Micro Environmental Factors’ Influence On The International Marketing Strategy of Swedish Companies In Norway

Author: Elizabeth Atem Tabetando, master student in marketing, School of Business and Economics, Linnaeus University, Växjö, Sweden (tathl09@student.lnu.se)

Supervisor: DR Anders Pehrsson, professor of Business Administration, School of Business and Economics, Linnaeus University, Växjö, Sweden. (anders.pehrsson@lnu.se)

Examiner: DR Sarah Philipson, assistant Professor, School of Business and Economics, Linnaeus University, Växjö, Sweden. (sarah.philipson@lnu.se)

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Abstract

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Authors: Elizabeth Atem Tabetando

Supervisor: DR Anders Pehrsson

Examiner: DR Sarah Philipson

Title: Micro Environmental Factors’ Influence on the International Marketing Strategy of Swedish Companies in Norway.

Background: Author is interested in studying how micro environmental factors affect international marketing strategy of Swedish companies in Norway.

Purpose: The purpose of the study is to investigate customers’ and competitors’ influence on value adding activities of Swedish companies in Norway.

Research questions: RQ: What influence do customers and competitors play in value-adding activity of a firm in a foreign market?

Research Method: Empirical findings through live and internet-based interviews with top managers of three companies.

Findings: The findings contribute to the understanding of theoretical principles that explained how firms face more intense customer service and competitors’ pressures than before. The organization’s response can have the potential either to restore customer satisfaction and reinforce loyalty in order to compete successfully or inflict more lasting damage on the organization’s image. It shows that customers always evaluate service encounters’ outcome, procedure, and interaction. This provides managers with useful information on how important these complexities are for value-adding in foreign markets.

Conclusion: A firm’s cooperation with customers in product, production operations and customer services has a positive influence on product development, product quality and growth of the business. A firm that response to competitors’ has a competitive advantage.

Keywords: Micro environmental factors, international marketing strategy, value-adding, competitors, customers, Logent AB, Emballator Lagan Plast, Sweden, Trioplast AB, Norway.
Acknowledgement

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This thesis is dedicated to my missing, loved ones, papa Joseph Tabetando, Mama Elizabeth A, Papa Eyonganyor, Mama Awuhmay, Papa Solomon A, Mama Esther Beyang, Sister Irene Tabot-T, Mary, Martha, Frederick, Patrick. I have also been very opportune to be surrounded by a fantastic family especially uncle Bawa, Sis’ Pru and great friends. Big thanks to all of you.

Special thanks to my loved daddy, who have supported me throughout this entire process, both financially and morally. The hardships have been easier to handle and the accomplishments have become more enjoyable. Thanks Daddy/Chief Tabetando. I will be grateful forever for your love.

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Elizabeth Atem Tabetando
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1. Introduction

A firm that wants to implement its international strategy should consider choosing the extent of value adding a foreign subsidiary needs to perform. (Evans & Berman, 2001; McLarty, 2005; Pehrsson, 2008) If firms want to go international, they should pick strategic options that would enable them to save costs and effort in marketing their goods and services on a global scale, as a result of global competitive advantage (Schilke et al., 2009). This is to say that strategy would provide models and ideas that will help a company to identify/ differentiate opportunities that will add –value to customers. Today, as a result of changes in environment, information technology, the importance of companies going global, new products, and production, ways of adding activities into offering can produce opportunities for value - adding. If a company wants to be on a competitive advantage, the firm should be able to conceive the whole value-adding system and put that into execution. A company should always be prepared to do analysis of the micro environment factors and to know the responsiveness. This is because a firm’s success can be influenced by the firm’s environment factors. These factors could be seen as customers, suppliers, employees, competitors, shareholders and others. Companies can always strive very hard to offer benefits that are better compared to those of the competitor.

A firm can add-value if the firm involve customers and make them knowledgeable/intelligent when adding value for their offering. In order for companies to be on a safe side, organisations should be able to have continuously redefined, restructured and redesigned company’s competencies and networks in order to keep the value-adding activities responsive. This phenomenon can make it possible to identify the success of most firms and failures of other companies.

The international economic downturn increased in strength towards the end of 2012. Europe was running against the wind and several countries saw decreasing growth rates. Exports of goods dropped significantly in Sweden, but were partly compensated for by increased exports of services. The total exports were unchanged, while imports dropped, resulting in a positive contribution from net exports growth to GDP of 0.5 percentage points. Following the recent weak export trend, forward looking indicators point to future improvements (statistics Sweden: 2013-03-25).
1.1 Problem Discussion

Globalization of the economy and the technological changes has transformed the business environment, with new challenges and opportunities emerging for firms. (Hansen & Løvås, 2004; Johanson & Vahlne, 2009). Increased competition, developing customer needs and responsiveness to firm’s environment has become a vital factor for companies. (Homburg et al., 2007; Coviello et al., 1998). This is to say that a company’s product/services could be the results of complex activities. Most companies today work very hard to enhance its services/products before offering them to customers. Value-adding could be in the form of increasing the products' prices and value. Micro environmental factors are linked to a business that may affect a company’s business operations, growth and success. A company should always be ready to do a good analysis of the micro environment factors and to know the responsiveness. This is because a firm’s success can be influenced by the firm’s environment factors. These factors could be seen as customers, suppliers, employees, competitors, shareholders and others. Companies can always strive very hard to offer benefits that are better compared to those of the competitor.

In a company’s environment (customers and competitors), researchers in marketing have argued that responses to customer and competitor changes can have several beneficial consequences for a firm (Gatignon et al., 1997; Jayachandran et al., 2004; Smith et al., 1999). This implies that companies should strive to respond always to the opportunity and threat posed from the firm’s changing environment. Also if a business does not take into consideration the competitors’ responsiveness, the firm can find it very difficult to compete against the competitor. Every firm needs customers therefore companies marketing plan should be able to attract and keep customers with products that meet customers’/consumers’ needs. It is always important to consider customers’ and competitors’ responsiveness to the changes.

However, it can be difficult for a firm to have entire control of micro environmental factors but the company should make an effort to continuously redefined, restructured and redesign the company’s competencies and networks in order to keep the value-adding activities responsive. International strategy competence reflects factors that can be required through information-based processes that are firm-specific. This can be developed through complex interactions depending on the available resources and capabilities. Apparently, strategy competence is a key profitability driver (Pehrsson, 2002). This is to say that, core competence could be difficult for competitors to imitate. Core
competencies are key drivers for firm’s to remain competitive against its competitors (Pehrsson, 2001; 2002).

Pehrsson (2002) argued that, being familiar with market conditions can clearly strengthen the competence and possibilities of finding a sustainable market position. This means that increasing knowledge of customers and competitors can lead a firm to extended market experience. Maintaining and enhancing a firm’s customers’ and competitors’ responsiveness is today an increasingly important managerial task (Homburg et al., 2007). International marketing involves operations across foreign markets in which the controllable factors differ significantly from one market and another e.g., cost, price, and distribution differ (Schilke et al. 2009; Hultman et al., 2009).

Value adding is explained as, an institutional arrangement which establishes the capacity to implement strategy and exploit competitive advantages based on differentiation relative to competitors. (Andersson & Larsson, 2005; Pehrsson, 2008). Pehrsson argued that if a firm is in search of value adding in a foreign market, the company has to consider general associations among types and different attributes. Value adding in foreign markets includes product development, production and customer services (Pehrsson, 2008). Customers and competitors are micro environmental factors close to a business that can have direct impact on the business’ operations and success. Before deciding corporate strategy a firm should carry out a full analysis of the firm’s micro environment (Simsek et al., 2007). This is to say that, customers and competitors are very important factors that need to be considered because of the impact it might have on the business operations.

However, managers need holistic perspectives, because international marketing strategy formulation could be a complex system that can be difficult to decompose into a narrow set of micro factors. (Hultman et al., 2009). It is this phenomenon’s importance on international marketing strategy that led Johanson and Vahlne (2009) to update the original Uppsala process model which existed since 1997. When firms add-value in a foreign market, literature have identified the type of value and how a firm can undergo it. Still, researchers have not identified how customers and competitors affect the firms’ international marketing strategy. This is what the author finds as important to study in order to contribute knowledge to current literature.

1.1.1. Rationale for the research

Much research has been done on internationalization and how it increases companies’ performance. (Schilke et al., 2009; Fernandez & Nieto, 2006; Karandeniz & Göcer, 2007; Hultman et al., 2009;

Previous literature has paid attention to the macro environment factors in a society and its effect on investment affecting investors’ willingness to invest and how investments can be protected (Li & Filer 2007; Globerman & Shapiro 2003; Sousa & Bradley, 2008; Pehrsson, 2008; Calantone et al. 2006; Kouznetsov, 2009; Johanson & Vahlne, 2009; Hansen & Løvås 2004; Griffith and Cavusgil, 2005; Zahra et al., 2006; Chen & Mujtaba, 2007; Shenkar, 2001). Some literature have argued on firms/micro environmental factors (Homburg, 2007; Jayachandran et al., 2004; Smith et al., 1999; Simsek et al., 2007; Pehrsson, 2008; Calantone et al., 2006; Coviello et al., 1998). Still, there is much to uncover on how micro environmental factors (customers and competitors) can affect value adding activity of firms in a foreign market. However, this study seeks to contribute to the current knowledge concerning international marketing strategy by investigating micro environmental influences on value adding activities for Sweden companies in Norway and to add insights of international marketing theories.

This study will explore and analyse the customers’ and competitors’ influences on firms’ international marketing strategy by studying a number of companies. Companies looking to go international can benefit from this study; it will help firms to recognize some of the hidden complexities as a result of the micro environmental influences and how to deal with such complexities.

1.1 Research Questions

RQ: What influence do customers and competitors play in value-adding activity of a firm in a foreign market?

1.2 Problem formulation

The purpose of this study is to investigate customers’ and competitors’ influence on value-adding activities of Swedish companies in Norway.

1.3 Delimitation

There are several micro environmental factors that a firm can consider when in search of value adding in a foreign market e.g., customers, competitors, supplies and others. Also there are different international marketing strategies. This paper will focus on customer and competitor influence on value adding activity of Swedish companies in Norway.
The remainder of this paper continues with literature on value adding in a foreign market, micro environmental factors (Customer and Competitors); the methodology employed will be demonstrated and the empirical data will be presented and analysed. The final section will draw conclusions and reflections on these.
2. Theory

The theory chapter consists of International marketing strategy, and its micro environmental determinants.

2.1 Value adding in a foreign market.

Value-adding is an important set of controllable activities that establishes the capacity to implement and exploit competitive advantages based on differentiation from competitors. The firm here can provide customers with benefits which will show value (Andersson & Larsson, 2005; Pehrsson, 2008).

A firm that wants to implement its international strategy should consider choosing the extent of value-adding a foreign subsidiary needs to perform. (Evans & Berman, 2001; McLarty, 2005; Pehrsson, 2008). Pehrsson (2008) argued that types of value-adding in foreign markets are; product development, production and customer services. However, a firm’s foreign product development could mean engineering takes place in the local market and the firm’s commitments to the market. (Pehrsson, 2008). Evans & Berman (2001) argued on the techniques to operationalise the value chain, a flow chart for a value-driven strategy, and an approach for measuring perceived value.

Organisations with product development in foreign markets can be associated with a limited focus on product attributes when trying to receive orders compared with companies not having such local value adding. This is to say that a company’s product/services could serve as the results of complex activities. Companies today should work very hard to enhance its services/products before offering them to customers. Value-adding could be in the form of increasing the products prices and value. However, it can be difficult for a firm to have entire control of micro environmental factors but the company should make an effort to continuously redefined, restructured and redesign the company’s competencies and networks in order to keep the value-adding activities responsive.

2.2 Customer

Firms are facing intense customers’ services pressures than before. (Smith et al., 1999). This is to say that, the organization’s response can have the potentials either to restore customer satisfaction and reinforce loyalty or inflict more lasting damage on the organization’s image. (Smith et al., 1999). Literature explained that customers do evaluate service encounters on three dimensions e.g., outcome (benefits customers receive as a result of the encounter), Procedure (organization’s policies
and methods that guide the encounter), and interaction (quality of the interpersonal treatment and communication during the encounter) (Clemmer & Schneider, 1996 in Smith et al., 1999). Customers’ responsiveness is an important managerial task in organisations today. These factors can have a direct impact on the business operations and success (Homburg et al., 2007). Businesses today need customers, therefore a firm’s marketing plan should be able attract and retain customers with products that meet their wants and needs and good customer service (Homburg et al., 2007; Jayachandran et al., 2004; Simsek et al., 2007 Pehrsson, 2008). Most firms today face the problem of customers’ reactions towards differentiation. Therefore, it is important to always consider the customer views and needs e.g, features of distribution and solution to the customer problem (Pehrsson, 2008). Literature argued that, the more unique customer habits the more firms will have to act in advance to deal with unexpected in order to capture niches within market segments which are less price sensitive. (Simsek et al., 2007).

2.3 Competitor
Coviello et al. (1998) argued that research on international competitiveness is emerging as a frontier area for international business study. Thus, competitors’ business could always create the need for organizations to renovate their processes in order to remain competitive. A firm’s strategy goal could be the development of sustainable competitive advantage (Pehrsson, 2002; Coviello et al., 1998). Staying competitive in business will not always be easy for companies due to challenges that could be faced by companies with stiff competition and complexity in the market place (Coviello et al., 1998).

Literature argued that, the more complex the company’s environment, the more an organisation will try to differentiate itself from its incumbents. Price sensitive niches, will lead to a greater opportunity to earn a higher internal rates of return on investments. As a result of this, the company’s resources could be viewed by managers as abundant, and employable (Simsek et al., 2007; Coviello et al., 1998). This is to say that, if a business fails to consider its competitor's activities, the firm can find it very difficult to compete successfully against the competitors. However, it will be necessary for the firm to examine competitors' responses to changes in order to maximize the impact of their response. (Calantone et al., 2006).  

2.4 State of the Art
In the theoretical framework there are different theories presented as a result of the interview questions and the problem understudy. Some theories could be considered more valuable for the study than others.
2.4.1. Value-adding in foreign markets

The theory explained the importance of the implementation of value-adding in a foreign market in order to establish the capacity to implement strategy and exploit competitive advantages. (Evans & Berman, 2001; McLarty, 2005; Pehrsson, 2008).

<table>
<thead>
<tr>
<th>Theory</th>
<th>References</th>
<th>Citations</th>
<th>Validity</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-adding in foreign markets</td>
<td>Evans &amp; Berman, 2001</td>
<td>66</td>
<td>Some Validation</td>
<td>Proposed</td>
</tr>
<tr>
<td><strong>Internal networks designs.</strong> Argued on the techniques for operationalizing the value chain, a flow chart for enacting a value-driven strategy, and approach for measuring perceived value.</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>Ability to respond to customer needs efficiently.</strong> Firms with product development in foreign markets can be associated with limited focus on product attributes in trying to receive orders compared with firms without such local value adding.</td>
<td>McLarty, 2005</td>
<td>3</td>
<td>Limited Validation</td>
<td>Proposed</td>
</tr>
<tr>
<td>Types of value-adding in foreign markets</td>
<td>Pehrsson, 2008</td>
<td>6</td>
<td>Limited validation</td>
<td>Proposed</td>
</tr>
</tbody>
</table>
Product development, production and customer services. A firm that wants to add value in a foreign market should be able to identify what type of value-adding will take place and to what extent.

Figure.2 Value-adding, own

2.4.2 Customer

The theory explained that customer responsiveness is increasingly very important task for companies today. (Smith et al., 1999; Jayachandran et al., 2004; Simsek et al., 2007; Homburg et al., 2007). The firm’s response can have the potentials either to restore customer satisfaction and reinforce loyalty or inflict more lasting damage on the organization’s image.

<table>
<thead>
<tr>
<th>Theory</th>
<th>Reference</th>
<th>Citations</th>
<th>Validation</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of enhancing customer satisfaction, building customer relationships, and preventing customer defections.</td>
<td>Smith et al., 1999</td>
<td>1235</td>
<td>Well Validated</td>
<td>Dominating</td>
</tr>
<tr>
<td>Importance of response to environmental changes. Shows mechanisms that drive response to customers’ the importance of</td>
<td>Homburg et al., 2007</td>
<td>93</td>
<td>Some Validation</td>
<td>Proposed</td>
</tr>
</tbody>
</table>
cognitive system as a driver of responsiveness can be greater for firms with a low market share.

It explained that a firm’s environment influences the firm’s pursuit of entrepreneurial activities.

| Importance of customer knowledge in enhancing customer response capability. Customer knowledge process influences customer response capability. Dimensions of customer response capability are customer response expertise and customer response speed. | Simsek et al., 2007 | 47 | Some Validation | Proposed |
| Importance of considering the customer views and needs e.g., features of distribution and solution to the customer problem. Will be useful for production and product development | Pehrsson, 2008 | 3 | Limited Validation | Proposed |
2.4.3 Competitor

The theory explained that responsiveness of competitors is very important that firms needs to consider. This is because competitors’ international business creates need for organizations to renovate their processes in order to remain competitive. (Homburg et al., 2007; Simsek et al., 2007; Calantone et al, 2006; Coviello et al.,1998)

<table>
<thead>
<tr>
<th>Theory</th>
<th>References</th>
<th>Citations</th>
<th>Validation</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor</td>
<td>Homburg et al., 2007</td>
<td>92</td>
<td>Some Validation</td>
<td>Proposed</td>
</tr>
<tr>
<td>Importance of response to environmental changes. Shows mechanisms that drive responsive to competitors’ the importance of the cognitive system as a driver of responsiveness is greater in firms with a low entry barrier for competitor.</td>
<td>Coviello et al.,1998</td>
<td>64</td>
<td>Some Validation</td>
<td>Proposed</td>
</tr>
</tbody>
</table>

**Competitiveness’ and factors**

Measures of competiveness should be able to specify the level of analysis and sustainability through generation of competitive potentials and the management of competitive process.
An organisation competitive environment will influence the company’s pursuit of entrepreneurial activities. Simsek et al., 2007

Delineates external firm factors as antecedents to performance through product strategy. Calantone et al., 2006

<table>
<thead>
<tr>
<th>An organisation competitive environment will influence the company’s pursuit of entrepreneurial activities</th>
<th>Simsek et al., 2007</th>
<th>47</th>
<th>Some Validation</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delineates external firm factors as antecedents to performance through product strategy.</td>
<td>Calantone et al., 2006</td>
<td>86</td>
<td>Some Validation</td>
<td>Proposed</td>
</tr>
</tbody>
</table>

**Fig. 4 Competitor, own**

The researcher has described different theories in the theoretical framework chapter. However, though value-adding and competitors’ have been discussed in the literature it shows that they are not often enough validated. Author considers this as proposed theory. The customer literature has one dominating theory. The majority of the researchers have stated the importance of customers and competitors responses and direct link for a firm. The theories mentioned above shows a clear message on customer and competitor responsiveness as important managerial tasks in firms’ today. However, there is still much to uncover on the role both factors play and how they can affect firms that neglect these factors.

When firms add-value in a foreign market, researchers have identified the type of value and how a firm can undergo it. Still researchers have not identified how customers and competitors affect the firms’ international marketing strategy. This is what the author finds as important to study in order to contribute knowledge to current literature. From the theory chapter and information from the articles, one research question has been identified.

![Figure 5, Conceptual Model, own](image)

**Figure 5, Conceptual Model, own**
3. Methodology.

This chapter includes an explanation on how the study is conducted and the chosen method for the problem under study. Validity and reliability is also argued in this chapter.

3.1 Research approach

It means the way in which the researcher seeks to approach the research problem. Researchers can choose from which perspective to investigate a phenomenon either a qualitative perspective or a quantitative perspective (Bryman & Bell 2007). The particular method chosen for a study depends on the way in which the research will be carried out and analysed (Bryman & Bell 2007).

When conducting a study, it is very important that you make the choice that will best suit for the problem being investigated (Oghazi, 2009). Qualitative research deals with describing complicated situations in a less formalized way. Following the literature, this study employs a qualitative case study approach to explore micro factors’ influence on value-adding in foreign markets for Swedish companies in Norway.

Scholars have argued on the applicability of qualitative methods and qualitative case study designs in studying (Eisenhardt, 1989; Bryman & Bell, 2007; Yin, 2009; Ghauri & Firth, 2009). The goal of this research is to study micro factors’ influences on value adding activities in a foreign market.

The case study method is selected as the preferred research strategy (Yin, 2009). A small number of case studies can be prescribed when the research problem requires rich, deep information. A research strategy is important to decide from the study’s research focus, because it determines what strategy to use (Yin, 2009). This paper chooses a multiple-case design using three companies as an alternative than a single-case study (Yin 2009). Case studies will enable richer descriptions of the phenomenon studied in a temporal context and support analysis of any process set in this context (Yin, 2003; 2009).

Case Selection

The case sampling strategy used for this study technique and theoretical replication logic is from Yin (2003; 2009). The factor underpinning the selection of the three cases was conceptual relevance. Theoretical sampling is used. This means that the cases can extend the emergent theory (Eisenhardt, 1989). The cases were selected from three perspectives (setting, actors, processes.).
3.2 Population and Sampling

The data collection can only be conducted after determining the population and sample. The focus for this paper is Swedish companies in Norway and the sample was limited to only firms that belong to this group. The control variable is that the firm must be a Swedish company and present in Norway. In order to conduct this research, the contact information was gathered through an internet search /Kompass data base and the chosen companies were all Swedish and present in Norway.

The total population that was contacted consisted of 10 companies and the respondents that participated for this study were three companies with a total of nine interviews. The operational definition used in this study was that the companies should be Swedish companies and each firm has operations and present in Norway. To gather the empirical information, the researcher tried collecting data from people that have knowledge in the companies and responsible for the problem under study. Sampling choice settings are companies’ managing directors and managers, and people with knowledge of the companies’ marketing capabilities, pricing policy, and customers. The population of employees within the three cases firms was a total of 1815 employees who would have been possible respondents for this study, 9 interviews were successfully conducted with a redundancy of 1810 employees.

3.3 OPERATIONALISATION

<table>
<thead>
<tr>
<th>Theories</th>
<th>Definition</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value adding activity in foreign market</td>
<td>Evans &amp; Berman, 2001; McLarty, 2005; Pehrsson, 2008.</td>
<td>1. What is value-adding in your company?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Which work currently done in your company provides competitive advantage or value-adding?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Do you focus your time more on value-adding activities?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. For whom do you add-value?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Which activity/-work is more value – adding and why?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. What is your company strategy?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. What are the processes for</td>
</tr>
</tbody>
</table>
Figure 6, Operationalisation table, own

| Customers | Homburg et al., 2007; Pehrsson, 2008; Zeki et al., 2007; Jayachandran et al., 2004: Smith et al., 1999 | 8. Do customers affect your business? 9. How does customer influence your company value-adding? |
| Competitors | Homburg et al., 2007; Pehrsson, 2008; Zeki et al., 2007; Calantone et al., 2006; Coviello et al., 1998. | 10. Do competitors affect your business? 11. And how? |

3.4 Data Collection and Analysis

Following the principles of data collection that Yin (2003) and Bryman & Bell (2007) established, multiple sources of evidence is used to gather the data. A review of industry reports, other secondary documentation, and the websites of firms is conducted. Secondary data research and interviews is combined. For each of the three firms, the interview data is built on semi-structured and open-ended interviews (Eriksson & Kovalainen, 2008), with CEOs, and marketing managers responsible for overseas market strategy. Interviews was recorded and transcribed. The purpose of this academic endeavour is to identify micro factors that affect value-adding by foreign subsidiaries. Because these phenomenon play a vital role for a firm’s performance, the author wants to get a deeper understanding of the problem being researched. This will require that the author have the possibility of a deep discussion with potential respondents/ firms that have been in such situations and are present in Norway. Also, because each market situation and each company is unique and dynamic, the author thinks that it will be more productive to avoid making statistical generalizations.

Qualitative data analysis method

Follow the principles of qualitative data analysis method recommend by Philipson (2012), this method is used. This is a good method to use in a qualitative data analysis. This method is suitable
for studies based on interviews, focus groups and observations. It is also suitable for deductive and abductive research, well-grounded theory, and critical studies findings presentation data. Philipson (2012) explained that a research can be presented in an abbreviated form, but the absence of standardized procedures for the abbreviation will make it necessary to document the very procedure for abbreviation. The researcher showed a matrix in which the questions represent the column heads and the rows are filled with the respondents’ answers. Author tried showing the differences and similarities in the matrix data presentation. The matrix is presented in a yellow colour to ease the understanding of findings from respondents.

<table>
<thead>
<tr>
<th>Respondent Title</th>
<th>Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director( CEO) ,Logent AB.</td>
<td>Four interviews.</td>
</tr>
<tr>
<td>Sales and Marketing Manager, Emballator Lagan Plast.</td>
<td>Three interviews.</td>
</tr>
<tr>
<td>Managing Director, Trioplast AB</td>
<td>Two interviews.</td>
</tr>
</tbody>
</table>

Figure 6. Respondents interviewed for the study

3.5 Criteria for qualitative research

Validity

Validity is an important research criteria (Bryman & Bell, 2011). In order to study the micro environmental factors influencing international marketing strategy, semi-structured interviews were conducted. A total of nine interviews were conducted involving three organizations’. Author believes that with more cases studied in this type of research the result would have been different and will hold a higher validity. Still, with the help of the organizations that were interviewed, the data needed for the problem under study was received and this study measured what was intended to measure and this has helped in strengthening the validity for this study. To strengthen the validity author used methods from the literature that researchers advocated. Validity can also refer to whether the research is able to scientifically answer the research questions under study (Bryman & Bell, 2011). All respondents’ selected possessed satisfactory command of the English language ensuring that the meaning of the questions was not misconstrued as this could lead to distortion of information. By so doing the researcher ensured that the validity of the study was maintained at a satisfactory level.
Reliability

Reliability can be defined as the possibility to replicate the study (Yin, 2009; Bryman & Bell, 2011). This is to say that reliability is whether the results will be the same if another researcher, using the same measuring instrument, will conduct the research again. Reliability is a very important criteria for both qualitative and quantitative research methods. For this study, author believes that the reliability is high and if the research is replicated later can generate fairly the same results. This is because the interviews conducted were semi-structured which depended on the respondents. The results might have generated small difference depending on both methods used in conducting the interview. From the numbers of interviews conducted for this study, author could identify a pattern in the answers. The information for the report, has a degree of reliability when several identical questions answered by several persons. (Yin, 1994). As a result, if reviewed later by another researcher, it would likely draw similar conclusions.

The empirical results would be explicitly described as shown in the matrix and presented in the same order as the research questions. All information presented in this chapter is from interviews (live and email) and secondary data. The available data from findings is presented which will be used to analyse and conclude the study. Empirical basis consists of nine interviews conducted with executives from three organizations.

Following the principle of empirical data display recommend by Philipson (2012). In order to organize the empirical data, a researcher can construct a matrix in ms excel, numbers, and others. With the interviewees as column heads and the questions as rows. The researcher can pastes the whole answer on each question into the cells method to present and analyse qualitative data. This method is good for qualitative research data presentation and analysis.

4.1 PATTERN IDENTIFICATION

The empirical result presented in the matrix below is a transcription of the nine interviews conducted from three different respondents. The patterns identified are not very significantly different, but the employees’ number, turnover rate and strategy was not suitable for pattern finding. The differences do not appear to be so wide, but what is obvious is the visible impact indicated in each group. The results from findings show that every respondent works to a high degree with customers in the internal development and achieve competitive advantage through customers’ loyalty and long-term relationships. All the three companies answered that customers’ always want to see the value they add and because of that, there is always co-creation of value with customers and customers ideas are also considered during development process. The various types of value-adding for the three companies are product, production and customer services. All the companies focused on value adding. They do not believe that their customers will stay with them if the customers’ do not see the value they add. The door to the product development operation is always open to the customers. The services they provide to their customers give them a competitive advantage and that is the way to be unique. They make sure that the strategic process is dynamic and adjust to its environment constantly, in order for the companies to generate maximum return. One among the three companies’ add-value only for customers’ while the other two companies’ add-value for customers, employees, society and shareholders.
Product development and far-reaching service and support are two examples of how customers benefit from these companies driving forces. The companies work very hard to be competitive and have substantial rewards in relation to value-adding advantage generated through customer loyalty. Competitors provide similar services.

One of the firms answered that, as a result of customers’ high complexity in demand and pressure from competitors’ direction, the company has decided to merge its two production unit to one and restructure its business operations and development in order to be efficient and effective. This has also inflicted pain for the organisation image due to the fact that the company had to make a redundancy notice for 90 employees and to invest approximately sek 250m in the next two years to reinforce competitiveness in order to develop operations and be more competitive.

As competitiveness increases and competences, also market relationships and support will need to improve. The changes in business environment can be very unpredictable and can also have impact on the survival of the business growth. The other two companies admitted that customers always try to copy/imitate their business models and development which forces them to embark on continuous business development processes in order to remain competitive. Increasingly, these companies admit that their customers require solutions of high complexity which does not take into account how activities are subsumed in the businesses. The foreign market increase competition and pose challenges but open new possibilities for foreign subsidiaries.

<table>
<thead>
<tr>
<th>Value-adding in your company</th>
<th>Logent</th>
<th>Trioplast</th>
<th>Emballator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services around our products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products and services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Which work currently done in your company provides competitive advantage or Value adding</td>
<td>Logent</td>
<td>Trioplast</td>
<td>Emballator</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you focus your time more on value adding activities?</td>
<td>Customers</td>
<td>Employees</td>
<td>Society</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>For who do you add-value</td>
<td>Customers</td>
<td>Employees</td>
<td>Society</td>
</tr>
<tr>
<td>Activity/work is more value adding in your company</td>
<td>logistics</td>
<td>transaction based pricing</td>
<td>Employee skills on customer needs and critical success factors</td>
</tr>
<tr>
<td>How do customer influence your company value-adding?</td>
<td>Dialogue with customers</td>
<td>Develop more cost-effective solutions</td>
<td></td>
</tr>
<tr>
<td>Do customers affect your business?</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How?</td>
<td>Trust</td>
<td>Dialogue with customers</td>
<td></td>
</tr>
<tr>
<td>Do competitors affect your business? And how?</td>
<td>Profit</td>
<td>Prices</td>
<td>Business development</td>
</tr>
</tbody>
</table>
What are some of the challenges you often faced in a foreign/new market?

<table>
<thead>
<tr>
<th>Language and culture</th>
<th>Long-time perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>work rotation</td>
<td>visualization</td>
</tr>
<tr>
<td>dialogue with customers</td>
<td>life cycle</td>
</tr>
</tbody>
</table>

Figure.8 Results Matrix, own
5. Analysis

This section would analyse the findings from this study in order to answer the research questions and the findings will be connected with the theories same as the structure delineated in the operationalisation table. The empirical findings show that firms that work with customers’ as co-development in all activities contribute to a business model that creates value. Further, findings reveal that involvement and cooperation with customers in product, production operations has a positive influence on product development and product quality. The empirical data shows that customers and competitors response are very important factors for the growth of a business and how company’s image can be affected due to pressure from both customers’ and competitors.

5.1. Value- adding in Foreign Market.

Value could be considered as subjective. This is due to the fact that actors can have diverse perceptions of an offering. One of the reasons / goals of value-adding for a company is to provide greater value to customers than competitors offer. Example, for the case of Emballator Lagan plast, the door to the product development operation is always open to the customers. This is because together the company creates packaging that makes life easier. This is to say that refined support and product development together with Emballator customers has made Emballator become a factor to reckon with in terms of efficiency, safety and quality. The company offer a wide range of services around their products today. Examples of such services include technical advice, logistical arrangements, and decor service. The company focuses its value adding services to customers, society, shareholders and staff.

In the case of Logent AB, value adding for the company is done through more efficient logistics and they focus their value adding for customers and consumers. The company provides competitive advantage or Value adding in areas such as increasing output from logistics operations, transaction based pricing on staffing solutions is the core business and it’s their way to show which value the company adds to their clients’ supply chains. Most of their operations that are focused on value – adding is transaction based pricing on logistics. They ensure staffing with right employees and managers. They take total responsibility for customers’ warehouse and logistic operations.

Furthermore, in the case of Trioplast AB, Value-adding in the company is done through more efficient and cost- effective processes and they focus their value-adding for employees/staff, customers and consumers. The company provides competitive advantage or Value adding in such
areas as operational, customers’ and products. The company reduces unit costs through the
development of ‘best in class’ efficiency in all the company’s processes and recipes for all products.
The function is to serve as a link between the organization's various departments while also
manages and distributes work among their own staff. The employees also find it important to
innovate, improve, maintain and develop. Production managers also have discussions on skills
development as a necessity for moving on the ladder which is used to assess where an employee is
in terms of knowledge and skills. Some years back Trioplast promised to develop and produce pre-
stretch coreless films. And a few years later, the company developed it as requested by the
customers. The company invest in developing employees skills particularly with regards to
customers’ needs and critical success factor.
The company’s focus is based on active dialogue and long-term relationship with the customer and
business partners/ third parties. This leads to a value added offer e.g., application development,
flexibility and stability. Over the years, the company has concentrated on developing a broad range
of know-how and product solutions, including specialist knowledge within the product areas.
Today, a negotiation has been done for the transfer of production from the Northern plant to the
southern plant in Sweden.
This is in line with (Andersson & Larsson, 2005; Pehrsson, 2008) who argued that, value-adding
means an important institutional arrangement which establishes capacity to implement strategy and
exploit competitive advantages based on differentiation relative to competitors. Firms that are in
search of value-adding in a foreign market have to consider general associations among the types
and differentiation attributes. Types of value adding in foreign markets are; product development,
production and customer services. This means that a firm that wants to add value in a foreign
market should be able to decide or identify what type of value adding will take place and to what
extent.

5.2 How customers affect the company’s value-adding in a new/-foreign market.
For Emballator Lagan Plast, customers look for trust and value in relationship with the product or
service. This requires that the company look at the entire business process from a customer’s point
of view, needs, as well as their ability to purchase. Customers always evaluate the purchase
experience and would use it as a reference for the next buying. Emballator Lagan plast tries to listen
to customers and find improvements for the business. They also have regular meetings with biggest
customer discussing what to do better. This means there is collaboration between the company and
other entities in order to differentiate itself from the competitor.
For Logent AB, they work closely with customers in business development during the sales process. Customers provide data on their current situation and Logent AB develop a more cost effective solution-> more output from their supply chains. Customers always want to work with consultants that are responsible for analysing and executing. Increasingly, Logents perceive that their customers as for solutions of high complexity, which does not take into account how Logent activities are subsumed in the business. Some of the challenges Logent AB often faced in a foreign/ new market is for Customers to understand that they are entering the market with a long time perspective.

In the case of Trioplast AB, Trioplast have open dialogue with the customers’ this is because the company always want to work closely with the customers to assure customers success, trust and value. Several situations, the customers’ come up with ideas on improvements and new product development and the company accepts the idea and some years after the company will develop the products based on the customer suggestions and it always turn out to be a reality. e.g., is pre-stretch coreless film. Trioplast end customers are classified within the field of retail trade, food industry, everyday commodities, readymade clothing and hygiene. Trioplast AB has three fundamental values (reliable, long-term and active) for their day-to-day operations and strategic decisions. These values have been developed in cooperation with the customers’ demands. Also a platform for what the company term constant customer value adding which contributes in improving packaging efficiency and productivity. Thus, the company’s success is achieved through cooperation with other parties.

This affirms (Smith et al., 1999; Homburg et al., 2007; Jayachandran et al., 2004; Simsek et al., 2007) who argued that companies are facing intense customer service pressures than before. Explained the importance of enhancing customer satisfaction, building customer relationships, preventing customer defections and response to environmental changes. This also shows mechanisms that drive responsive to customers’ and the importance of the cognitive system as a driver of responsiveness. Customer knowledge process will influence customer response capability. Dimensions of customer response capability are customers’ response expertise and customers’ response speed. This is to say that, the firm’s that response can have the potentials either to restore customer satisfaction and reinforce loyalty or inflict more lasting damage on the organization’s image. Important here is that customers evaluate service encounters in different dimensions e.g outcome (benefits customers receive as a result of the encounter), Procedure (organization’s policies and methods that guide the encounter), and interaction (quality of the interpersonal
treatment and communication during the encounter). (Homburg et al., 2007; Jayachandran et al., 2004; Simsek et al., 2007).

5.3 How competitors affect the company’s value-adding in a new/-foreign market.

As the level of competitiveness increases and competences, also market relationships and support will need to improve. For the case of Emballator Lagan Plast, competitors provide similar services which have influence in the profit the company makes. Prices some times are limited to the extent of the competitor and range of services they sell is also affected by the level of competition. The company has substantial rewards in relation to value adding advantage generated through customer loyalty. While for Logent AB, competitors have a great impact in the company’s value adding in that they try to copy Logent AB transaction based pricing model which force the company into continuous business development activities. The company admits that global markets increase competition and pose challenges for transportation but open new possibilities for logistics service. In order to safeguard continuity and a global presence Logent AB is a member of global logistics experts. This allows the company to provide customers with an established global network.

In the case of Trioplast, Competitors affect Trioplast AB business in the sense that they also try to imitate the model and development. As a result of the pressure mounting from competitors’ direction, Trioplast AB decides to concentrate all manufacturing operations at one of its two production units in Småländsstenar. This is because the company wants to restructure its operation in order to increase growth and improve efficiency. Trioplast AB plan to achieve this by investing more on new machinery, automation and new products that are efficient and cost effective for customers. Thus competitors have affected Trioplast AB in such a way that the company is restructuring its business portfolio and organisation strategies to overcome competitors’ affects on its performance. This has resulted to 90 employees redundancy noticed with Sek 250million to reinforce competitiveness over the next two years in order to develop operations and be more competitive. By doing so, Trioplast is trying to maintain its primary and selective demand for its services and products.

This is in line with (Homburg et al., 2007; Coviello et al., 1998), who argued that competitors’ international business creates the need for companies to restore/ renovate their processes in order to remain competitive. Measures of competiveness should be able to specify the level of analysis and sustainability through a generation of competitive potentials and the management of competitive process.
Thus, staying competitive in the business will not always be easy for firms due to challenges that need to be face by companies with stiff competition and complexity in the market place. The more complex the firm’s environment, the more options a firm perceives to differentiate itself from its incumbents’. (Simsek et al., 2007; Coviello et al., 1998). This is to say that, if a business fails to consider its competitor's activities, the firm can find it very difficult to compete successfully against the competitor. Thus, inflicting damage on the organization’s image.

6. Conclusion
This study concludes by answering the research question identified from the literature reviewed which is;
What influence do customer and competitors play in value-adding activity of a firm in a foreign market?

<table>
<thead>
<tr>
<th>Customers’</th>
<th>Competitors’</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Dialogues</td>
<td>- Prices</td>
</tr>
<tr>
<td>- Co- Development</td>
<td>- Profits</td>
</tr>
<tr>
<td>- Trust</td>
<td>- Business development</td>
</tr>
<tr>
<td></td>
<td>- Imitation</td>
</tr>
<tr>
<td></td>
<td>- Restructuring.</td>
</tr>
</tbody>
</table>
7 Reflections

Today, the logic of value creation is changing as such; strategic thinking is becoming relevant and so difficult. International marketing strategy is no longer focused only on positioning a company’s fixed set of activities. This implies that successful companies should not only focus on adding value, they should reinvent value and identify the right activities suitable for value-adding in the business operations. From the cases mentioned above, it is clear that what customers want is value and trust in the business operations. Especially for the case of Logent AB, where customers asked to work with consultants and those in charge of executing. One of the company in this study admitted that the challenges faced in the foreign market is for customers to understand that the company is entering the market with a long time perspective. This is a factor that needs to be considered by firms that want to focus on value-adding in foreign markets. Competition, customers’ pressure, and a change in markets can always cause a firm to get involve in new ways of value-adding.

In the case of Trioplast, due to the pressure mounting from customers’ and competitors’ direction, Trioplast AB decides to concentrate all manufacturing operations at one of its two production units in Smålandsstenar. The company wants to restructure its operation in order to increase growth and improve efficiency by investing more on new machinery, automation and new products that are efficient and cost effective for customers. This shows how more opportunities for the company can also lead to uncertainty and high risk.

Managerial Implications.

This study provides evidence that competitors’ and customers’ factors have an influence on a foreign subsidiary’s international marketing strategy. The study also showed that there is a link between the firms and the factors. This research is of importance for managers because it has proven that managers need to consider customers’ and competitors’ factors when in search for value-adding in a foreign market. It also showed consequences and the damage that can be inflicted on a firm’s image. What should be noted here is that an organisation strategy should focus more on value-adding systems. This is because, companies that are doing well today consider their strategy as continuous development (both structuring and re-structuring) complex systems in their businesses.
Limitations

The researcher expected to conduct interviews with 10 companies and more interviews for this study. But out of the 10 companies that were contacted, only three accepted to take part in this study. The information obtained from the interviews is not very high and author considers that as a limitation when trying to generalise the results of this study. Also due to the fact that managers some time do not want to provide all information about their companies to the researcher, might have affected the information obtained.

Suggestions for further research

This research area of study is very important for companies today because of global competition. Author thinks that, more research need to be done in this area because author could not find much literature during the study. With more time and available resources, this is an area that needs attention from academic scholars.
Reference List


1. What is value adding in your company?
   We work according to a range of policies CSR, BCP, etc. All of our materials are FDA and Normpack certificated.
   We offer a wide range of services around our products today. Examples of such services, technical advice, logistical arrangements, decor service.

2. Which work currently done in your company provides competitive advantage or Value adding?
   All the services we are doing for our customers and the community gives us advantages in one way or another.

3. Do you focus your time more on value adding activities?
   Yes we focus our activities more on value-adding because that’s the way to be unique.

4. For who do you add-value?
   We added value for Customers, society, shareholders and staff

Appendix 1. Interviews with Sales and Marketing Manager Emballator Lagan Plast total of three interviews have been combined in this table.
5. **Which activity/work is more value – adding and why?**

For the moment logistics is what the customer find most adding service that we can offer around the packaging. ON TIME IN FULL (OTIF); the right quantity and the right quality delivered to the customer on the agreed order delivery date.

6. **Do customers affect your business?**

Yes, customers always want trust and value. We try to listening to customer and find improvements for the business.

7. **Do competitors affect your business? And how?**

Yes, they also try to be competitive. They provide similar services which have influence in the profit the company makes. Prices some times are limited to the extent of the competitor and range of services we sell is also affected by the level of competition. They are always ready/prepared to imitate.

8. **What are some of the challenges you often faced in a foreign/new market?**

Language and culture.

10 **What is the total number of employees in your company**

95 employees

11 **What is your company turnover**

With a turnover 230m Sek.

12. **What are your business development activities (production)**

Lagan Plast developed their own course material for ‘Our Way’ to be used within the company. All new employees begin their task by working three - four weeks in the production in which time information about Our Way is given in short. Within the factory at Lagan Plast, the company works much with work rotation and visualization. Visualization gives people information and updates on what is going on in the factory.

In order to get a better understanding of the product and the customer.
Lagan Plast gives its employees approximately 3200 hours of training in polypropylene. The training can vary depending on the tasks performed by each employee. Also, in order to understand customer requirements, employees conduct study visits to/with customers.
Appendix 2. Interviews with Managing Director /CEO, Logent AB. A total of four interviews have been combined in this table.

1. What is value adding in your company?
Value –adding at Logent is more efficient logistics

2. Which work currently done in your company provides competitive advantage or Value adding?
Increasing output from logistics operations. Transaction based pricing on staffing solutions is the core business and our way to show which value we add to our clients supply chains.

3. Do you focus your time more on value adding activities?
All our time is focused on value adding. We don´t think our customers will stay with us if we don´t show them the value we add.

4. For who do you add-value?
Customers and consumers

5. Which activity/-work is more value – adding and why?
Transaction based pricing on logistics.

6. Does customers affect your business?
Of course. We work closely with our customers in business development during the sales process.

7. How does customer influence your company value-adding?
The provide data on their current situation and we develop a more cost effective solution-> more output from their supply chains.
8. Do competitors affect your business?
   Yes,

9. And how?
They try to copy our transaction based pricing model which force us in to continuous
business development activities.

10. What are some of the challenges you often faced in a foreign/ new market?
Customers to understand that we are entering the market with a long time perspective.

11. What is the total number of employees in your company
Logent is represented at several locations in Sweden and Norway, with about 1400
employees.
In 2013 estimated Logent will be 2000 employees.

12. What is your company turnover?
Logent turnover, 2012, SEK 1 billion.
In 2013 estimated Logent turnover SEK 1.5 billion, of which the Norwegian operation
estimated turnover 325 MNOK.

13. What are your business development steps / projects/ activities?
When it comes to business development we conduct these projects in cooperation with our
clients. Typically we work in these steps:
Step1 - Sales representative identifies a problem with a client
Step2 - We deliver a study by our consulting company
Step3 - In accordance with the findings from the study we develop a solution to the client
problem
Step4 - We deliver the solution
Step5 - We create a PPT presentation for other sales representatives who are selling the
solution to new clients.
This is how Logent does it continuous business development activities.

13 what is your company strategy?

Strategic: Logistics strategies
- Change projects SCM - Site solutions
Fully operational responsibility for a storage

Tactical: Change projects
- Implementation of strategies.
- Establishment of new warehouses’
- Introduction of new strategies
- Contract dedicated area is staffed with a fixed unit price.

**Operational**
- Executive for hire
- Customs (Import and export declarations)
- EDI TIR Instratat reporting
- Staffing (Fill temporary needs)
1. What is value adding in your company?
Value-adding in the company is done through more efficient and cost-effective processes and they focus their value-adding for employees/staff, customers and consumers. The company provides competitive advantage or Value adding in such areas as operational, customers’ and products.

2. Which work currently done in your company provides competitive advantage or Value adding?
The company provides competitive advantage or Value adding in such areas as operational, customers’ and products.

3. Do you focus your time more on value adding activities?
Yes! The company reduces unit costs through the development of ‘best in class’ efficiency in all the company’s processes and recipes for all products. The function is to serve as a link between the organization’s various departments while also manages and distributes work among their own staff. Heads feel responsible for the employees' well-being and development, and a clear goal is to create motivated, committed employees who work together toward meeting the organization's goals.

4. For who do you add-value?
Employees/staff, Customers and Consumers

5. Which activity/work is more value – adding and why?
Operational, Products and Customers’ efficient and cost-effective processes. The company invest in developing employees skills particularly with regards to customers’ needs and critical success factor.

6. Does customers affect your business?
All the time. We develop strategic cooperation with customers. Some years back Trioplast promised to develop and produce pre-stretch coreless films. And a few years later, the company developed it as promised.

7. How does customer influence your company value-adding?
The company’s winning concept is based on active dialogue and long-term relationship with the customer and business partners/third parties. This leads to a value added offer e.g., application development, flexibility and stability. Several situations, the customers’ come up with ideas on

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**Appendix3. Interview with Managing Director Trioplast AB, Sweden.** A total of two interviews have been combined in this table.
improvements and new product development. Trioplast end customers are classified within the field of retail trade, food industry, everyday commodities, readymade clothing and hygiene. The company usually cooperate with customers at an early stage in order to identify the optimal solution with respect to performance, production, logistics and economy.

8. Do competitors affect your business?
Yes, they are always competitive.

9. And how?
They try to imitate our model which forces us in to continuous business development activities. As a result of the pressure mounting from competitors’ direction, We decide to concentrate all manufacturing operations at one of our two production units in Smålandsstenar. We will restructure operation in order to increase growth and improve efficiency.

10. What are some of the challenges you often faced in a foreign/ new market?
Customers to have trust in our products and that we will stay in the market in a long time perspective.

11 What is the total number of employees in your company
320 employees

12 What is your company turnover?
Approximately SEK 1700million.

13. Company strategy
We offer best customer value through products and services that results in the lowest total cost to our customers.

**Operational:** we reduce cost, environmental impacts of operations and invest in advanced technology.

**Product:** we produce product with superior to that of competitor.

**Customers’ services:** constant customers’ co-development.
The three cases secondary data

Case 1 Emballator Lagan Plast

Background

Emballator Lagan Plast started as a mechanical workshop in 1965 and today Emballator Lagan Plast is part of the Emballator Group. The company consists of the plant in Ljungby, which is located in southern Sweden, with a turnover 230m Sek and 95 employees.

Emballator Lagan Plast is also present in Norway, Finland, and the United Kingdom. With a broad product portfolio e.g., Emsafe, Emplus, handy Safe, handy Seal, tailored to different industries. The company aim is to create sustainable packaging concepts with a focus on the customer experience and feelings. (Emballator Lagan Plast, 2013).

Emballator Lagan Plast has approximately 38M Euro in sales and now a leader in several branch industry sections in the Northern Europe (Silvasti, CEO of Emballator Lagan Plast, News, 2013). The company works in close cooperation with customers in a broad spectrum of industries and product areas, and is known for finding innovative solutions. Offering customers a wide range of services gathered together in the Customer Centre, with guiding principles e.g., commitment, quality, environment, safety, service and availability. The company aims to be the most cost effective option through shorter lead times, optimal delivery reliability and maximum flexibility. (Emballator Lagan Plast, 2013).

Case 2, Logent AB.

Basic information about the company.

Logent was founded in 2006 through the merger of Smilu Logistikentreprenade Sweden AB and LG Ahlberger Logistics Consulting Ltd. In 2008, Logent expands its activities to Norway (Logent AB, 2013). Logent Ltd is a service provider in logistics with a comprehensive offering for logistics-intensive businesses. Logent is active in five business areas and offers services such as consulting services in logistics and customs as well as staffing solutions, entreprenad and site solutions, port and terminal development as well as training and IT support in logistics. Logent is represented at several locations in Sweden and Norway, with about 1400 employees and a turnover of SEK 1billion.

In 2013 estimated Logent turn over SEK 1.5 billion, of which the Norwegian operation estimated
turnover 325 MNOK. Logent strengthens its position as providers of logistics consulting services in the Norwegian market and are now taking the next step in the development of the Norwegian market (Michael Arvidsson, CEO of Logent AB, 2013).

Their offer is aimed at logistics-intensive companies and organizations. With services ranges from local staffing solutions to global business support. This service is managed by logistics professionals. Customers that choose this service with Logent always count on cost benefits (Logent AB, 2013).

Handling of customs and documentation as well as Port and Terminal operations are all part of the integrated Logent product offering. (News, 2013) In order to safeguard continuity and a global presence Logent AB is a member of global logistics experts, an association of logistics consultants with local expertise on six continents. This allows the company to provide customers with an established global network.

Case 3, Trioplast AB.

Background
Trioplast AB was founded in 1965 in Smålandsstenar. The company's mission is to develop, manufacture and advertise packaging and hygiene films and has annual revenue of approximately SEK 1700million and 320 employees. The main raw material is polyethylene. The company manufactures and markets stretch film, agricultural firm and recycled products for the European market. With two product units in Smålandsstenar e.g the southern and northern plant. Trioplast is part of the Trioplast group with sales offices in Norway, Finland, UK and Germany (www.trioplast.com)

Appendix 4, Table 1. Answers reduced to keywords and sorted under headers

<table>
<thead>
<tr>
<th>What is the total number of employees in your company</th>
<th>Emballator</th>
<th>Logent</th>
<th>Trioplast</th>
</tr>
</thead>
<tbody>
<tr>
<td>95 employees</td>
<td>about 2000</td>
<td>320 employees</td>
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<tr>
<td>What is your company turnover</td>
<td>30 m Sek.</td>
<td>SEK 1 billion, of which the Norwegian operation estimated turnover 325 MNOK</td>
<td>SEK 1700 million</td>
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<tr>
<td>Value-adding in your company</td>
<td>Services around our products</td>
<td>services around our products</td>
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<td>Service</td>
<td>efficient logistic</td>
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<td>Products and services</td>
<td>products and services</td>
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<td>Which work currently done in your company provides competitive advantage or Value adding</td>
<td>All the Services we provide</td>
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<td>Transaction based pricing</td>
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<td>product, services and employees</td>
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<td>Do you focus your time more on value adding activities?</td>
<td>that’s the way to be unique</td>
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<td>We don’t think our customers will stay with us if we don’t show them the value we add</td>
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<td>reduces unit costs through ‘best in class’ efficiency</td>
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<td>For who do you add value</td>
<td>Customers</td>
<td>Customers and staff/employees</td>
<td>Customers and Consumers</td>
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<td>Employees</td>
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<td>Society</td>
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<td>Shareholders</td>
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<td>Logistics</td>
<td>logistics is what the customer find most adding service</td>
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<td>transaction based pricing</td>
<td>Transaction based pricing</td>
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<td>Employee skills on customer needs and critical success factors</td>
<td>developing employees skills regards to customers’ needs and critical success factor</td>
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<td>Customer loyalty</td>
<td>advantage generated through customer loyalty</td>
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<td>How do customer influence your company value-adding?</td>
<td>dialogue with customers</td>
<td>try listening to customers and find improvements for the business</td>
<td>regularly meetings with our biggest customer</td>
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<td>Do customers affect your business?</td>
<td>Yes</td>
<td>Yes</td>
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<td>How?</td>
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<td>Trust</td>
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<td>dialogue with customers</td>
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<td>Regularly meetings with</td>
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<td>customers</td>
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<td>Profit</td>
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<td>influence in the profit</td>
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<td>Prices</td>
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<td>copy our transaction based</td>
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<td>pricing model</td>
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<td>imitate our model</td>
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<td>Restructuring</td>
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<td>concentration all manufacturing;</td>
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<td>restructure operation</td>
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<td>What are some of the</td>
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<td>Language and culture</td>
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<td>Language and culture</td>
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</table>

*develop more cost-effective solutions*

*develop a more cost effective solution*
<table>
<thead>
<tr>
<th>challenges you often faced in a foreign/ new market?</th>
<th>Long-time perspective</th>
<th>Customers to understand that we are entering the market with a long time perspective</th>
<th>Customers to have trust in our products and that we will stay in the market in a long time perspective</th>
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<td>work rotation</td>
<td>work rotation</td>
<td>Visualization</td>
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<td>visualization</td>
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<td>in cooperation with our clients. Step 1: Sales representative identifies a problem with a client Step 2: We deliver a study by our consulting company. Step 3: In accordance with the findings from the study we develop a solution to the client problem. Step 4: We deliver the solution. Step 5: We create a</td>
<td>the customers’ come up with ideas on improvements cooperate with customers at an early stage</td>
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<td>What are your business development activities (production)</td>
<td>dialogue with customers</td>
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<td>Life Cycle</td>
<td>The life cycle varies, five years and two years</td>
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<td>Company strategy</td>
<td>In order to get a better understanding of the product and the customer, Lagan Plast gives its employees approximately 3200 hours of training in polypropylene. The training can vary depending on the tasks performed by each employee. Also, in order to understand customer requirements, Strategic: Logistics strategies - Change projects SCM - Site solutions Fully operational responsibility for a storage Tactical: Change projects - Implementation of strategies. - Establishment of new warehouses’ - Introduction of new strategies - Contract We offer best customer value through products and services that results in the lowest total cost to our customers. <strong>Operational:</strong> we reduce cost, environmental impacts of operations and invest in advanced technology. <strong>Product:</strong> we produce product with superior to that of competitor. <strong>Customers services:</strong> constant customers co-development.</td>
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<td>employees</td>
<td>conduct <strong>study visits to/with customers.</strong></td>
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<td>dedicated area is staffed with a fixed unit price. <strong>Operational</strong> -Executive for hire -Customs( Import and export declarations EDI.TIR Instratat reporting) Staffing (Fill temporary needs)</td>
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</tbody>
</table>
Table 1, Keywords in transcribed interviews

<table>
<thead>
<tr>
<th>What is the total number of employees in your company</th>
<th>Emballator</th>
<th>Logent</th>
<th>Trioplast</th>
</tr>
</thead>
<tbody>
<tr>
<td>95 employees</td>
<td></td>
<td>Logent is represented at several locations in Sweden and Norway, with about 2000 employees</td>
<td>320 employees</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>What is your company turnover</th>
<th>Emballator</th>
<th>Logent</th>
<th>Trioplast</th>
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</thead>
<tbody>
<tr>
<td>With a turnover 230 m Sek.</td>
<td></td>
<td>Logent turnover, 2012, Approximately SEK 1 billion. In 2013 SEK 1.5 billion, of which the Norwegian operation estimated turnover 325 MNOK</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Value-adding in your company</th>
<th>Emballator</th>
<th>Logent</th>
<th>Trioplast</th>
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<tbody>
<tr>
<td>Services around our products</td>
<td>We work according to a range of policies CSR, BCP. All of our materials are FDA and Normpack certificated. We offer a wide range of services around our products today e.g., technical advice, logistical arrangement, &amp; decor services. We try defining a unique value proposition for the customers more than our competitor.</td>
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<tr>
<td>Services</td>
<td>Value-adding is done through more efficient logistics. We constitute integrated process, which focus on meeting customers' needs and solving customers’ problems. Through offering the customers’ logistics services which are accordance with what they prefer.</td>
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<tr>
<td>Products and services</td>
<td>Value-adding is in the form of our products offers and services. This process creates and delivers value and benefits to customers.</td>
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<tr>
<td>Which work currently done in your company provides competitive advantage or Value adding</td>
<td>All the Services we provide for our customers and the community give us advantages in one way or another.</td>
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<td>Increasing output from logistics operations. Transaction based pricing on staffing solutions is the core business and our way to show which value we add to our clients supply chains</td>
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<td>Value adding in such areas as product, services and employees. We add value to our features because it gives the company a competitive</td>
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<tr>
<td>Question</td>
<td>Answer</td>
<td>Details</td>
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<td>----------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Do you focus your time more on value adding activities?</td>
<td>Yes, we focus our activities more on value-adding because that’s the way to be unique.</td>
<td>All our time is focused on value adding. We don’t think our customers will stay with us if we don’t show them the value we add. Yes! The company reduces unit costs through the development of ‘best in class’ efficiency in all the company’s processes and recipes for all products. The function is to serve as a link between the organization's various departments while also manages and distributes work among their own staff. Heads feel responsible for the employees' well-being and development, and a clear goal</td>
<td></td>
</tr>
</tbody>
</table>
is to create motivated, committed employees who work together toward meeting the organization's goals.

For who do you add-value:

- Customers, society, shareholders and staff/employees
- Customers and consumers

Employees/staff, Customers and Consumers

Activity/work is more value adding in your company:

- Transaction based pricing on logistics.

The company invest in developing employees skills particularly with regards to customers' needs and critical success factor. The company has substantial rewards in relation to value adding advantage generated through customer loyalty.
How do customer influence your company value-adding?

We try listening to customers and find improvements for the business. We also have regularly meetings with our biggest customer and discussing what to do better.

The provide data on their current situation and we develop a more cost effective solution -> more output from their supply chains.

The company’s winning concept is based on active dialogue and long-term relationship with the customer and business partners/third parties. This leads to a value added offer e.g., application development, flexibility and stability.

Do customers affect your business?

Yes

Yes

Yes.

Customers always want trust and value.

We try to listening to customer and find improvements for the business. We also have regularly meetings with are our biggest customer and discussing what to do better.

Of course. We work closely with our customers in business development during the sales process.

Customers always want to work with consultants that are responsible for analyzing and executing.

All the time.

We develop strategic cooperation with customers.

Some years back Trioplast promised to develop and produce pre-stretch coreless films. And a
Do competitors affect your business? And how?

Yes, they also try to be competitive. They provide similar services which have influence in the profit the company makes. Prices some times are limited to the extent of the competitor and range of services we sell is also affected by the level of competition. They are always ready/ prepared to imitate.

Yes, they are always competitive. They always ready/ prepared to imitate. Yes, they try to copy our transaction based pricing model which forces us in to continuous business development activities.

Yes, They try to copy our transaction based pricing model which forces us in to continuous business development activities. As a result of the pressure mounting from competitors’ direction, We decide to concentrate all manufacturing operations at one of our two production units in Smålandsstenar. We will restructure operation in order to increase growth.
What are some of the challenges you often faced in a foreign/new market?

<table>
<thead>
<tr>
<th>Language and culture</th>
<th>Customers to understand that we are entering the market with a long time perspective</th>
<th>Customers to have trust in our products and that we will stay in the market in a long time perspective</th>
</tr>
</thead>
</table>
What are your business development activities (production)

We developed our own course material for ‘Our Way’ to be used within the company. All new employees begin their task by working three - four weeks in the production in which time information about Our Way is given in short. Within the factory, the company works much with work rotation and visualization. Visualization gives people information and updates on what is going on in the factory.

When it comes to business development we conduct these projects in cooperation with our clients. Typically we work in these steps:

Step1 - Sales representative identifies a problem with a client
Step2- We deliver a study by our consulting company
Step3- In accordance with the findings from the study we develop a solution to the client problem
Step4- We deliver the solution
Step5- We create a PPT presentation for other sales representatives who are selling the solution to new clients.

We do this in order to identify new opportunities. They apply fixed performance-based prices. Self cost is always lower because several situations, the customers’ come up with ideas on improvements and new product development.

The company usually cooperate with customers at an early stage in order to identify the optimal solution with respect to performance, production, logistics and economy.
the company needs to make money while also lowering customer cost. Their offer is predictability, have margins and invoicing (overheads cost). They are very dynamic in the way they use their staffs and they have different customers where they can shift their staffing. The bigger the account, the better the gambling is their philosophy when it comes to negotiation. *The life cycle varies,* with some customers it could be five years and two years with others.

In order to get a better understanding of the product and the customer, Lagan Plast gives its employees approximately 3200 hours of training in polypropylene. The training can vary depending on the tasks.
performed by each employee. Also, in order to understand customer requirements, employees conduct study visits to/with customers.
Company strategy

**Strategic:** Logistics strategies
- Change projects SCM
- Site solutions
  - Fully operational
  - Responsibility for a storage
**Tactical:** Change projects
- Implementation of strategies.
- Establishment of new warehouses
- Introduction of new strategies
- Contract dedicated area is staffed with a fixed unit price.

**Operational:**
- Executive for hire
- Customs (Import and export declarations)
- EDI, TIR Instratat reporting
- Staffing (Fill temporary

**Product:**
- We produce product with superior to that of competitor.

**Customers’ services:**
- Constant customers’ co-development.
Linnaeus University – a firm focus on quality and competence

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

Linnaeus University offers an attractive knowledge environment characterized by high quality and a competitive portfolio of skills.

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

Lnu.se
Linnaeus University
SE-391 82 Kalmar/SE-351 95 Växjö
Telefon 0772-28 80 00