in the network (ibid).

Networks function on both a vertical and a horizontal basis. Whereas horizontal networks imply relationships with manufacturers, suppliers, customers, foreign agents or other third parties, vertical consists of relations with competitors (Johnson and Johnson 1999).

Networks serve as a great source for collecting information and generating market insights (Udomkit and Schreier 2017) and aid firms throughout their foreign market development process (Johnson and Johnson 1999). Moreover, they can combine expertise and help firms to achieve international success (Udomkit and Schreier 2017). Through establishing relationships with other actors such as competitors, suppliers, customers, business partners and institutions, firms can share information and develop new knowledge. This information affects both market selection as well as entry mode choices (Fletcher and Harris 2012).

The primary purpose of networks, in this context, is to pass and collect information on direct business opportunities or on markets and clients (Johnson and Johnson 1999). Firms take part in networks in order to acquire knowledge prior to entering a market (Behrouz 2011). Established networks that are made of other businesses or institutions are a medium for information (ibid). Companies may identify opportunities by recognizing the success of their competitors, whereas the respective information is provided by third parties or the competitor itself (Johnson and Johnson 1999). Information like this can serve as an “…initial catalyst or
propellant for international involvement…” (Johnson and Johnson 1999 pp. 310-311). The application of networks redounds to additional market knowledge and country-specific information (Zain and Ng 2006). Network relationships are a “…prime source for market insights” in the process of internationalization (Udomkit and Schreier 2017 pp. 11).

In addition to pure market information, networks can endow knowledge and management skills, for instance, the firms understanding of trade documentation and how these are supposed to be carried out (Udomkit and Schreier 2017). Ultimately, interacting with other players and exchanging information minimizes risk, associated with foreign market entry, and provides the recognition of opportunities (Johnson and Johnson 1999). Furthermore, developing and nurturing relationships results in a network pool. Depending on the required type of information, one can simply pick the most suitable contact (ibid).

2.6. Research Gap

Taking into account the previous section, research proposes a variety of different decision criteria as the content for market research. These criteria, however, originate from a variety of different contexts and are not specifically linked to the context of a Swedish manufacturing firm that seeks international market expansion to the UK. Criteria that are considered may change drastically depending on the context (Alon et al. 2005). Alon et al. (2005) request that decision criteria need to be studied with a focus on specific industries or individual firms to be more instructive for respective situations. Whitelock and Jobber (2004) request researchers to put their findings which are limited to the industrial firms in the UK, into other situations in order to identify the degree of validity in those contexts.

Ultimately, scholars have shown that networks are an essential tool in a firm’s internationalization procedure and are linked to the acquirement of information and knowledge (Fletcher and Harris 2012, Udomkit and Schreier 2017, Johnson and Johnson 1999). Yet research fails to link the topic directly to market research and how it can be applied to the said process (Udomkit and Schreier 2017, Octavian-Liviu 2014, Whitelock and Jobber 2004). In contrast to other scholar’s findings that networks help with the acquisition of information and knowledge (Fletcher and
Harris 2012, Udomkit and Schreier 2017, Johnson and Johnson 1999), Fletcher and Harris (2012) propose that networks do not feature additional internationalization information and knowledge. Extensive interactions between the internationalizing organization and other players would be required, however, are difficult to develop for new market entrants (ibid).

2.7. Research Questions

RQ1: What criteria do Swedish manufacturing firms need to uncover in a market research?

RQ2: Which are the sources for information to uncover these criteria?

RQ3: How are networks used as a source for information in market research?
3. Methodology

This section guides the reader through the applied method of the study. It clarifies the different research approaches, designs and methods. The application of abduction, qualitative approach, case study, data collection methods as well as quality considerations is discussed in-depth. In addition to that, reasons, why certain approaches have been chosen over others, are broad forward.

3.1. A Systematic Combining Approach

According to Bell and Bryman (2011), there are two fundamental approaches to the relationship between theory and findings or observation. Those are deduction and induction. There are fundamental aspects that distinguish one from the other, yet, one is oftentimes incorporated in the other. Firstly, a deductive approach implies that a research begins with theory, or theories. This as a basis allows the array of a hypothesis. Consequently, data will be collected and the hypothesis contrasted with the findings. As a result, the hypothesis may be confirmed or proved to be wrong. In either case, one returns to theory and extends it by providing new insights.

An inductive approach or induction, on the other hand, aims to develop new theories as result of data collection and does not begin with an investigation of theories. Eisenhardt and Graebner (2007) distinguish the two approaches in a similar manner; claiming that induction is the generation of a new theory as the outcome of a case, whereas deduction tests a given set of theory through data. Furthermore, induction usually refers to a qualitative approach, whereas deduction tends to embed a quantitative one (Bell and Bryman 2011). At the same time, one approach usually interferes with the other in some respects; for instance, induction is found within deductive approaches. In the course of such study, the researcher assesses how well concepts work in real cases and thereafter return to theory to complement it.

However, the two approaches may also be integrated in a different manner. Dubois and Gadde (2002) claim that induction and deduction can be combined in a sense that one jumps back and forth between theoretical and empirical data. This integrated approach is called abduction and is closer related to induction that
deduction. It is particularly useful for case studies since they commonly face challenges regarding the relation of theory and empirical observations. Hence, applying this concept extends the understanding of both theory and empirical data, and is not solely based on one of the variables (ibid).

Taking the combined approach into account, this study aligns with abduction. Observation and participation in the market research process of Derome Hus lead to a desire for further investigation of this particular subject through exploring market research and the involvement of networks. And through the use of said observation and participation, it aims to provide something new to existing theory. However, it constantly refers to theoretical concepts of market entry and networks throughout the analysis in order to understand the topic and provide theoretical support for concluding results. Moreover, rather than inventing new theories, abduction aims to improve existing ones (ibid). This is also the aim of this study as it strives to complement the topic of market research through introducing the one of networks. The application of such approach results in a theoretical extension that is tested in real cases, and simultaneously backed by research (ibid).

3.2. Qualitative and Quantitative Approaches

Qualitative and quantitative are two main approaches regarding the collection and analysis of data. Whereas quantitative strategies focus on a quantification of the data, qualitative strategies emphasize the meaning and understanding of respective data (Bell and Bryman 2011). The outcome of a qualitative approach is qualitative data which compiles meanings and factual interpretations of a concept (Glaser 2003). This aligns with the approach to this study as it aims to generate deeper contextual understanding and does not endeavor quantification by any means. A qualitative approach can further be supported by the method of data collection, which in this case seeks to understand the process of a concept (Bell and Bryman 2011). Observation paired with qualitative interviews will allow to identify this process and ultimately feature the understanding a concept. In addition to that, the qualitative approach matches abduction that is preceded, as building new theories requires in-depth understanding through qualitative data (Dubois and Gadde 2002).
3.3. Research Design – Case Study

As briefly mentioned in the section above, this study’s research design is a case study. However, there are more options to research designs; experimental, cross-sectional, longitudinal and comparative (Bell and Bryman 2011). Experimental designs can be distinguished between laboratory and field experiments whereas the latter is more common in business research. In any case, the premise is to have two groups of people where one of them receives treatments. The other is used as a control group. Dependent variables are measured before and after the experiment and later allow comparisons based on the said variable. Cross-sectional designs usually align with a quantitative approach. Such design is applied with the purpose to collect from multiple cases which at a later stage will be quantified in order to identify patterns. As an extension of cross-sectional, longitudinal design may be used. Although being an individual approach, longitudinal designs show common values with cross-sectional ones. They utilize same methods, such as structured interviewing or self-completion questionnaires. Therefore, longitudinal is generally used as an additional method successively to cross-sectional designs. Comparative design provokes the application of two or more cases which are exposed to equal methods. This allows a logical comparison of employed situations. One may choose to apply this design to either a qualitative or quantitative approach (ibid).

Finally, there is the case study design. It engages with one single case and seeks detailed insights. A case might be a company, an event, a location or a person (ibid). Case studies are commonly used as a foundation for theory development since they provide profound and real-world information of a specific context. Yet in order to establish a theory, the outcomes of a case study need to be tested and quantified prior labelling it as a legitimate theory (Eisenhardt and Graebner 2007). Bell and Bryman (2011) further broaden the topic by introducing several types of cases, in which the representative or typical case juts out as being most eligible for this study. This type aims to “… explore a case that exemplifies an everyday situation or form of organization” (Bell and Bryman 2011 p.62).

As previously described in the introduction section, this study’s case engages with the market research process of Derome Hus. A relation with this company has been established prior to the beginning of this research since they needed a market
research on the UK. In the process of collecting data for the company, the involvement of networks in market research became a cornerstone, which led to further investigation in the concept, and ultimately became the purpose of this paper. Despite that access to Derome Hus has been established prior to research start, employing a case study design generally is also a suitable approach for this paper, as it provides insights that other research approaches may not achieve (Rowley 2002). The research design is directly connected to the research question or purpose. Taking this into account, research questions that involve “how” or “why” are usually linked to case studies, since they imply an explanatory, exploratory or descriptive objective (ibid).

3.4. Data Collection Methods

Data for a study can be collected in a variety of ways. For a qualitative approach, Bell and Bryman (2011) propose interviews, focus groups and participatory observation or ethnography. In terms of the latter, participatory observation and ethnography have been used interchangeably and their distinction is not clear. Both of them imply that a researcher imbeds him/herself in a group for a period of time. One potential difference between the two methods has been broad forward by Bell and Bryman (2011) who claim that within participant observation, the emphasis lays on observation which boils down to that the researcher would not actually partake in an organization or process, rather simply observes. A similar approach yields from Rowley (2002) who claims that specifically within case studies, observation can be conducted through solely observing (direct observation) or with participation (participatory observation). Direct observation – or non-participatory observation (Quinlan 2008) – refers to raw observation, where the researcher only observes.

Focus groups, on the other hand, put several individuals together. The number of individuals may vary, however typically ranges between 6 and 10 group members. Typically, the members reside in the same or similar social context, which allows engagement on the same topic. Here, the purpose is to stimulate constructive discussions on a predefined topic. Although focus groups probably is a more difficult method to mount, it is also the one that achieves superior results. It
generates quality discussions amongst group members that withhold different perspectives and opinions (Bell and Bryman 2011).

Finally, there are interviews. For a qualitative research, it is suggested to deploy qualitative interviews. Here, one distinguishes between semi-structured and unstructured ones. Whilst semi-structured interviews include a list of the particular topics that need to be covered or an interview guide, unstructured consist of loosely defined topics. Yet, in comparison to quantitative interview, both unstructured and semi-structured are more flexible and seek rich and detailed information (ibid).

The data in this study is collected through both qualitative interviews and participatory observation or ethnography. Although focus groups may have contributed to quality data, individuals who are involved in the process of market research were geographically spread out and very tied up with their own tasks so that scheduling a group meeting was simply not possible. Moreover, rather than choosing interviews over ethnography or vice versa, combining the two methods contributes to a superior outcome of the study, since deeper understanding and more insights into a case or phenomena is achieved. With regards to the timing and set-up of both methods, conducting ethnography prior to interview allows to discuss context-specific issues that the researcher has faced during the observation; hence deepen the understanding once again (Morgan et al. 2017).

3.4.1. Ethnography / Participatory Observation

In terms of ethnography, the selected group which the researcher has chosen to partake in is Derome Hus. During a period of four months, the research was actively involved in the firm’s market research. Applying ethnography can be a major contributor to a study’s quality. Data, derived from observations, is oftentimes more meaningful than data from alternative methods, such as focus groups or interviews (Walshe et al. 2012). Considering the distinction between participatory observation, ethnography and direct observation, the research has been conducted on the basis of ethnography; meaning that the results do not derive from pure observation but from actual participation in the process.
Selecting a participatory observation over a non-participatory observation approach has the advantage that participants or the observed individuals are more likely to behave naturally, since including an outsider may influence their behavior, and ultimately would not reflect actuality (Morgan et al. 2017).

Although this study is conducted within a company, it also researches a particular process within the said company, and ethnography is supposed to be the gold standard for researching processes (Murphy and Dingwall 2007). In regards to the extent of participation in the process, the researcher had a set task which was performed together with other individuals in the firm.

Although the employees were partaking per advising, the main responsible person for execution of the market research was the researcher. The task was to conduct a market research on the UK for the company’s prefabricated houses. It included the collection of relevant information on the UK and the housing market as well as building connections with people outside of the firm in order to gather additional information.

3.4.2. Qualitative Interviews

Although participatory observation is the dominant data collection method of this paper, additional qualitative interviews were conducted in order to specify certain issues and to generate a more qualified perspective on the topic through key people who are involved in the company’s market expansion initiatives. Both semi-structured and unstructured approaches were applied. The purpose of semi-structured interviews was to obtain the interviewees’ opinions on the respective topics; decision criteria and networks within market research (see Appendix 2.). In contrast, unstructured interviews were spread throughout the entire time of the research. Here the purpose was to identify methods on how to approach market research, the content such as decision criteria as well as network considerations.

All interviews enabled in-depth discussions on respective topics and had a highly flexible structure. The main difference between the semi-structured and unstructured interviews (see Table 2.) was that the semi-structured ones had the
particular purpose of obtaining direct insights from the interviewee. Unstructured interviews, on the other hand, were oftentimes used in a manner to facilitate participatory observation seeing as they addressed specific methods to execute market research.

Two semi-structured interviews were conducted face-to-face in the interviewee’s workplace, whilst one was conducted via telephone due to the geographical distance in that particular case. Unstructured interviews were all carried out face-to-face. Taking into consideration the approach of Morgan et al. (2017) on timing and setup of interviews in relation to observations, the interviews were conducted in a similar format.

All interviews were conducted at a point where the participatory observation already has been established; approximately two months in the process. By doing so, the researcher was able to have a good understanding of the market and network, which allowed to propose critical questions and ultimately resulted in deeper discussions on the subject.

Table 2. Semi-structured and unstructured interviews

<table>
<thead>
<tr>
<th>Type of Interview</th>
<th>Approach to Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Structured</td>
<td>Face-to-Face</td>
</tr>
<tr>
<td></td>
<td>Defined meeting time / place</td>
</tr>
<tr>
<td></td>
<td>Specific purpose such as sources of information</td>
</tr>
<tr>
<td></td>
<td>Specific topic to discuss</td>
</tr>
<tr>
<td>Unstructured</td>
<td>Face-to-Face and telephone</td>
</tr>
<tr>
<td></td>
<td>Conducted in various incidents throughout the research</td>
</tr>
<tr>
<td></td>
<td>Various purposes related to market research and networks</td>
</tr>
<tr>
<td></td>
<td>Loosely discussing a topic</td>
</tr>
</tbody>
</table>
3.4.3. Sampling

Bryman and Bell (2015) describe sampling as the choice of units which are selected for an investigation of a study. Units can be individuals, organizations or documents. One may broadly distinguish between two major types of sampling methods; probability sampling and non-probability sampling. Whilst probability sampling postulates a random selection of individuals, non-probability sampling implies a purposely selection and individuals are not chosen causal. As a form of non-probability sampling, purposive sampling aims to select cases in a strategic manner in order to guarantee relevancy to the research question and purpose. This approach is usually applied to qualitative studies as qualitative research does not seek generalizability in a way that quantitative research does. Rather qualitative approaches aspire to explore a certain scenario in detail and requires qualified and relevant answers.

Moreover, the research question predicates which method of sampling is most suitable. Seeing as this particular study aims to explore an organization’s process in-depth in order to generate profound understanding, and does not pursue universal conclusion, purposive sampling is the appropriate method. In order to ensure the collection of quality information, the selection of individuals was based on their experience as well as their involvement of the particular process of Derome Hus. All individuals that have been interviewed are participating in the market research process or internationalization of the firm in some way. Semi-structured interviews were conducted with the CEO and the Head of Research & Development of Derome Hus and the Head of Sales for Plusshus. The CEO of Derome Hus was the one who initiated the firm’s engagement in the United Kingdom. The Head of Research & Development, on the other hand, works on technical issues such as delivery of goods and the differences with regards to housing standards. Finally, the Head of Sales of Plusshus already established relations in the UK and through that was able to provide meaningful information. Table 3. illustrates the individuals that were interviewed for the research, including their experience.
Table 3. Semi-Structured Interviews

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
<th>Years of Experience</th>
<th>Years in the Company</th>
<th>Interview Type</th>
<th>Date of Semi-Structured Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Mossbrant</td>
<td>CEO</td>
<td>Derome Hus</td>
<td>16 as CEO</td>
<td>36</td>
<td>Face-to-Face</td>
<td>22. May 2018</td>
</tr>
<tr>
<td>Anders Carlsson</td>
<td>Head of Research &amp; Development</td>
<td>Derome Hus</td>
<td>14 in R&amp;D</td>
<td>18</td>
<td>Face-to-Face</td>
<td>14. May 2018</td>
</tr>
<tr>
<td>Mattias Zifferstedt</td>
<td>Head of Sales</td>
<td>Plusslus</td>
<td>25 in Sales</td>
<td>2,5</td>
<td>Telephone</td>
<td>15. May 2018</td>
</tr>
</tbody>
</table>

3.5. Operationalization

Operationalization describes how the researcher measures the different concepts he/she is interested in. In doing so, a conceptual and operational definition is allocated for each concept or theory (Bryman and Bell 2011). Table 4 shows these definitions as well as the interview questions that refer to each concept.

Table 4. Operationalization

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
<th>Interview Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Research</td>
<td>Market research is a tool that aims to obtain relevant information which allows decision making (Faarup &amp; Hansen, 2010)</td>
<td>The process of collecting relevant information on a particular market as well as additional information on how to serve said market</td>
<td>Question 1. (Appendix 2.)</td>
</tr>
<tr>
<td>Decision Criteria</td>
<td>Aspects of a market that allow to make an entry-decision</td>
<td>Particular aspects that need to be uncovered or topics were a firm requires information</td>
<td>Question 2. (Appendix 2.)</td>
</tr>
</tbody>
</table>
3.6. **Presentation of Data**

Reporting and presenting ethnographical findings is difficult (Morgan 2017). When carrying out an ethnographic research, the findings aim to convince the reader of the reality of the studied situations. Findings, therefore, should be presented in a manner that provides an “… authoritative account of the group our culture in questions” (Bryman and Bell 2011, p. 703), meaning that the social reality is trustworthy. Presenting ethnographical findings is a mixture of facts and interpretations, observations and reflections” (Bryman and Bell 2011, p. 703).

<table>
<thead>
<tr>
<th><strong>Market Research Sources</strong></th>
<th>The methods or tools used in order to uncover particular decision criteria (Patino, Pitta &amp; Quinones, 2012; Octavian-Liviu, 2014; McNeil, 2005).</th>
<th>The sources for information in market research.</th>
<th>Question 3. (Appendix 2.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Networks</strong></td>
<td>Relationships with other actors such as competitors, suppliers, customers, business partners and institutions that purpose to share information (Fletcher &amp; Harris, 2012).</td>
<td>Relationships with other individuals or firms in the industry that provide information for international expansion.</td>
<td>Question 4. (Appendix 2.)</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td>A foundation or source for knowledge in the context of internationalization (Fernhaber Mcdougall-Covin &amp; Shepherd, 2009).</td>
<td>The content of decision criteria.</td>
<td>Question 2a, 2c, 3a, 4c. (Appendix 2.)</td>
</tr>
</tbody>
</table>
On the other hand, the author needs to provide a dispassionate view where he/she disappears from the view, leaving room for the individuals of the social context. Essentially, there is no space for subjectivity of the researcher. Moreover, the researcher had the ability to interact throughout a long period with individuals of a social setting. This should be used as evidence to strengthen the trustworthiness (ibid). Following these suggestions, this study strives to be as objective as possible when presenting findings of participatory observation. Additionally, interviews – both semi-structured and unstructured – are integrated into the text. Translated quotes will be presented. However, they are not word-for-word quotes but show the essence of what interviewees expressed. This further increase credibility and show that the findings of the participatory observation rapport with the views and opinions of experts. In addition to that Bryman and Bell (2011) suggest to include field notes. These are summaries of events the researcher has experienced. During the period of participatory observation, several notes were made that cover the procedure of the market research. It includes the information that has been collected as well as the sources.

3.7. Data Analysis

Bryman and Bell (2015) bring forward two dominant approaches for qualitative data analysis; namely analytic induction and grounded theory. Analytic induction is a method where one “… seeks universal explanations of phenomena by pursuing the collection of data until no cases that are inconsistent with the hypothetical explanation of a phenomenon are found” (Bryman and Bell 2011 p. 575). In this process, cases are examined and the hypothesis reformulated until it matches the cases. The second method – grounded theory – creates theory derived from data. Here, the process of data analysis is a constant interference between the collected data and conceptualization. This approach to data analysis is reasonable for approach since similar to abduction it involves the constant engagement between the social world through empirical sources and theoretical ideas (ibid). In contrast, Timmermans and Tavory (2012) claim that grounded theory withholds a strong inductive focus and builds theory from empirical evidence without theoretical preconceptions. Furthermore, all too often it creates an imaginative interpretation of a social context. And although grounded theory offers useful tools for abduction
and qualitative research as such, it requires rethinking of the relationship between
established theories and empirical findings in order to suit abductive research
approaches. Abductive analysis is a data analysis method that is applied to this
study. Just like grounded theory, abductive analysis aims to create theory, yet at the
same time privileges abduction. This analytic method sets “empirical findings
against the background of multiple existing … theories …” (Timmermans and
Tavory 2012 p. 169) meaning that theories are generated through empirical findings
in contrast to existing theories. As a result of this, the analysis is the process of
double-fitting data and theories. In case, established theories fully match an
empirical phenomenon, said theories are simply verified for this specific context.
On the other hand, if theory and empirical findings mismatch, this is where new
theories occur (ibid).

3.8. Quality Considerations

Ensuring trustworthiness of any research is essential, yet can be a quite difficult
task for qualitative approaches (Shenton 2004). Reliability, validity as well as
generalizability which are dominant criteria to ensure trustworthiness for
quantitative research, do not directly match the nature of qualitative research.
However, these concepts can still be applied, if their meanings are adjusted. Lincoln
and Guba (1994) for instance propose four alternative quality factors which also are
closely related to the ones previously mentioned (Bryman and Bell 2015).

3.8.1. Credibility

Credibility refers to the question of how accordant the findings are with reality. In
order to establish credibility “… entails both ensuring that research is carried out
according to the canons of good practice and submitting research findings to the
members of the social world who were studied for confirmation that the investigator
has correctly understood that social world” (Bryman and Bell 2011, p. 396). One
potential practice is triangulation which implies the usage of more than one sources
of data. Here, for instance, the investigator collects data through ethnography and
later confirms the findings through interviews in order to show validity. This
method is also conducted in this research. Findings from prior participatory
observation have been discussed in interviews with the respective individuals of Derome Hus in order find confirmation.

3.8.2. Transferability

Similar to external validity – the degree to which a study’s findings can be generalized – transferability also concerns the extent to which the outcomes can be applied in other situations; thus universality. However, as qualitative studies normally deal with a small number of cases that are limited to a particular situation or environment, there consequently is a restriction. Despite each case is unique, however, transferability may be achieved in a slightly different manner. If a sufficient amount of contextual information, meaning a good description of the situation, is given, the reader may be able to understand the issue and make it transferable to his/her very own situation. Therefore, transferability or external validity can be determinant for qualitative research (Shenton 2004, Bryman and Bell 2011). Follow this approach, this paper seeks to provide as much transferability as possible. In order to achieve this, the paper attempts to present as much detailed insight into the study’s context as possible by providing in-depth information about the company, its products and goals. Although this does not guarantee generalization in a traditional sense, it somewhat enables to obtain a good understanding of the context and allows transference to similar cases.

3.8.3. Dependability

Dependability aligns with the concept of reliability which presumes that the same study can be conducted again under the same conditions and would result in similar outcomes (Bryman and Bell 2011). Equally, with dependability, two independent researchers should be able to repeat a study in the same context, with the same participants and methods and ultimately would achieve the same or similar results (Shenton 2004). In order to provide this for future researchers, this study stresses to provide a profound description of the case company as well as the people involved, although the requested anonymity of participants restricts this criterion to a certain extent. Additionally, the applied research design and data collection tools
are elaborated in-depth to provide full insight into study’s method, which enables others to perform a research under the same conditions.

3.8.4. Confirmability

Confirmability regards the issue of objectiveness of study. This means that findings reflect the actual experience of the study’s informants and do not emerge out of the researcher’s preferences or perceptions; thus avoids subjectivity in all respects. And although ensuring complete objectivity is impossible, the researcher has to show that one did not overtly induce personal perspective into a study. Furthermore, he/she may admit that certain biased predispositions have been embedded. In this particular study though, interference of the researcher’s perspective is unavoidable, primarily due to the applied data collection method of participatory observation. As a result of this, one inevitably infuses his/her own perceptions how an issue into the study. However, in terms of conducted interviews – which oftentimes align with the findings of the participatory observation – the researcher focused on reflecting the actual perspectives of the participants by providing quotes and statements.

3.9. Research Ethics Consideration

In the field of business research or research in general, ethical considerations should be taken into account. Those concern issues on how partaking individuals are treated as well as the activities that are performed with those individuals. Ethical principles can be categorized into four areas; harm to participants, lack of informed consent, invasion of privacy and deception (Bryman and Bell 2015).

3.9.1. Harm to Participants

Harm to participating people may occur in different manners. Physical harm, harm to one’s career, harm to a participant’s self-esteem or stress, all fall into this category. At the same time, research or the execution of a study may also harm non-participants. This mainly regards organizational matters such as waste of resources or company confidential issues (Bryman and Bell 2015). In order to avoid these issues by all means in this study, the anonymity of participants, as well as confidential materials were assured to respective participants as well as the firm.
Not only were partaking individuals of the research asked for permission of their person but also firm related insights. In this particular study, non-participants are as important direct participants such as Derome Hus itself since in-depth information is generated and released.

3.9.2. Lack of Informed Consent

This principle concerns the amount and type of information a researcher provides to the participating individuals about a study’s substance. Sharing this information should enable participants to decide whether they wish to take part in a research. This issue is particularly relevant in studies that contain observations as the participants are oftentimes unaware of the fact that they are being observed, or the degree to or issue on which they are being observed. “They are involved whether they like it or not” (Bryman and Bell 2015 p. 139). Since the main method for data collection in this study is just observation, great emphasis has been put on this concern. Moreover, in terms of participatory observation, there has been no direct monitoring of the information the researcher collected, which leads to additional uncertainty from a company’s perspective. In order to steer clear of this threat to individuals and the company all data that is used has been reviewed by company and participants prior to publishing.

3.9.3. Invasion of Privacy

“The right to privacy is a tenet that many of us hold clear…” (Bryman and Bell 2015 p. 143) and this also is indispensable in business research. In interviews, the interviewee may not feel comfortable to share all information and refuses to answer particular questions. This has to be excepted by the interviewer as some topics are sensitive, either directly to the interviewee or to a bigger instance such as the organization. Moreover, participants of a research should be given the opportunity to withdraw their statements at a later stage. They may have revealed aspects which they regret afterwards (Bryman and Bell 2015). Similar to the topic of informed consent this research pursues to provide full transparency for the participating firm and individuals. Every information that has been obtained, either through participatory observation or interviews were acknowledged for utilization in the
paper by the responsible people. Moreover, in the event of different opinions about the usage of certain data at a later point in time, participants were given full authority to change things.

3.9.4. Deception

If researchers present a study as something different than what it actually is, is deception. Although this issue is widespread and oftentimes occurs in studies in one way or the other, researchers should avoid pretending the research of something different simply for their advantage. However, is some instance, the researcher may have to conceal the specifics of a study for the sake of information acquisition. Participants perhaps disclose more natural information if they are not aware of the specifics. Yet, in this study, all aspects of deception have been avoided. The relation between the researcher and the researched individuals and organization have been fully transparent. This course of action was not only to be honest but also crucial in order to obtain relevant information. The interviewees had to be aware of the researched topic to be able to provide informed and quality answers. Despite, part of the market research conducted with Company X, lead to discussions with industry players where the real identity of the researcher has not been revealed, the information from these interactions is not included in this paper.
4. Empirical Findings

This section presents the findings that were collected through interviews and participatory observations. It covers the aspects considered during a market research, the sources of information as well as the involvement of networks as a source for information.

4.1. The Aim of Market Research

As briefly discussed in the Introduction section, Derome Hus conducted a market research for the United Kingdom. The firm seeks international expansion for two product types; volumetric modules and “planelement”. Those products belong to two different subsidiaries; Plusshus and A-Hus. However, Derome Hus executes the market research for the two products. The purpose of the market research is to collect relevant information on the market in order make a profound decision on whether to expand or not (Mossbrant, 2018).

In addition to that, the market research aims to provide a better picture on how to enter, as the company will be able to build a concept or strategy by means of the collected information. Mossbrant (2018) states that market research is the most crucial element for the company expansion since it later allows to build a concept or strategy for expanding to the UK. In other words, based on the information that is collected, he will be able to decide whether to enter the market and if so, also enables him to decide how to enter it.

Mossbrant (2018) claims that going into a foreign market requires a lot of resources. Marketing efforts will be costly. Establishing relations with clients will take time of employees (ibid). Products may have to be adjusted to the UK standards which leads to expenses and the need for skilled people that understand how to modify the products (Carlsson, 2018). Thus, research of the UK market prior to entering it is crucial.
4.2. Information in Market Research

Since market research aims to help with the decision if the firm should enter into a foreign market and if so base a strategy on that it has to reveal a variety of questions the firm has regarding the market (Mossbrant 2018). An initial plan (see Appendix 2.) intends to guide the firm’s market research into the right direction. It points out important questions that the company has regarding its international expansion. Aside from the first point which is to gather all available information of the UK that the company has today, it contains demand, logistics, network, competition and prices / costs.

**Demand** concerns the market size of timber houses in the UK. In other words, the share of these houses. Zifferstedt (2018) suggests that one needs to know the market size and if the market has potential. Moreover, *demand* takes into account the trend of timber houses meaning how the timber house share will develop in the future. In addition, one also wants to identify potential customers or partners. Mossbrant (2018) claims that not only the share and trend of timber houses are important to know but it also essential to identify customer-specific requirements and needs and therefore it is crucial to get in touch if them. “Customer requirements also include the type of collaboration between us and the foreign firm. We need to identify how they wish to collaborate” (Mossbrant 2018).

**Logistics** deals with the physical ways for shipping goods. The firm has to uncover the most suitable ways for transportation; whether to ship the products on trailers, in containers or as freeload (Mossbrant 2018). In addition, this aspect considers potential harbours, local transportation in the other country as well as shipping prices.

In terms of **networks**, the firm wants to identify firms but also individuals, that are able to help to discover business opportunities. This may include consultancies or other industry players. Carlsson (2018) says that governmental institutions or industry specialists can provide information for general trade-related questions.

**Competition** refers to direct competitors and considers their types of products as well as how those products are being marketed. In the best case, one will even
uncover the competition sets their prices (Mossbrant, 2018). This also goes into the final aspects of prices / costs which refers to how products can be priced and the expenses that come with selling in the other country. Moreover, the ongoing Brexit needs to be considered since it can change import tariffs and potentially increase the cost of delivering to the country (Mossbrant 2018).

In addition to the initial plan, the firm specifies certain aspects and introduces new ones as the market research progresses. Firstly, business culture of UK firms has enormous importance (Mossbrant 2018). Mossbrant (2018) claims that he is only able to commit to a collaboration with another company if he perceives them to have a similar culture. This may concern payments and whether a firm is able to align with the types of payments used by the exporting company (ibid).

Two other aspects that have not been discussed in the initial plan, yet require revelation, are housing standards and local skills (Carlsson 2018). The market research should reveal the differences in housing standards between Sweden and the UK or if required a specific region within the UK. “One has to be certain that the product manages to fulfil local criteria so that you don’t show up with a product that cannot be accepted” (Zifferstedt 2018). If there are any major dissimilarities in terms of requirements that buildings need to fulfil, a Swedish firm has to adjust production. Carlsson (2018) claims that it is crucial to identify this aspect as it can affect the costs of serving a customer significantly.

In relation to these national differences, local skills of UK customers or third-party contractors are requisite. They need to have the knowledge and skill to erect the houses (Mossbrant 2018) and if they do not have that, training is required which ultimately leads to additional costs (Carlsson 2018). The most crucial aspect besides business culture, however, is sales volume or profitability (Mossbrant 2018). It is the reason for expanding business overseas and the firm needs to generate profits at the end of the day.

Carlsson (2018) supports this by arguing that profitability is the most significant since it creates profits which is the reason for expansion. He adds that most other aspects such as skills, national housing standards or logistic-related issues are
secondary and can be resolved if sufficient profitability is guaranteed. For instance, the firm is willing to put in extra time and money to be able to match the UK standards if the money is right.

4.3. Available Information on the Internet

In order to obtain information and uncover all factors that were discussed beforehand – share of timber houses, competition etc. – the research started with browsing the internet to gather as much information as possible regarding these aspects. Zifferstedt (2018) says “First off, I would scan the internet”. Carlsson (2018) claims that it provides a good, however, basic overview of the market. It can reveal potential clients and partners or the market size. The field note (see Appendix 4) shows the source and types information that Derome Hus collected through the internet.

Starting off with the market size, statistics on the timber house industry, published by a consulting firm were found. They include the market share of timber houses in the different regions of the UK. In addition to that, it shows the share of the respective house types such as flats or detached houses.

Other sources such as industry newspapers as well as articles by industry experts, showed the current trends within the construction industry in the country. They argued that the new methods of construction on the rise, yet little firms have started implementing these methods so far. Furthermore, a statement from the UK government from 2017 was discovered, that discusses the country’s current housing crisis. It claims that the UK has to produce additional 100,000 homes per year in the upcoming years in order to satisfy the increasing demand. The statement further encourages firms to adopt modern methods of construction seeing as they are faster, cheaper and causing less impact on the environment.

The internet also provides access to industry network websites that compile organizations, news, forums, and enquiries or tenders (Carlsson, 2018). Through accessing these website potential clients or partners, competing firms, and generally what other organizations do could be identified. Ultimately, Derome Hus looked at
competitors’ websites to get a better picture of their products and methods of construction as well as their clients.

4.4. Existing In-House Information

Simultaneously to gather in information through the internet, internal information from previous interactions with the UK has been collected. This data included shipping information from an old project that has been carried out as well as from a collaboration between the company and a local housing company regarding technical standards. Previous shipping details provide insight into how goods can be transported in terms of trailer sizes. On the other hand, information regarding technical standards, offer insight into how buildings or building elements have to be modified in order to fulfil the general UK requirements. Carlsson (2018) claims that this provides more knowledge about the difference regarding housing standards of the two markets.

4.5. The Involvement of Networks

Carlsson (2018) claims that, although internet research provides a good foundation and valuable insights into the market, information that can be found online is very limited. In addition to that, Zifferstedt (2018) argues that networks help to access information and also provide more reliable information that the internet for instance. He defines network as “contacts between people and companies”. To really understand the market, it requires actual interaction with people or organizations. “One has to get in touch with potential clients to really understand their demands” (Carlsson 2018). Mossbrant (2018) elaborated on that by saying that more specific information is needed to clarify all the concerns.

Therefore, Derome Hus started to get in touch with a people and firms within the industry. Table 5 shows the firm’s network including each type of company or individual that was approached as well as the reason for approaching them.
Table 5. Company X’s Business Network

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>Selected based on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitors</td>
<td>Companies that offer similar products in the UK</td>
</tr>
<tr>
<td>Potential Customers</td>
<td>Companies that develop properties in the UK, utilizing the modern methods of construction</td>
</tr>
<tr>
<td>Shipping Contractors</td>
<td>Companies that provide transportation from Sweden to the UK</td>
</tr>
<tr>
<td>Industry Consulting Firms</td>
<td>Companies that provide consultancy services within the industry</td>
</tr>
<tr>
<td>Other Industry Players</td>
<td>Individuals or companies that are within the same industry</td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>Provides information on international business</td>
</tr>
</tbody>
</table>

Industry Players

In order to begin this process, another subsidiary of Derome Gruppen that already is doing business in the UK was approached. Mossbrant (2018) suggests to start with the network that is already available as it is easy to access. This company was able to provide connections to shipping contractors that they are using when delivering goods to the UK as well as to a local UK firm in the timber industry. Consequently, a meeting with the local UK firm was conducted. They were able to give an outlook on the market size of timber houses in the respective regions of the country and named potential competitors that offer similar products on the market.

Shipping Contractors

The shipping contractors that were suggested by the other subsidiary of Derome Gruppen gave detailed explanations on shipping possibilities. “… we use the network that we already have today to access other actors” (Mossbrant 2018). The shipped contractors could explain the use of trailers in comparison to containers and freerload and proposed the most suitable ways of transportation for the two respective products. Furthermore, they provided the costs of shipping and suggested potential harbours. They highlighted the requirements of how the products need to be loaded in terms of safety, meaning how the exporting firm has to package the goods prior to loading.
Potential Customer
In the second stage, a potential customer from the UK, who previously worked together with a known competitor, was approached. Both Mossbrant and Carlsson (2018) claim that speaking to potential customers gives deeper information on the actual demand than perhaps just a number of market size. The firm provided insights into the types of collaborations such as sheer exporting and funding, and further discussed what local firms usually expect from foreign firms by giving detailed examples of how they work with a Swedish supplier / partner.

In addition to that, they provided answers to local housing standards and issues that Swedish firms face in this industry when entering the UK. They also proposed ways to market oneself as a Swedish firm in the market by explaining how local firms perceive Swedish products.

Competitor
Derome Hus furthermore approached a competitor from Sweden who already delivers products to the UK. If these kinds of companies share their experience of the market, it is valuable because they are in the same situation (Mossbrant 2018). In an email conversation, they provided information about the types of customers that they are doing business with. Moreover, they suggested the types of business setups such as exporting or direct investments, that are most appropriate for this particular market. Additionally, they explained the customer demand and proposed a suitable niche-market that matches the products of Swedish firms due to the local perception of Swedish products. Seeing as this competitor offers the same product lines as Plusshus and A-Hus, and further was able to explain why they only provide one of these products in the UK. Ultimately, the company’s types of delivery were discussed.

Chamber of Commerce
The Swedish Chamber of Commerce already provides market research of countries (Mossbrant 2018). “I would have looked into what type of researches they can provide and use them if they have something that fits” (Mossbrant 2018). Moreover, the Chamber of Commerce can provide contacts in form of network members in the industry and country. Those can be potential clients or other actors in the
specific industry (ibid). “Getting in touch with them allows making an own judgement of how the market looks like” (Mossbrant 2018).

**Industry Consulting Firms**

Ultimately, industry consulting firms that provide a design, construction management and supply chain assistance for companies in the industry were able to reveal competing firms that offer the same kind of solutions.
5. Analysis

In this section, the empirical findings will be discussed and interpreted through the theoretical concepts used.

5.1. The Aim of Market Research

Market research can have two purposes. Either to map out events from the past or to predict the future (Gustafsson et al. 2016). When pursuing new market entry such as Derome Hus, it is the latter since the firm attempts to forecast – though market research – what will happen when entering a new market or country. Market research is crucial for both IMS and EMS (Papadopoulos and Martin 2011, Köksal 2008). Strictly seen, those are two individual processes (Knight and Liesch 2002) yet they are usually conducted together in terms of information gathering (Musso and Francioni 2014). This argument reflects the case of Derome Hus seeing as the firm conducts market research, firstly to decide whether to enter a market, however in the second stage helps to decide how to enter it since the information allows to build a strategy or concept for market entry.

Moreover, entry mode selection can also be interpreted as being a part of market selection or a determinant for selecting a specific market. For instance, Derome Hus attempts to identify customer-specific requirements which also include the type of collaboration or business-setup between a foreign and local firm. This is similar to the concept of entry modes such as exporting, foreign direct investments or franchising (Whitelock and Jobber 2004). However, whereas in theory, the type of entry mode is chosen once a market is selected, Derome Hus sees an entry mode itself as a determinant factor that goes into the decision on whether to enter or not. Taking this into consideration, EMS can influence the decision on IMS. This shows that the two concepts are not only connected in terms of information gathering but also that an entry mode decision can be incorporated into and affects the market selection.
5.2. Information in Market Research

Market knowledge and internationalization knowledge are two essential elements in a firm internationalization process (Fletcher and Harris 2012). The two types of knowledge differ in the sense that market knowledge derives from country or market specific information whereas internationalization knowledge from information that concerns the process of entering a foreign market (ibid). In order to build the two respective types of knowledge, information on opportunities customers, competitors, distributors, customs etc. is required (ibid).

These types of information are further extended by other scholars that propose decision criteria which are essential aspects to consider when internationalizing and that market research should yield answers to (Aghdaie and Alimardani 2015, Schühly and Tenzer 2017). The proposed decision criteria, however, derive from different contexts and can change depending on the firm’s situations (Alon et al. 2005). The ones that are considered as crucial by Derome Hus are demand, logistics, network, competition, prices / costs, business culture, housing standards, local skills, and profitability. All these are aspects the firm needs knowledge on prior to making an entry decision.

Demand comprises a variety of criteria that are proposed by previous scholars. Market size (Ye Sheng and Mullen 2011, Min et al. 2017, Schühly and Tenzer 2017) which, for Derome Hus, implies the share of timber houses in different parts of the target country, can be argued to be the precise quantity of a particular product used. It is crucial to know, prior to market, to market entry as it shows whether a product is actually demanded. Growth rate (Aghdaie and Alimardani 2015, Korsakienė and Tvironavičienė 2012), sustainability (Schühly and Tenzer 2017 and Aghdaie and Alimardani 2015) and market potential (Koohi and Alikhani 2014) are considered as market potential and trend by the case company. It is used as an indicator of how the market will develop in the future and therefore a crucial factor if a firm seeks continuous business in the target country.

Moreover, in relation to market size, profitability has been proposed (Aghdaie and Alimardani 2015). For Derome Hus, profitability is the single most important factor to consider, meaning that all other issues can somehow be resolved if it plays out financially. This can be interpreted as a decisive factor that market research has to
uncover, seeing as already argued by Min et al. (2017) the intention of entering a new market is to make profits.

In terms of logistics, scholars propose the criteria infrastructure (Koohi and Alikhani 2014, Schühly and Tenzer 2017, Moini et al. 2008), accessibility (Schühly and Tenzer 2017, Aghdaie and Alimardani 2015) and geographical distance (Pflanz 2013, Korsakienė and Tvaronavičienė 2012, Schühly and Tenzer 2017). Taking into account the explanations of Derome Hus, that logistics concern the type of shipping such as containers or trailers, suitable harbours, the local transportation once the goods are in the target country as well as the costs of transportation, this criterion becomes very crucial prior to making a decision on market entry. It does not only determine whether and how goods can be delivered but also if the decision on market entry is economically supported.

Networks (Ojala and Tyrväinen 2008, Pflanz 2013) can be individuals or firms. This aspect becomes important to clarify through market research since it can reveal business opportunities once the market is entered. Competition or competitors (Aghdaie and Alimardani 2015) is crucial an important aspect to uncover. It does not only show what other firms offer and how they market their products but potentially even how they price them. Since firms enter a new market where they have to previous experience on (Whitelock and Jobber 2004) understanding these aspects prior to making a decision on market entry, can help to identify if a firm is capable of competing in the market, and if so, can help to understand how to compete most effectively.

Prices / costs as partly been covered by Buerki et al. (2014) as financial resources. It, therefore, can be interpreted as expenses a firm has to invest in order to supply a foreign market. Taking into consideration that profitability is the most crucial criterion, costs or financial resources become a very important aspect seeing as it directly affects profitability. Moreover, Derome Hus wants to identify prices that the company can expect to demand for their products on the market. Similar to costs, this responds to profitability since it is an indicator of expected revenue; thus essential to uncover in a market research.
In addition to that, Derome Hus wants to uncover if potential clients or third party contractors have the knowledge and skills to erect the houses. Moreover, the company wants to uncover national difference in terms of housing standards. Although these two aspects have not been discussed in theory, it can be very crucial for firms that have complex products and potentially face a country where the one’s national standards are different from the ones of the other country. In can affect costs since production may have to be modified or because local people need to be trained. Finally, cultural distance (Whitelock and Jobber 2004, Buerki et al. 2014, Sakarya et al. 2007, Schühly and Tenzer 2017) is applied by the case company as business culture. It is crucial to identify the foreign business culture – in market research – as it affects the way business is conducted and if it actually can be conducted.

5.3. Available Information on the Internet

If relatively little is known about a market, the internet as a desk research tool is a great source for collecting information (McNeil 2005, Gustafsson et al. 2016). It can provide information on market size, players and market potential through business or industry news, trade associations and governmental statistics (McNeil 2005). Indeed, industry news and government publications provide valuable information about markets. However, the internet can provide even further information. For instance, consulting firm publications can reveal the market size. Industry news oftentimes feature articles by industry experts which give insight into which direction the market is trending such as new ways of construction.

Governmental statistics or statements also deliver information on the market potential by perhaps showing the undersupply of the respective products in the market and encouraging firms to produce particular products. Also, industry players can be identified through industry news. At the same time, industry network websites help to discover players such as competitors or clients. All, this information retrieved from the internet, therefore, has the ability to answer a variety of decision criteria such as competitors or demand and therefore becomes a crucial source for information within market research.
However, in line with McNeil (2005), arguing that the internet provides very general information, is also perceived by Derome Hus. It requires further investigation in order to clarify all concerns. The internet, therefore, can be interpreted as a valuable starting point for gathering information, yet does not provide sufficient knowledge that is required in order the decision on market entry. Also, the information that is retrieved from the internet is accordant with a high-systematic approach, proposed by He et al. (2016). Despite, opinions of industry experts which can be found in industry news are more subjective, the vast majority of information such as market size reflects a high-systematic approach.

5.4. Existing In-House Information

Octavian-Liviu (2014) propose to start a market research with a diagnosis of the own firm. However, he refers to identifying a firm’s capabilities for entering a new market. In Derome Hus’ case, internal research has been done, yet regards market information that is already available internally such as previous export documents or documents that discussed which requirements the firm must fulfil in order to match the local standards.

Furthermore, in contrast to what Octavian-Liviu’s (2014) perspective of the firm’s capabilities, the company perceives the firm’s capabilities as something depending on the foreign markets demands. By identifying these demands, one can distinguish if the company is capable of delivering its products to the market. In addition, the internal diagnosis will help identify a firm’s strengths and weaknesses (Octavian-Liviu 2014). Similar to the capabilities, Derome Hus requires revelation on other factors, for instance, competition in order to know their strengths and weaknesses.

That being said, if a firm has documents from previous businesses with the foreign country, those documents can provide information that reveals decision criteria; thus can be very useful for market research.
5.5. Networks as a Source of Information

A business network consists of exchange relationships between different business units (Blankenberg and Johanson 1992, cited by Prenkert 2016), for instance, a firm’s relations to its suppliers, competitors, customers, distributors as well as other parties (Zain and Ng 2006). Whereas relations with competitors refers to a vertical network, relations with suppliers, customers, foreign agents, and third parties is a horizontal network.

In the case of Derome Hus, it includes competitors, potential customers, shipping contractors, industry consulting firms, the Swedish Chamber of Commerce and other industry players. Taking advantage of both network approaches – vertical and horizontal - therefore, increases the information input as it entails more sources of information, which can improve the decision.

The essence of an exchange relationship is that both interacting parties exchange something such as products for money, skills, experience, access to resources or communication (Prenkert 2016). Although it is not clear what exactly has been received by the interacting partner of Derome Hus in exchange for information, Prenkert (2016) argues that if other network members perceive a participant to fit into the network, it has a position. And the fact that information has been shared, it can be argued that Derome Hus is a network member.

Networks can be a good source for information and insight generation for internationalizing firms (Udomkit and Schreier 2017). As a source for specific market or country information (Zain and Ng 2006), networks can reveal business opportunities, insights into markets and customers (Johnson and Johnson 1999) or even lead to a superior understanding of trade documentation (Udomkit and Schreier 2017). That being said, networks have the ability to increase both market knowledge and internationalization knowledge since it discloses both information on specific markets or countries as well as information that is firm-specific and concerns the process of entering foreign markets. In market research, however, the generation of internationalization knowledge through networks is limited. The only information, obtained through the network, has been in terms of transportation and more specifically the way goods can be shipped and how they need to be secured in order to be shipped.
In contrast, networks provide a good amount of information that leads to market knowledge. As proposed by Johnson and Johnson (1999) networks provide insights into customers and markets. This also applies to market research, however, using networks as a source for information can lead to even further insights. It can reveal competitors and their offers, customer-specific demands, as well as national differences in terms of product standards. This makes networks a beneficial source of information for market research. In comparison to the internet, networks can provide more information. It can also be interpreted that the information of networks is more valuable than the one from the internet. Since it provides more specific answers to cost-related issues, directly affect profitability. And seeing as profitability is the most crucial decision criteria, this information becomes valuable.

In contrast to the internet which tends to be a more systematic approach to market research, information through networks is oftentimes prescriptive such as previous experience of competitors; thus aligns with the principles of an un-systematic approach, being more prescriptive and less objective (He et al. 2016). This, however, is a beneficial complement to the internet. Moreover, in relation to the internet which solely produces market knowledge, networks have the ability to retrieve internationalization knowledge in addition to market knowledge.
6. Conclusion

In this section, the conclusion of the study is presented and the research questions answered. Additionally, theoretical and managerial implications will be discussed. Finally, limitations of the study are shown and suggestions for future research proposed.

The conclusion of this study is that Swedish manufacturing firms use market research in order to answer concerns prior entering a foreign market. In order to obtain all the information that is needed, researching the internet is a good starting-tool to access information. However, to get a deeper understanding of a particular market, networks serve as an additional source for information and yield answers that the internet cannot. This information is not only more precise and in-depth than the one from the internet but also responds to more important decision criteria, such as profitability.

The by scholars proposed decision criteria are largely coherent with the ones used in practice, although in reality, certain aspects are considered more in-depth. For instance, market size may be an indicator for the demand of a market, however, in practice, firms require more detailed information such as customer-specific requirements in order to make a decision on market entry.

Both theory and practitioners view the internet as a useful tool to start a market research, however, the available information is limited. Finally, networks have received great theoretical attention in terms of internationalization. The connection of networks in market research could be identified through this study. Practitioners view networks as a valuable source for information in a market research, and as a great complement to the internet. Therefore, the purpose of this paper which was to explore which aspects a Swedish manufacturing firm considers in a market research, the sources of information and the if networks can be used as such source, has been fulfilled.
RQ1: What criteria do Swedish manufacturing firms strive to uncover in a market research?

Swedish manufacturing firms seek to uncover:

- Demand of the market which is the market size, potential, future trend, customer or partners, as well as customer specific requirements
- Logistic aspects such as transportation possibilities and costs
- Networks including firms or individuals in the foreign market
- Competing firms
- How to price products for the market and the costs of serving customers
- The countries business culture
- National differences in terms of the product
- If the customer or third party have the required skills
- Profitability of doing business on the market

RQ2: Which are the sources for information to uncover these criteria?

Internal information that has collected for previous purposes. Moreover, the internet provides information through consulting firms, industry news, government publications, industry network websites and websites of organizations. Additionally, networks and the people and organizations involved can provide a variety of information.

RQ3: How are networks used as a source for information?

Competitors, potential customers, shipping contractors, chambers of commerce, industry consulting firms and other industry players can provide a variety of information, and pose as a valuable complement to the internet.
6.1. Theoretical Implications

Scholars propose a number of decision criteria that ought to be considered in market research. Those criteria, however, derive from different contexts such as different industries or countries. This study managed to discover the ones used by a Swedish manufacturing firm; hence extend existing theory by adding another context. In addition to that, previous research discussed market research in the context of internationalization and networks in internationalization. Market research is supposed to gather information and networks can be used as a source for information. However, the two concepts have been dealt with separately. This study achieves to find a connection between the two by showing that companies use their network in market research as a source for information.

6.2. Managerial Implications

From a managerial perspective, scholars argued that firms or the management of firms either have too much information which is not straightforward and leads to confusion and hinders the decision to enter or have too little information which creates uncertainty. This study provides criteria which need information, which can be applied by firms that find themselves in a similar position as the one from the case study, and potentially helps to create a clearer picture of what to consider. Moreover, firms are suggested to utilize their network as a source for information when conducting market research and not solely base decisions on information retrieved from the internet or internal documents. Using the business network can provide more in-depth and information; thus results in increased knowledge of a particular market and decreases uncertainty. This impacts a decision on market entry positively.

6.3. Limitations

The primary limitation of this study is the non-disclosure of empirical findings. The detailed information that has been received through the case companies market research cannot be revealed which leads to restricted insights in the information that can be retrieved from either the internet or network. Moreover, due to this paper’s format (case study), the significance and validity of the findings are limited.
Although the outcome such as the application of networks can perhaps be applied in a number of scenarios and is more universal, exact decision criteria – as already claimed by other scholars – strongly depend on the context.

6.4. Future Research

Reflecting back on this study, a number of questions arise which require further investigation and which future research may develop on. Firstly, this paper is a case study. Therefore, the findings only represent the situation of a single company. It would be interesting to test this – especially the connection between market research and networks – in multiple cases in order to potentially recognize a universal relation between those two. Furthermore, this study only identifies information sources by means of the internet and networks, yet does not show the relevance or value of each source. Although, it has been seen that the criteria of costs, which ultimately are linked to profitability, is retrieved from networks, showing the value of networks as a source of information, it is only one single aspect. Future research may investigate in this; whether information obtained through the internet is more useful than the one from networks or vice versa.

6.5. Concluding Remarks

Firms that seek foreign market development, utilize market research in order to make a decision on which market to enter (IMS) and how to enter it (EMS). Depending on the context different decision criteria may be applied. However, the most important criterion is profitability. Both theory and empirical evidence suggest that the main purpose of entering a foreign market is growth; thus making profits is essential. Market research is a tool for information gathering which aims to provide answers to the said criteria. The internet is a good starting point to access information, however, has its limitation and cannot provide answers to all criteria. Networks, on the other hand, are used as a source of information and thereby complements the internet in a good way. However, when reflecting back on this study, it has to be noted, that none of the two options could provide answers to all, prior set, criteria. Prices or, knowledge on how to set prices, for instance, could not be identified by either of the two sources. Moreover, this study only focuses on the internet and networks, and in-house information to some extent. There may be other
sources of information which have not been discussed due to the paper’s format being a case-study; thus only focuses on the applications of the case company.
References


• Johanson, J. and Vahlne, J.E. (2009). The Uppsala internationalization process revised: From liability of foreignness to liability of outsidership. *Journal of*


- Min, S., Kim, N. and Zhan, G. (2017). The impact of market size on new market


• Shen, Z., Puig, F. and Paul, J. (2017). Foreign market entry mode research: A


Appendices

Appendix 2. Interview Guide

1. How would you define and describe market research?
   a) In your perspective, when does market research start and end?

2. What do you aim to obtain through market research?
   a) Any specific aspects you want to uncover?
   b) Are some aspects more important than others or would you sacrifice on some?

3. How do you conduct market research?
   a) What kind of methods or sources do you use in order to obtain information?
   b) Which methods or sources do you consider as superior than others, taking into account the value of information? (value of information refers to how good a specific set of information is, and not the value of information in general)

4. Do you use networks within market research?
   a) Would you define or describe the role of networks in market research?
   b) How do you make use of networks in market research and to what extent does it influence the outcome?
   c) Do networks provide any additional information in comparison to other sources?
   d) How do you see the value in information obtained through networks in relation to other sources?

5. Is there anything you would like to bring up or add that has not been discussed yet?
Appendix 3. Field note: Company X’s initial plan for its market research

**Market Research Plan**

6. February 2018

1. Obtain all available information that the company has on the UK
2. Demand – market size based on timber houses in UK, contemporary trends and potential customers / partners
3. Logistics – potential ways to deliver to the UK and storage possibilities
4. Network – who are the ones (firms) that can help to establish business abroad
5. Competition – who are the competitors and how they market their products
6. Prices – includes both pricing of the goods as well as costs that come with selling to the UK

Appendix 4. Field note: Information that could be obtained through the internet

From 16. February 2018 onwards

<table>
<thead>
<tr>
<th>Source</th>
<th>Type of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting Firm</td>
<td>Statistics of timber house market. Including share based on different UK countries and types of properties</td>
</tr>
<tr>
<td>Industry News</td>
<td>Expert view on modern methods of construction</td>
</tr>
<tr>
<td>Government Publications</td>
<td>Increasing demand for homes and encouragement of new methods of construction</td>
</tr>
<tr>
<td>Industry Network Website</td>
<td>Reveal companies in the timber industry such as competitors, potential clients / partners, industry news, enquiries</td>
</tr>
<tr>
<td>Firm Websites</td>
<td>Shows the product range of competitors and reveals potential clients</td>
</tr>
</tbody>
</table>