Phoenix rising:
A study of the challenges sharing economy companies face when internationalizing

Authors: Ava Campbell and Heidi Thornton
Supervisor: Dr. Richard Owusu
Examiner: Dr. Mikael Hilmersson
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Abstract

International business strategy is a widely investigated topic, with a plethora of related research. Aspects such as the internationalization process and the challenges faced when entering a foreign market have been widely examined, with the majority of existing literature linked to multinational corporations and companies of a traditional nature. However, there is a lack of research based on companies operating within the sharing economy. This is in contrast to the attention that has been given to the study of small entrepreneurial firms, such as international new ventures and born globals. Hence making the sharing economy a valuable area of investigation in terms of internationalization.

With more and more companies breaking away from the traditional norms of operation, this modern approach to business requires a deeper understanding. Due to the very nature of the sharing economy, companies are highly likely to internationalize and do so from an early stage, and knowledge of the challenges related to the process is therefore vital. Such recognition provided the motivation for this study, in the belief that it will provide valuable knowledge to companies, as well as contribute to the existing body of literature.

This study sets out to fill this knowledge gap by exploring the challenges faced by sharing economy companies when internationalizing. Furthermore, the study seeks to examine the effects such challenges have on the company and how they can be overcome. Research was carried out through a qualitative case study of six companies, out of which; four have already internationalized and two are yet to internationalize. Semi-structured interviews were conducted with the founders and senior managers, with questions relating to both internal and external challenges. The challenges were examined and their impact on the internationalization process explained.

The researchers conclude that both internal and external challenges impacted the internationalization process, and that many challenges were somewhat interconnected. From the challenges identified, the following were considered critical: networks, business model, funding and leadership decision-making. Overcoming such challenges can lessen the effects of other challenges and make the internationalization process more successful.
Keywords:
Internationalization, sharing economy, collaborative consumption, peer-to-peer consumption, sharecom, challenges, networks, culture, business model, funding, innovation, leadership decision-making.
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Ava J. Campbell and Heidi C. Thornton
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List of key abbreviations

Sharecom ................................................ Sharing economy company
INV ................................................................ International New Ventures
BGs .............................................................. Born-Globals
MNCs ........................................................ Multinational company
IET ............................................................. International entrepreneurship theory
RBV ............................................................ Resource-based view
SEF ............................................................ Small entrepreneurial firm
SMEs ........................................................ Small- medium enterprises
High-tech .................................................. High technology

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1 Introduction

“No power on earth can stop an idea whose time has come.” – Victor Hugo

This chapter introduces the foundation of our study, giving a broad overview of the sharing economy as our topic of study within the context of international business strategy. It further provides the motivation and purpose of our study from a theoretical and practical basis. This is conducted in five main sections: background, problem discussion, research question, research objective and thesis outline.

1.1 Background

The rise of the sharing economy

‘Sharing is caring,’ ‘what’s mine is yours’ and ‘access is the new ownership’ are catch phrases commonly associated with the rising phenomenon known as the sharing economy. It is a concept based on the direct trade of slack or underutilized assets between individuals, either local and face-to-face or utilizing the growing prevalence of social technologies\(^1\) (Web 2.0 platforms like web apps) (Chui et al., 2012; Botsman & Rogers, 2010a; Felländer et al., 2015). The movement emerged in the early 2000’s (Botsman & Rogers, 2010a) and has witnessed rapid growth over the past decade with sharecoms\(^2\) such as Uber (peer car transportation service) and AirBnb (peer accommodation service) gaining much acclaim in recent years. However, before either of these companies existed the sharing economy was already being pioneered by the likes of eBay (online marketplace), Craiglist (online classified advertising space), numerous car-sharing activities (Shaheen & Cohen, 2008; Reinhart, 2014) and even further back to communes and collectives (Botsman & Rogers, 2010a).

It is a growing economy, currently worth USD 26 billion globally and expected to grow to USD 335 billion by 2025 (Felländer et al., 2015) with increasing participation rates (Havas

\(^1\) Chui et al (2012: 1), in their McKinsey report, define it as “IT products and services that enable the formation and operation of online communities, where participants have distributed access to content and distributed rights to create, add, and/or modify content.”

\(^2\) A term coined by the authors of this report for use when referring collectively to companies operating within the sharing economy, which will be used in the paper from here on in.
Worldwide, cited in Nielsen, 2014). In 2011, TIME magazine named the concept one of the ten ideas set to change the world (Walsh, 2011), it is neither a niche trend nor a reactionary concept to the 2008 global crisis (Botsman & Rogers, 2010a). It is a profitable economy formed on economic necessity and society’s changing behavior: society becoming more liquid (less attached to resources), sustainability, re-urbanization and a desire for community (Botsman & Rogers, 2010a; Albinsson & Perera, 2012; Chui et al., 2012; Bardhi & Eckhardt, 2012; Owyang et al., 2013).

The nature of the sharing economy
Albeit an ingenious concept, the notion of sharing is by no means new, it is simply a revival of what humans and communities have been doing for centuries (Botsman & Rogers, 2010a). There has, however, been much debate as to what provoked this revolution: the impact of the global economic crisis (2008-2009) (Hartl et al., 2015; Tussyadiah, 2015; Barnes & Mattsson, 2016), a shift in ideology towards ownership (Botsman & Rogers, 2010a), an increase in awareness and desire for sustainability (Hamari et al., 2015) or the advancement of technology and communication (Botsman & Rogers, 2010a, Owyang et al., 2013). All of the aforementioned have been attributed at some point as the main influencers within the sharing economy literature. Researchers in the field, however, have narrowed these to three key drivers: societal, economic and technological (Botsman & Rogers, 2010a; Barnes & Mattsson, 2016). Further, it is apparent that digital natives, commonly known as Millenials, (along with Generation Xers) seem to be the most active participants (PricewaterhouseCoopers, 2015).

The contextualization of the sharecom
Ironically, the sharing economy lacks a shared definition (Botsman & Rogers, 2010a), and is referred to by various terms, to name a few: the collaborative economy; collaborative consumption; peer economy; accessed-based consumption and the Mesh. This is understandable as the concept is still emerging, considering many sharecoms have only popularized over the last decade or so (Botsman & Rogers, 2010b). Further, sharecoms are very diverse in nature, requiring authors to conceptualize them separately. For the purposes of this study, we have critically reviewed the conceptualization of the sharing economy (see section 2.1), and when paired with popular thinking it is agreeable to position the sharing economy as an umbrella concept, encapsulating the other terminologies, such as collaborative economy; collaborative consumption; peer economy; accessed-based consumption and the mesh (Botsman & Rogers, 2010a; Gansky, 2010; Bardhi & Eckhardt, 2012; Belk, 2014; Gata, 2015; Hamari et al., 2015; PwC, 2015).
Accordingly, the sharing economy is best simply described as the “peer-to-peer exchange of tangible and intangible slack (or potentially slack) resources, in both global and local contexts” (Felländer et al., 2015, p.14). This broad conceptualization, therefore, implies that sharecoms are not merely profit-making companies nor simply technologically inclined companies alone. The sharecom, although referred to as a company in this study for brevity sake, can be an organization, network or business; it can be profit-seeking or non-profit seeking. The emphasis is on the peer-to-peer exchanges occurring between individuals and/or groups (Botsman & Rogers, 2010a; Albinsson & Perera, 2012; Belk, 2014).

The internationalization of sharecoms

The study of the sharing economy in relation to international business strategy is made interesting not simply due to its growing popularity, but its disruptive nature and the fact that it is not a niche trend (Botsman & Rogers, 2010a). Sharecoms are currently operating in a highly competitive environment, with traditional companies3 scrambling to remain competitive against these new players who are constantly entering the market (Owyang et al., 2013; Cusumano, 2015). In addition, many of their business models are of great scalability and flexibility, with the aptitude to generate a revenue stream easily and at minimal cost due to their social technologies capability and social networking capacity (Botsman & Rogers, 2010; Chui et al., 2012; Owyang et al., 2013; Felländer et al., 2015). As such, once established and with investor funding, start-ups like Uber and Airbnb are in a better position to internationalize than most would expect (Cusumano, 2015; Felländer et al., 2015).

Many sharecoms do appear to seek internationalization from an early stage (Cusumano, 2015), like Uber, Airbnb, and HouseTrip (home rental service), but not all (Pedersen & Netter, 2015), like SwopShop (clothes swopping service). For those that do internationalize, they come to realize that it does not happen in a vacuum (Nielsen & Nielsen, 2011). This is further aggravated by their disruptive nature, they can, therefore, expect to face challenges when internationalizing. In many markets, competitors have been calling for regulations, and governments have been investigating whether or not sharecoms are what they seem to be. Are Uber or Airbnb, respectively a taxi and hotel service? If so, they are expected to abide by the set regulations, if not, then they are not beholden to the regulations. Uber and Airbnb, of

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3 Traditional companies in this context refers to all non-sharecom organizations, such as MNCs, manufacturing, exporting and some service (hotels, taxi companies) firms, also supported by Cusumano (2015)
course, argue the latter; that they are not, because they are different to the traditional companies (Gansky, 2010; Belk, 2014; Cusumano, 2015).

It is this argument of difference that sparked the need to study the sharing economy in the context of internationalization. However, in this context the existing literature is found lacking (Botsman & Rogers, 2010a; Gansky, 2010; Albinsson & Perera, 2012; Bardhi & Eckhardt, 2012; Belk, 2014; Cusumano, 2015; Hamari et al., 2015; Hartl et al., 2015; Tussaydiah, 2015; Barnes & Mattsson, 2016), though there is wealth of research on internationalization theory, albeit with a focus on more traditional companies (Leonidou & Katsikeas, 1966; Bilkey, 1978; Toyne, 1989; Johanson & Vahlne, 1990; Chandra & Newby, 1997; Whitley, 2002; Mtilge, 2006; Johanson & Vahlne, 2009). Nonetheless, within this area, there is much debate on the applicable theoretical perspective to describe a firm’s internationalization process (Oviatt & McDougall, 1994; Madsen & Servais, 1997; Oviatt & McDougall, 2005; Rialp et al., 2005; Kiss & Danis, 2008; Pla-Barbar & Ghauri, 2012; Menzies & Orr, 2013). This is especially so for what literature refers to as a new type of firm: **International New Ventures (INVs)** or **Born Globals (BGs)** (Oviatt & McDougal, 1994; Madsen & Servais, 1997; Gabrielsson et al., 2008). With the sharecom arising as an even newer type of firm, it is this study’s expectation that the existing theories may not be suitable. This is based on the sharecom’s nature seeming to be vastly different to the traditional companies of old. It would, therefore, be recalcitrant to presume the same theory and theoretical models that apply for those companies would also apply in the same way for sharecoms without further investigation.

**1.2 Problem discussion**

Globalization heralded a new age of integration, cooperation and growth amongst multinational corporations (MNCs) in the latter part of the 20th century. This was driven by several factors, chief among them being the Internet. This new phenomenon in social technologies sweeping the globe introduces to us a new economy: the sharing economy. The sharing economy takes advantage of the Internet and the new social technologies based on the Web 2.0 platforms to create: innovative and interesting goods and services for their customers (Chui et al., 2012; Owyang et al., 2013).

These drivers make for the sharing economy to become a growing phenomenon in itself. Increasingly, sharecoms are emerging and are proving in most cases to be disruptive to the
traditional companies, who have not embraced social technologies, nor adapted their business model to modern social trends (Owyang et al., 2013; Belk, 2014; Cusumano, 2015; Gata, 2015). The growing list of sharecoms is wide-ranging and diversified, with some still being domestic, while others already internationalized, and having done so early in their establishment (Owyang et al., 2013; Cusumano, 2015). This reflects a break from some of the more traditional and widely accepted internationalization theory that speaks of the internationalization process occurring in a step-wise manner (Johanson & Vahlne, 1977; Bilkey, 1978; Wiedersheim-Paul et al., 1978; Cavusgil, 1980; Welch & Luostarina, 1988), in particular the approach of the original Uppsala model (Johanson & Vahlne, 1990).

Sharecoms, like INVs/BGs, generally seem to internationalize much sooner than traditional companies, owing to their usage of social technologies and networks; and being entrepreneurial by nature (start-ups) (Shaker et al., 2000; Jansson, 2007b; Laanti et al, 2007; Fernhaber et al., 2008; Botsman & Rogers, 2010a; Gansky, 2010). Another notable distinction is that they operate largely within the service industry (Gansky, 2010; Owyang et al., 2013), as opposed to manufacturing, which the majority of the literature on firm internationalization is based on (Menzies & Orr, 2013). Therefore, the sharecom is characterized as typically being an entrepreneurial company, operating within the service industry. Through their use of social technologies and a reliance on networks, they are capable of reaching international markets sooner than expected and with far less capital. This then describes their ascent to becoming true competitors to their counterparts (Botsman & Rogers, 2010a; Gansky, 2010; Chui et al., 2012; Cusamano, 2015).

**Current research knowledge**

A causal result of the sharing economy being emergent is the literature’s focus being narrow, concentrating mainly on the: conceptualization; consumer motivations; drivers and inhibitors; and the growth of the industry (Belk, 2007; Botsman & Rogers, 2010a; Gansky, 2010; Bardhi & Eckhardt, 2012; Owyang et al., 2013; Belk, 2014; Tussaydiah, 2015; Cusumano, 2015; Hamari et al., 2015; Hartl et al., 2015; Barnes & Mattsson, 2016). The lack of literature on the sharing economy from an internationalization perspective is a resulting consequence, in particular, the lack of knowledge of the challenges sharecoms face when internationalizing and understanding of how said challenges affect the sharecoms internationalization process. This, therefore, results in a research gap.
The internationalization literature itself is very well developed, although not without problems. With much of the existing theory based on the large MNC and the manufacturing industry (Johanson & Vahlne, 1990; Jansson, 2007a; Menzies & Orr, 2013), it is evident that a new or amended theory is much needed (Johanson & Vahlne, 1990; Hamill, 1997; Whitelock, 2002; Mtigwe, 2006; Jansson, 2007b). An appropriate approach for the sharecom would incorporate relevant components of existing theory, but also give consideration to the small firm, and indeed the entrepreneurial firm, (which notably are not necessarily one in the same). As sharecoms are typified as service firms it is also prudent to look at literature specific to service firms, distinguishing them from manufacturing firms (Gansky, 2010; Owyang et al., 2013; Menzies & Orr, 2013).

To a certain extent, it could be argued that international entrepreneurial theory (IET) is one such approach suitable for use with sharecoms. It gives attention to the small, entrepreneurial firm and encompasses many qualities of the network approach (Oviatt & McDougall, 2005; Mtigwe, 2006). The theory could, to some degree, explain how sharecoms are able to establish and maintain a network of relationships in a foreign environment. This is with consideration that the sharecom’s business model is based on social technologies, which, at its core is about networks and leveraging those networks (Botsman & Rogers, 2010a; Chui et al., 2012). However, as service firms the literature that exists is still emerging, although nonetheless still more prevalent than the sharing economy's perspective of international theory. It shows that characteristically service firms are different to manufacturing firms and these differences affect the way in which they internationalize (Buckley et al., 1999). Menzies and Orr (2013), however, found that some service firms actually internationalize akin to manufacturing firms.

The sharecom, as already discussed, is very similar in character to the INV/BG, hence examining the literature pertaining to them on internationalization reveals a mixed methodology. IET is identified as one of the theories that explains the internationalization process of INVs/BGs and is seen as multidisciplinary, including incremental theory (behavioral aspect) and network theory qualities (Oviatt & McDougall, 2005; Mtigwe, 2006). The incremental theory, based on the Uppsala model speaks to firms internationalizing in stages, typically in line with psychic distance (Johanson & Vahlne, 1990; Mtigwe, 2006). The network theory, in contrast, expresses the use of business relationships to give the firm an advantage in internationalizing (Chetty & Blackenburg Holm, 2000; Oviatt & McDougall,
However, in addition to IET, the INVs/BGs internationalization process seems to also be explained by the resource based view (RBV). This is owing to the INVs/BGs being seen to internationalizing based on, and driven by the availability of resources (Peng, 2001; Mtigwe, 2006). The eclectic paradigm is the most prominent of the international business theory, but it has been criticized as being only suitable for the large MNC (Jones, 1996; Mtigwe, 2006).

Due to the large gap in sharecom literature, relating to international business theory (with specific reference to the internationalization process), this study has to rely on: the sharecoms entrepreneurial nature; social technology and network reliance; and the similarities presented by both the INVs/BGs and service firms, to guide the theoretical perspectives selection. Through this, the study will endeavor to better understand how sharecoms internationalize, with a reliance on existing complementary literature, and thereby hopefully fill the knowledge gap. Hence, the examination of international business theory is expected to include: Eclectic paradigm, RBV, Uppsala model, Network theory and IET; as well as the internationalization of INVs/BGs and service firms (Johanson & Vahlne, 1990; Oviatt & McDougall, 1994; Jones, 1996; Buckley et al., 1999; Peng, 2001; Chetty & Blackenburg Holm, 2000; Oviatt & McDougall, 2005; Mtigwe, 2006; Gabrielsson et al., 2008; Botsman & Rogers, 2010a; Gansky, 2010; Owyang et al., 2012; Menzies & Orr, 2013; Belk, 2014).

Managerial knowledge gaps

Not all sharecoms go global at a rapid pace, and Pedersen and Netter (2015) have shown where the sharecom’s business model selection can be limiting. Further, Cusumano (2015) has explained that sharecoms, when internationalizing, require funding support to competitively enter foreign markets. Additionally, the sharecoms that Botsman and Rogers (2010a) and Gansky (2010) illustrate as internationalizing, in their respective works, show a reliance on social technologies and social networks to gain critical mass. Given that not all sharecoms internationalize, many seemingly remaining domestic bound (Felländer et al., 2015), a managerial question is raised: What prevents a sharecom from internationalizing? Additionally, it can be seen that whilst some sharecoms, such as Uber and Airbnb, do internationalize, when they do they seem to face regulatory issues domestically and internationally (Cusumano, 2015; Gata, 2015). This then raises another managerial question: How do the challenges affect the sharecoms when internationalizing? Together these questions query the kinds of challenges sharecoms face on their internationalization journey,
and the nature of the challenges; be they internal (coming from within the firm) or external (emanating outside the firm’s environment). Also queried is whether or not the challenges are capable of inhibiting the sharecom’s internationalization process.

This study, therefore, seeks to address these managerial gaps, by looking at the internal and external challenges a sharecom would have to face when entering a new market. It also intends to look at how these challenges impact the sharecom’s internationalization process. By understanding the challenges before embarking on entering a new market, sharecoms would be in a better position to: decide whether to internationalize ‘now’ or later; plan their entry strategy to overcome challenges; choose their entry mode; strategize on how to operate in their new market; design their market offering more specifically; and also decide on what benefits they can offer the market. The research on the challenges will also provide sharecoms intending to internationalize or those that have newly internationalized, with knowledge on the experiences other sharecoms have faced (lessons learned) whilst internationalizing. In essence, it will assist them in preparing and strategizing for market entry.

In conclusion, by studying the sharing economy in the context of internationalization, with a specific focus on the challenges faced by sharecoms, this research paper intends to contribute to the knowledge gap on the sharing economy within international business theory. It will also contribute a critique on the current internationalization literature with regards to the sharecom’s internationalization process. The current theory as it stands is not suitable for sharecoms, and no single approach is applicable, hence leading the study to adopt a multi-disciplinary approach to solving the problem at hand (Alvesson & Sanberg, 2011). For contribution to managerial knowledge, it is the study’s intent to make distinct the challenges a sharecom can expect to face when internationalizing, to aid the sharecom to plan a successful internationalization strategy. Further, it is foreseen that the study will provide those sharecoms, early in the internationalizing process or not yet internationalized, knowledge on the challenges they can expect to face as they internationalize.

1.3 Research question

Given the theoretical research gap and the managerial problems discussed above, the following were distilled as our research questions:

1. What challenges do sharecoms face when internationalizing?
2. How do such challenges affect the internationalization process?
1.4 Research purpose

The purpose of this research project is three-fold:

1. To identify the main challenges sharecoms face when they begin to internationalize.
2. To understand the ways in which such challenges affect sharecoms during the internationalization process.
3. To add to the existing body of knowledge on the sharing economy and international business strategy both for research and management.

1.5 Thesis outline

Following on from the introduction, a theoretical framework relating to both the topic (the sharing economy) and the context (international business strategy) of the study will be developed, along with the establishment of a theoretical model. The methodology will then be discussed and justification given regarding the chosen research approach and methods. Following on from this, the results will be reported, drawing on the findings from the data collection; leading to an analysis of the findings. The paper will draw to a close with a conclusion, answering the research questions and reflecting on the research objectives; the implications for theory and managers; the limitations of our study; and the recommendations for future research.
2 Theoretical framework

“The pursuit of knowledge is more valuable than its possession.” – Albert Einstein

This chapter provides a critical discussion of existing literature pertaining to the research area of this study in a thematic way. The main authors within the relevant fields have been identified, along with the main themes of discussion. The theoretical framework has been divided into five main sections: the sharing economy, international business strategy, challenges to the internationalization process, integrating received theory for sharecoms and the theoretical model.

2.1 The sharing economy

The sharing economy is relatively young and this reflects in the existing body of literature. The majority of authors address the topic from a broad perspective, with focus on aspects including: conceptualization (Belk, 2007; Bardhi & Eckhardt, 2012), drivers and inhibitors (Bostman & Rogers, 2010a; Hamari et al., 2015; Hartl et al., 2015), consumer motivations (Tussaydiah, 2015; Barnes & Mattsson, 2016) and industry developments (Cusumano, 2015).

2.1.1 Defining a common understanding of the sharing economy

The concept of the sharing economy is discordant. This is made clear in Table 1, which gives an overview of how the key authors have attempted to conceptualize the sharing economy and thereby, attributing the differences in characteristics it holds in comparison to other concepts.
### Table 1: Sharing economy conceptualization table

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<td>Internet has made sharing much easier, especially for the intangible resources</td>
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<td><strong>Collaborative consumption</strong></td>
<td>Overlaps with alternative consumption</td>
<td>No form of ownership transferred</td>
<td>A sub-set of Access-based consumption</td>
<td>Temporary access</td>
<td>No form of ownership is transferred</td>
<td>Reliance on Internet e and web 2.0</td>
<td>A wide definition: includes sharing gift giving, trading, bartering and swopping</td>
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<td>Looks at the non-monetary aspects of collaborative consumption</td>
<td>No form of ownership transferred</td>
<td>A sub-set of Access-based consumption</td>
<td>Temporary access</td>
<td>No form of ownership is transferred</td>
<td>Reliance on Internet e and web 2.0</td>
<td>A wide definition: includes sharing gift giving, trading, bartering and swopping</td>
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<td>Based on Altruism</td>
<td>No form of ownership transferred</td>
<td>A sub-set of Access-based consumption</td>
<td>Temporary access</td>
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<td>Reliance on Internet e and web 2.0</td>
<td>A wide definition: includes sharing gift giving, trading, bartering and swopping</td>
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<td>Ava J. Campbell and Heidi C. Thornton</td>
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<td>Masters level:</td>
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<tbody>
<tr>
<td>Access-based consumption</td>
<td>-</td>
<td>• No form of ownership transferred</td>
<td>-</td>
<td>-</td>
<td>• No form of ownership (including perceived ownership) is transferred</td>
<td>• Builds on Belk’s (2007 and 2014) definition of sharing</td>
<td>• Access gained to the resource for contracted period</td>
</tr>
<tr>
<td>The Mesh</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>• Shared core offerings within a community or market/products, services and raw materials)</td>
<td>• Advanced usage of web and mobile data networks</td>
</tr>
</tbody>
</table>

Source: Belk (2007); Botsman & Rogers (2010); Gansky (2010); Albinsson & Perera (2012); Bardhi & Eckhardt (2012); Belk (2014); Hamari et al. (2015)
The conceptual differences as can be seen in Table 1 seem to lie in the nature of sharing and ownership. Belk (2007) explains that sharing is a third form of distribution, separate to gift giving and bartering; and it is distinct due to a lack of ownership (ownership cannot be transferred) (Belk, 2007). Bardhi and Eckhardt (2012) concur with Belk (2007) regarding sharing and on collaborative consumption, where the differentiate is based on the element of monetary exchange or market-mediated exchange. Although, Belk (2014), in a review of Bardhi and Eckhardt's (2012) study, actually sees collaborative consumption, as a sub-set of access-based consumption.

It is the distinction of market-mediated exchange that separates Belk’s (2014) definition of collaborative consumption from Botsman and Rogers’ (2010). Botsman and Rogers’ (2010a) definition of collaborative consumption is wide: including sharing, gift giving, trading, bartering, and swapping. Botsman and Rogers (2010a) make no distinction between ownership and possession, or monetary exchange. For Belk (2014), the distinction is needed, thereby separating bartering, trading and swapping from Botsman and Rogers’ (2010a) definition, and then limiting it to only cases that involve monetary exchange. Although Belk (2014) sees collaborative consumption as a sub-set of Bardhi and Eckhardt’s (2012) access-based consumption, it is clear their main characteristics are in sync with Belk’s definition. Hence, between Belk (2014) and Bardhi and Eckhardt (2012), access-based consumption and collaborative consumption can be considered the same. The authors’ definition of collaborative consumption is supported by Hartl et al. (2015) and Albinsson and Perera’s (2012) work. Albinsson and Perera’s (2012) in particular, specifically used Belk’s (2014) conceptualization, to look at sharing activities from a non-monetary perspective.

Botsman and Roger’s (2010a) definition, is much broader, and is therefore more suited to be used as an umbrella definition, as it covers Belk's sharing (2007); and both Belk (2014) and Bardhi and Eckhardt’s (2012) collaborative consumption. It includes both non-monetary and monetary exchanges, as well as the ownership distributions of commodity exchange and gift giving (Belk, 2007; Belk, 2014; Bardhi & Eckhardt, 2012). Also included under this definition would be Gansky’s (2010) conceptualization of ‘The Mesh.’ Gansky’s (2010) conceptualization covers largely the same sharing activities that Botsman and Roger’s (2010a) does, the difference being her specific concentration on technologically inclined companies, which is in contrast to Botsman and Roger’s (2010a). Based on the earlier discussion, therefore, it is clear that collaborative consumption as a concept is narrow, and does not
readily apply to the larger sharing activities described by Botsman and Rogers (2010). Their definition of collaborative consumption is more suited to an umbrella term that is provided by the sharing economy terminology. A further overview of the distinguishing features that separate the conceptualizations within the sharing economy can be seen in Table 2, which shows how the different concepts relate and are distinguished as either paid or non-paid services, and those that are based on ownership versus a lack of ownership (no ownership).

Table 2: The sharing economy overview

<table>
<thead>
<tr>
<th>Ownership</th>
<th>No ownership</th>
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</thead>
<tbody>
<tr>
<td>Paid (monetary means)</td>
<td>Trading</td>
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<td></td>
<td>Bartering</td>
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<td></td>
<td>Collaborative consumption</td>
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<td>Access-based consumption</td>
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<tr>
<td>Non-paid (non-monetary</td>
<td>Swopping</td>
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<td>means)</td>
<td>Sharing</td>
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<td></td>
<td>Alternative consumption</td>
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2.1.2 Environmental forces impacting the sharing economy

Key authors in the field have identified several environmental forces impacting the sharing economy, and these can be categorized into four major groups: catalysts, drivers, and motivators, enablers and inhibitors (see Table 3). Many of the authors showed agreement that the economic crisis was a main contributing factor to the emergence of the sharing economy (Tussyadiah, 2014; Hartl et al., 2015; Barnes & Mattsson, 2016), in addition to a shift in attitude towards consumption (Botsman & Rogers, 2010 a&b; Hamari et al., 2015). Driving the sharing economy forward, and motivating user participation was a combination of economic and societal factors, enabled primarily through technology (Botsman & Rogers, 2010 a&b; Bardhi & Eckhardt, 2012; Tussyadiah, 2014; Hamari et al., 2015, Hartl et al., 2015; Barnes & Mattsson, 2016). Causing some controversy was the issue of trust and the role in which it plays within the sharing economy, with Botsman and Rogers (2010 a&b), Bardhi and Eckhardt (2012), Belk (2007; 2014) and Keymolen (2013) all claiming an increase in trust to be somewhat of an enabler, while Tussyadiah (2014) and Barnes and Mattsson (2016) argue that trust is actually an inhibitor, with people showing a distinct lack of it, both towards each other and in technology.
Table 3: Environmental forces impacting the sharing economy

<table>
<thead>
<tr>
<th>Author</th>
<th>Catalysts</th>
<th>Drivers/motivators</th>
<th>Enablers</th>
<th>Inhibitors</th>
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<tbody>
<tr>
<td>Bardhi &amp; Eckhardt (2012)</td>
<td>-</td>
<td>• Liquidity of society</td>
<td>• Peoples trust in technology (systems)</td>
<td>-</td>
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<tr>
<td>Barnes &amp; Mattsson (2016)</td>
<td>• Global economic crisis (2008-2009) plus more</td>
<td>• Hybrid of socio-economic factors - i.e. a lack of conventional employment opportunities &amp; social bonding</td>
<td>• Technology</td>
<td>• Social &amp; cultural factors</td>
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<td></td>
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<td></td>
<td>• Trust among users’ ‘fear of strangers’ is main issue</td>
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<tr>
<td>Belk (2007; 2014)</td>
<td>-</td>
<td>• Altruism</td>
<td>• Trust in strangers</td>
<td>-</td>
</tr>
<tr>
<td>Botsman &amp; Rogers (2010a; 2010b)</td>
<td>• Shift in attitude towards consumption</td>
<td>• A combination of four major driving forces: - A renewed belief in the importance of community - A surge in peer-to-peer social networks &amp; real-time technologies - Environmental concerns - Global recession</td>
<td>• Collaborative consumption is rooted in technology &amp; online social networks • Collaborative consumption opening up peoples trust, thus enabling the phenomenon to grow</td>
<td>-</td>
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<tr>
<td>Hamari et al (2015)</td>
<td>• Increased concern regarding ecological &amp; societal development</td>
<td>• Key motivations: - Intrinsic: sustainability &amp; enjoyment - Extrinsic: reputation &amp; economic benefit</td>
<td>• Technological platforms assist collaborative consumption, in conjunction with social dynamics</td>
<td>-</td>
</tr>
<tr>
<td>Hartl et al. (2015)</td>
<td>• Global economic crisis (2008-2009)</td>
<td>-</td>
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<tr>
<td>Keymolen (2013)</td>
<td>-</td>
<td>-</td>
<td>• Technology allows for the mediation between users &amp; system • People trust in technology</td>
<td>-</td>
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<tr>
<td>Owyang (2013)</td>
<td>-</td>
<td>-</td>
<td>• Technology</td>
<td>-</td>
</tr>
<tr>
<td>Tussyadiah (2014)</td>
<td>• Global economic crisis (2008-2009) plus more</td>
<td>• Liquidity of society • Sustainability • Community • Economic benefits</td>
<td></td>
<td>• Trust is the main deterrent in community member participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Two types of trust issues: trust between users &amp; trust in technology/systems</td>
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</table>
2.1.3 Regulations and industry developments

On account of the new challenges presented by sharecoms in the marketplace, there has been a call for them to adhere to regulations. Unlike traditional companies, sharecoms do not have a standardized level of service and price and there exists a lack of safeguards for customers. Hartl et al (2015) state that there are supporters for and against sharecoms being regulated. In the authors’ reflection of governance theory, they argue that the consumers’ attitudes are an important factor in relation to issues of regulations, and that there exists a divide in such attitudes: supporters and non-supporters.

The main reason for supporting the notion of governance was that humans were deemed to be ‘egoistic’ and therefore required regulation; hence also linking to low levels of trust in other community members. Supporters were in favor of governance be it by the sharecoms themselves, or by the members of the collaborative consumption community. In support of governance, Malhotra and Alstyne (2014) suggest that communities should introduce some form of policing or self-regulation to help eliminate risks associated with trust, exploitation, and bias. In contrast, non-supporters argued that governance could lead to potential loss of self-determination and breaks in the relationships of community members.

The emergence and development of the sharing economy impact not only the consumers, (the main focus of many authors), but also the actual companies and their competitors (Shaheen & Cohen, 2007; Belk, 2014; Cusumano, 2015; Pedersen & Netter, 2015;). Tussyadiah (2015) suggests that new collaborative consumption business models provide both opportunities and challenges. This is a view shared by Hartl et al. (2015) who note that such business models pose new challenges in the marketplace because they are unlike traditional companies.

Sharecoms, Cusumano (2015) explains, require a large injection of funds in their nascent years in order to establish and gain impetus. However, not all sharecoms are in a position to receive such an advantage; typically this is on account of their business model. Pederson & Netter’s (2015) study shows that being too focused on niche markets can result in slow growth for some sharecoms, because of their initial...
business model. This is in contrast to more successful sharecoms like Airbnb and Uber, both of which received funding to launch their companies internationally. Funding gave these sharecoms the capability to compete with traditional companies much larger than themselves, as well as achieving a large geographic spread. These traditional company counterparts, Cusumano (2015) states, are disadvantaged by the sharecoms’ appearance, as they are not able to face the same growth margins. Sharecoms like Airbnb and Uber are in better positions to expand, due to the flexibility provided by the web platforms they use.

On account of the profitable and disruptive nature of sharecoms, many traditional companies are scrambling to find ways to compete. In some cases, as advised by both Belk (2014) and Cusumano (2015) they first turn to regulation reporting. Most sharecoms skirt the traditional governance rules owing to their business models. In what they refer to as a ‘skimming economy’, Malhotta and Alstyne (2014) state that sharecoms can easily exploit loopholes to avoid rules and taxes. It is such unfair play that has become an issue of contempt amongst competing traditional companies, resulting in the reporting of such behaviors by traditional companies (Belk, 2014; Cusumano, 2015). Furthermore, the sharecom’s business model enables them to enjoy profit, whilst offloading risk, which in turn could become both a burden and a danger to society. Malhotra and Alstyne (2014) also draw attention to the threat sharecoms pose to society in other ways, illustrating their point with an example from the AirBnb business model, which is creating shortages in affordable long-term housing, as nightly rates exceed monthly rentals. It is Malhotra and Alstyne’s (2014) suggestion that appropriate taxes should be enforced (i.e. tourist taxes on home rentals and road taxes for ride-sharing) for sharecoms. Further to the recognition for regulation of the sharing economy, Tussaydiah (2014) speaks of the effect on the sharecom itself. The author points out that a lack of regulation of the sharing economy could actually have a negative effect on the sharecom, with a lack of standards and uncertainty acting as an inhibitor in regards to the longevity of the sharecoms’ business models.

As previously mentioned, sharecoms are capable of internationalizing. Shaheen and Cohen (2007) show that car sharing existed before the Internet and technology boom, from as early as 1948. In addition, as shown by Pederson and Netter (2015) not all sharing economy companies are profitable: limited by their business model choices
and possibly their funding. Cusumano (2015) states it is easy to start but hard to sustain the company without funding. Hence, the sharecom, characteristically, can be both technologically inclined and non-technologically inclined, internationalized and non-internationalized and they can also face issues similar to that of an entrepreneurial firm: lack of resources (Shaheen & Cohen, 2007; Gansky, 2010; Bardhi & Eckhart, 2012; Belk, 2014; Cusumano, 2015; Pederson & Netter, 2015).

2.2 International business strategy

International business strategy is grounded in international business theory, which for the most part has been concerned with traditional firms. Many researchers have developed theories to explain how such firms internationalize, but with the advent of globalization and continued technological advancements, new firms that would otherwise not be seen to internationalize began to emerge, challenging the older approaches. Several authors have shown that it is not a ‘one size fits all’ model of internationalization (Kiss & Danis, 2008; Madsen & Servais, 1997; Oviatt & McDougall, 1994, Oviatt & McDougall, 2005; Rialp et al., 2005; Pla-Barbar & Ghauri, 2012; Menzies & Orr, 2013). Collectively, the authors argue that firms such as INVs/BGs (Oviatt & McDougall, 1994) and service-oriented firms (Pla-Barbar & Ghauri, 2012; Menzies & Orr, 2013) seem to internationalize at a more rapid pace - despite their youth and size - and in a different manner. Gabriëlsson et al (2008) have even gone as far as to say that the firm's size and age are no longer prerequisites for internationalization. As such this section discusses international business theory in conjunction with the new firms that have begun internationalizing.

2.2.1 International business theory

International business strategy has long been a primary area of interest, and numerous theoretical models and approaches have been developed over the years. While the more traditional theories have centered on large multinational corporations (MNCs) (Johanson & Vahlne, 1990; Whitelock, 2002; Mtgiwe, 2006, Johanson & Vahlne, 2009), recent research has encompassed the small entrepreneurial firm (SEF). This recognition is a significant milestone in theoretical development and a step in the right direction, towards creating a universally applicable and accepted international business theory/model, an issue that has been significantly debated (Leonidou & Katsikeas, 1966; Bilkey, 1978; Toyne, 1989; Chandra & Newby, 1997; Whitlock, 2002; Mtigwe, 2006). From existing literature, four main perspectives seem to be

2.2.1.1 Eclectic paradigm
The eclectic paradigm (Dunning, 1977), pertaining to transaction cost theory, is considered to be the dominant accepted theory (Johanson & Vahlne, 1990) and has gained much support (Hennart, 1982; Anderson & Gatignon, 1986; Kogut & Zander, 1993, Woodcock et al., 1994; Bengeji & Sambharya, 1996). The internationalization process requires calculated analysis, whereby ownership advantage is sought before moving into a foreign market and competitive sustainable advantage must be built and maintained, in order for a firm to succeed in foreign market exploitation (Porter, 1990a; Prahalal & Hamel, 1990). Considerations are given to the benefits of control in relation to the cost of resource commitment (Whitlock, 2002; Muller & Aust, 2011). However, as Jones (1996) and Mtigwe (2006) point out, the theory disregards the small firm, with strong implications that international business is only for large MNCs. It has further been suggested that the eclectic paradigm (transaction cost analysis) is more useful when used in conjunction with other theories (Whitelock, 2002; Gronhaug & Haugland, 2008).

2.2.1.2 Resource-based view
The resource-based view is an influential theoretical perspective (Peng, 2001), utilized by many researchers (Lee et al., 2005; Bortoluzzi et al., 2014). The view assesses an organization's value creation potential based on its total capabilities (Gold, 2001), and has been greatly researched in conjunction with dynamic capabilities (Kogut & Zander, 1993; Grant, 1996; Theriou et al., 2009; Garg & De 2012). The internationalization of the firm is seen as an adaptive response to environmental complexity with the aim of acquiring a competitive advantage, achieved through the organization of resources, skills and routines (Lawrence & Lorsch, 1967; Stone & Brush, 1996; Teece et al., 1997, Smith & Prieto, 2008). Criticism of the RBV includes that of Barnet (1991), who expresses a need for expansion of resource-based models of strategic advantage by theories of the creative and entrepreneurial process.
2.2.1.3 Uppsala model

The Uppsala model is one of the most extensively applied strategies in international business (Johanson & Vahlne, 1990; Whitelock, 2002). It contrasts to previous approaches (i.e. eclectic paradigm, RBV) as it is rooted in behavioral theory (within internationalization theory), and gives consideration for the SEF (Mtigwe, 2006). The model speaks to the importance of experiential knowledge, and that for market expansion to occur psychic distance needs to be supported by industry (Whitelock, 2002). The approach defines the internationalization process as incremental or step-wise, whereby a firm increases its international involvement (Johanson & Vahlne, 1990; Whitelock, 2002; Mtigwe, 2006), based on a set of relationship assumptions, by which aspects of state (market commitment and market knowledge) interplay with aspects of change (current business activities and commitment decisions).

Motivated by dramatic changes in economic and regulatory environments, as well as company behaviors and developments in research in terms of insight and concepts, Johanson & Vahlne (2009) reformulated their model. Building on the model, the authors identified that firms can ‘leap frog’ some of the stages, or start from birth and thus the internationalization process can be sped up. Further extending the existing model, and indicating a change in direction, the reformulation views the business environment as a ‘web of relationships’ in which the firm is embedded, and successful internationalization is based on ‘insidership’ within relevant networks. This brings the approach more in line with that of network theory and such acknowledgment, and subsequent progress in theory, indicates a positive advancement in terms of the development of an applicable theory for sharecoms.

2.2.1.4 Network Theory

According to Turnbull (1986), a major weakness in the majority of international business theory lies in the ‘one-sided focus’ of the firm’s (manufacturer) activities with the intermediaries, in the flow of goods and services to the customer. In contrast to approaches that focus on the autonomy of the firm (i.e. eclectic paradigm and early Uppsala model), network theory looks at the engagement of actors in the production, distribution and use of the goods and services, and examines the establishment, development and maintaining of business relationships (Johanson & Mattsson, 1988;
Connected business relationships, involving exchanges between collective actors (competitors, suppliers, customers, distributors and government) are what Chetty and Blackenburg Holm (2000) define as ‘business networks.’ Networks consist of direct and indirect links, and can be of a formal or informal nature (Oviatt & McDougall, 2005; Fernhaber et al., 2008; Kiss & Danis, 2008), the latter of which is emphasized through the social exchange perspective. Such networks are highly valued and can assist a firm in a multitude of ways, including exposure to new opportunities, acquisition of knowledge, learning from experiences and benefiting from the synergistic effect of pooled resources (Johanson & Mattsson, 1988; Chetty & Blankenburg Holm, 2000).

In network theory, the firm is classified into four key groups. The first category is the ‘early starter’, where the firm has a limited knowledge and a business network of actors in a similar position. The second group is the ‘lonely international’, in which the firm is highly internationalized with prior knowledge and experience in foreign markets and thus able to succeed. The third set is the ‘late starter’ who operates in an already internationalized market environment, with indirect foreign business relationships that drive the firm to internationalize. The last group is the ‘international among others’, wherein both the firm and the environment is highly internationalized. The internationalization process can be carried out in various ways: forming relationships with counterparts in other countries new to the firm (international extension), increasing commitment in already established foreign networks (penetration) or integrating their position within networks in various countries (international integration) (Chetty & Blankenburg Holm, 2000).

Blending networks and institutions, Jansson (2007 a&b) introduces the institutional network approach, comprising of three basic institutional models relating to institutions, networks, and rules. He speaks of societal institutions in terms of two groups: organizational fields (i.e. product/service market and government), which have a two-way interplay with the firm, and societal sectors (i.e. country culture, legal and political systems), wherein institutions have a one-directional influence on the
firm. Despite the approach being based on the MNC firm in emerging markets, it stresses the importance of the business relationships between institutions within a network.

2.2.1.5 International entrepreneurship theory

Spurred on by the realization that international business theory should give consideration to the behavior of the SEF, recent developments have led to international entrepreneurship theory (IET). It is clear that ‘traditional' international business theory was developed in order to explain the behavior of large MNCs, but with SEFs having a more prominent role within international business, it is crucial that an applicable theory is created. Prefontaine and Bourgault (2002) emphasize this by stating that in modern economies, small businesses account for a staggering 75%-99% of all business. Furthermore, it can be seen that while grounded theory addresses why international business takes place, it is IET that examines how it occurs (Mtigwe, 2006).

As with much theory, there appears a clear lack of appropriate definition regarding international entrepreneurship, with several offerings deemed too restrictive in various aspects (Oviatt & McDougall, 1994; McDougall & Oviatt, 1996). Such a definition should be ‘firm size’ neutral (Zahra & George, 2005) and encompass all the characteristics of an entrepreneurial firm (McDougall & Oviatt, 1996; Ibeh & Young, 2001; Yeung 2002). However, Oviatt and McDougall (2005), recognizing the continuing development of IET and a need for focus on opportunity recognition called for a redefinition. Hence, they defined it as “the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services” (Oviatt & McDougall, 2005, p.540).

Viewing individual and firm entrepreneurial behavior as the basis for foreign market entry, IET has been considered to represent a combination of both incremental theory (behavioral aspect) and network theory qualities, or in the case of Oviatt and McDougall (2005), completely multidisciplinary. Some, however, go as far as to suggest that IET and the network approach are one in the same, however, there is one notable difference in that IET is not confined to ‘formalized’ networks (Mtigwe, 2006).
A criticism of the research approaches towards IET is put forward by Malhorta et al. (2003) who comment that so far attention has largely been on discrediting incremental theory, as not applying to fast-paced high-tech environments and the small firms that operate within them. They suggest further that focus should be given to the relationships with existing models in a move towards constructing integrative theoretical conceptualizations. This proposal of integration is viewed as already taking place according to Mtigwe (2006), who states that to some extent IET draws all theoretical approaches together, which is a promising step forward in the quest for a universally accepted theory/model of international business.

Although IET identifies differences between small and large firm international entrepreneurship, which create stimulating firm age and foreign entry speed dynamics, it does not exclude the large firm. As Mtigwe (2006) states, IET cuts through traditional international business theory - detecting entrepreneurship as a common currency for all international business activity. However, the majority of research relating to IET does focus on the small firm, in particular, high-tech start-ups and BGs. This is a criticism highlighted by Zahra and George (2005), who argue that in order for IET to become a fully inclusive approach, more research in relation to large firms is needed, as they also frequently exhibit entrepreneurial behaviors.

2.2.2 Internationalization of new ventures and born globals

In the past few decades, it can be seen where technological developments (e.g. the Internet and Web 2.0 platforms) have impacted our methods of communication, transportation and production (Madsen & Servais, 1997; Oviatt & McDougal, 2005). It has resulted in a more porous society and borderless global economy (Hamill, 1997; Knight & Cavusgil, 2004; Chui et al., 2012), contributing to the reduction of many barriers in international trade, changing market conditions (e.g. deregulation) and people’s capabilities (Knight & Cavusgil, 2004; Laanti et al, 2007). It is based on these changes in the global marketplace where firms INVs/BGs have emerged (Oviatt & McDougal, 1994; Madsen & Servais, 1997; Gabrielsson et al., 2008). They have also been referred to as global start-ups and high-tech start-ups (Madsen & Servais, 1997). Trudgen and Freeman (2014), however, see BGs as a sub-set of INVs and this study will follow, hereinafter, in the same vein.
Oviatt and McDougall (1994, p.49) have defined INVs as “business organization[s] that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” Authors seem to be in agreement that INVs are sufficiently different to the more traditional SMEs, owing largely to their enablers, drivers, and characteristics (Oviatt & McDougall, 1994; Knight & Cavusgil, 2004; Oviatt & McDougall, 2005; Trudgen & Freeman, 2014). This means that the incremental model of internationalization that caters to such traditional SMEs, is therefore not applicable (Oviatt & McDougall, 1994; Madsen & Servais, 1997; Laanti et al, 2007). Therefore, enabling the INV, Oviatt and McDougall (1994) state, is technology, motivation by competitors, entrepreneurship perceptions, knowledge forces, and networks. Madsen and Servais (1997) show that driving INVs are new market conditions, technological developments (production, transportation, and communication) and peoples’ capabilities (particularly the founder). Whilst Gabrielsson et al. (2008) highlight the INVs characteristics as having a global vision from inception, being independent of another established firm, and having the capability for acceleration. These characteristics lead them to generally internationalize from somewhere between 0-3 years from inception.

A lot of the theories based on explaining the internationalization of INVs are from a multidisciplinary perspective (Rialp et al., 2005), but it can also be seen where fields of study are starting to blur, in terms of international entrepreneurship and international business (Gabrielsson et al, 2008). This is as a result of authors attempting to either explain the process or behaviors of INVs or in other cases trying to create a unified framework between the traditional and newer alternatives (Madsen & Servais, 1997; Rialp et al., 2005).

Essentially, from these various amalgamations, one clear overlap is the application of network theory to explain the internationalization of INVs (Oviatt & McDougall, 1994; Oviatt & McDougall, 2005; Fernhaber et al., 2008; Kiss & Danis, 2008). Also noticed is the strong emphasis on organizational learning, whereby authors emphasize the reason for INVs successful internationalization is not only in part to their social networks but also the international experience gained by their senior management. The prior knowledge, gained before establishing the company, in turn, impacts upon
decision-making, strategic vision, ambition and motivation. This also overlaps with network theory, as the international experience contributes at times to the networks built (Madsen & Servais, 1997; Oviatt & McDougall, 2005; Laanti et al, 2007; Fernhaber et al., 2008; Gabrielsson et al., 2008).

2.2.3 Internationalization of service firms

Much like INVs, service firms are also influenced by globalization, resulting in their popularity and global rise (Dahringer, 1991; Javalgi et al., 2003). Supporting this position is evidence of the outsourcing trend that has been occurring with value chain activities (e.g. human resources, facilities management), the increasing liberalization of both national and international regulations and also the most recent establishment of many service firms (Pla-Barbar & Ghauri, 2012). This has resulted in increased scrutiny, particularly with regards to traditional internationalization models, like the Uppsala model. Much of the literature on the internationalization of firms has been focused on the manufacturing industry, and less on the service industry (Pla-Barbar & Ghauri, 2012). In fact, even most BG literature is focused on the exportation of goods (Rialp et al., 2005). As such, researchers began questioning how applicable the traditional internationalization models were in regards to service industries (Javalgi et al., 2003; Pla-Barbar & Ghauri, 2012). By looking at the typical characteristics of a service firm (Buckley et al., 1999; Pla-Barbar & Ghauri, 2012; Menzies & Orr, 2013) and the factors that influence their internationalization process (Javalgi et al., 2003), it can clearly be seen that service firms are different to the manufacturing firm.

Dahringer (1991) and Buckley et al. (1999) describe the typical characteristics of the service firm as inseparability (its production and consumption occurs simultaneously, not sequentially); intangibility (it cannot be seen, felt, lifted or transported); perishability (it has an ephemeral nature); heterogeneity (it differs from one product to the next); and ownership (right access or hire, not ownership). Menzies and Orr’s (2013) characterization of the service firm are similar in spirit, however, they make the distinction between two types of service firms: hard and soft services. They explain that hard services (e.g. engineering, architecture, and some legal services, etc), are exportable, tradable and location bound, and as such they are capable of internationalizing in a step-wise manner. For soft services (e.g. restaurants, some legal services, airlines and some forms of transportation), the authors note that they are non-
tradable, not exportable and are location bound, hence, traditional models are found inapplicable.

Therefore, characterizing the service firms’ internationalization is firstly based on Oviatt and McDougall’s (1994) observation that firms operating with intangible industries seem to internationalize faster than firms based on tangible products. Secondly, impacting the service firm’s internationalization process is resource commitments; international experience; nature of the service; and capital intensity (Menzies & Orr, 2013). In contrast, Javalgi et al. (2003) took a different stance by looking at what influences a firm when internationalizing, finding that management attitudes are an important factor in the internationalization process. Three factors could be said to impact on management’s attitude to internationalization, where market characteristics (e.g. lower trade barriers and reduction in government regulations); management’s attitude towards marketplace; and the size of the firm (e.g. growth and/ or resources perspective) could influence their attitudes. These factors of Javalgi et al. (2003) are based on a traditional viewpoint of what affects manufacturing firms, illustrating that manufacturing firm theory, as shown by Menzies and Orr (2013), can be applicable, in part, to services.

2.3 Challenges affecting the internationalization process

Internationalization is by no means simple or straightforward and the process depends greatly on the type of firm and sector or industry it operates in. Thus, in already addressing the ‘how’ of internationalization (how firms internationalize, ergo their internationalization process), two further queries remain, to understand ‘what’ challenges firms face when internationalizing, and finally, ‘how’ they affect the internationalization process.

There exists an apparent plethora of terms used to address the matter, often in a synonymous manner. Some researchers have referred to this as the ‘factors' influencing the internationalization process (Menzies & Orr, 2013), while others speak of ‘key resources’ (Laanti et al., 2007; Fernhaber et al., 2008) and others yet speak of ‘forces’ (Oviatt & McDougall, 2005). ‘Barriers’, ‘obstacles’ and ‘problems’ (Katsikeas & Morgan, 1994; Bell, 1997; Morgan & Katsikeas, 1998; Crick & Chaudhry, 2000; Scharf et al., 2004) are also terms used in previous studies. Despite
the differences in terminology, it all reduces to the challenges a firm will face on their international journey. Such challenges can be categorized as internal and external (Leonidou, 1995; Hamill, 1997; Svetlicic et al., 2007; Kaputa et al., 2015). According to Leonidou (1995), internal challenges relate to an organization's resources and understanding (or lack thereof). In contrast, external challenges relate to the market environment of either of the home or host country, within which the firm operates or seeks to enter, and include such aspects as governmental, legal etc. (Leonidou, 1995).

In their study based on the internationalization of SMEs in Europe, Svetlicic et al., (2007) note that in comparison with large MNCs, SMEs are more vulnerable to challenges. However, Crick (2007) argues that while SMEs are often treated differently, there are more similarities than differences in regards to the internationalization processes between large and small firms, thus demonstrating that SMEs possess the capabilities needed to develop internationalization strategies. Although Crick (2007) further notes that high-tech markets present more problems with regards to speed of market entry and ever-changing environment circumstances than low-tech markets, which is of particular concern to SMEs and SEFs.

It is apparent that challenges differ depending on several factors, such as country (host and home), the sector of activity and prior experience of the firm (Svetlicic et al., 2007). Firm size is also considered as a key variable (Svetlicic et al., 2007; Kaputa et al., 2015), particularly so with regards to non-exporting firms, who according to Shaw and Darroch (2004) perceive themselves to be too small to internationalize. In contrast, Kaputa et al (2015) report that several studies of the service sector conclude that small firms have the same chances of success in international markets as large firms. The following section looks at the challenges typically faced, in more detail.

2.3.1 Internal challenges

2.3.1.1 Innovation

Freeman and Cavusgil (2007) describe innovation as critical to the theory of internationalization. For Laanti et al., (2007) innovation was one of four resources they saw as important for internationalization, the other three being funding, founders, and networks. Innovation allows for the firm to maintain its competitive advantage and it is a necessity of the modern leader to believe in change and to innovate.
continuously (Porter, 1990; Laanti et al, 2007). By innovating early on, INVs are able to take advantage of the narrow window available for exploitation before the competition (Fernhaber et al., 2008). In addition, Laanti et al., (2007) explain that, for small firms like INVs, being innovative is crucial to their success in internationalizing, despite them starting out from a point of innovation, based on their founder’s establishment (relating innovation and founders together). Hence, innovation and international entrepreneurship are greatly tied together, and for this reason, networks play a critical role in the internationalization process. Essentially, for the internationalization process to be successful, the firm needs to ensure its product is innovative, unique and of strong quality. Innovation is also greatly assisted by technology, which could be considered an enabler or a driver. Knight and Cavusgil (2004) have discussed that BGs, through innovations and technology, have been able to internationalize and conduct global business more efficiently. Oviatt & McDougall (2005) have also spoken of the enabling force that technology plays, even going so far as to say it is what makes internationalization feasible.

2.3.1.2 Funding
From a resource perspective, capital, financing or funding is important, and for INVs, this would initially be considered as one of the disadvantages for internationalizing. INVs are typically restricted when it comes to funding, and it is seen as a barrier that they must overcome as a small firm (Laanti et al, 2007). For this reason, their networks and locating themselves in clusters is seen as important (Freeman & Cavusgil, 2007; Laanti et al., 2007; Fernhaber et al, 2008). Clusters, Fernhaber et al. (2008) argue, increase a firm’s chances of internationalization, due to the strong presence of not only other firms but also, more importantly, investors (Laanti et al., 2007). In terms of service firms, however, they tend to have a lower capital intensity than manufacturing firms. Although Menzies and Orr (2013) explain some services, soft services (e.g. hotels), can have medium to high capital intensity; while hard service (e.g. education) are low in capital intensity. Largely, however, they are less capital intensive than manufacturing firms, having fewer resource commitments, risks and/or switching costs, allowing for an easier internationalization.
2.3.1.3 Leadership attributes: international experience, decision-making, and attitudes

The leadership of a firm is vital, especially in creating a competitive advantage (Porter, 1990), and this is even more so in the case of INVs and service firms, where the role of leadership is crucial to successfully internationalize. An advantage of globalization has been the evidence of increased international business experience (Oviatt & McDougall, 1994). It is this increase that lends itself to the rampant development of new firms like INVs and service firms. Further, international experience can be said to be the simple differentiation of a successful firm from an unsuccessful firm. Fernhaber et al., (2008) discuss that top management in an INV, with international experience, have been shown to have more awareness and ability to exploit opportunities in the marketplace. In addition, Oviatt and McDougall (2005) show that firms with leaders possessing international experience enter markets faster; are more committed to internationalizing; and have a greater absorptive capacity (reduced uncertainty to internationalize and increased likelihood of entering additional countries). Laanti et al. (2007) also explain that it is optimum that the leaders have international experience prior to internationalizing (stock experience) than during internationalization (stream experience) as their success rate is greater.

Gabrielsson et al (2008) show the link between international experience and networks, explaining that senior management experience can assist in gaining the firm networks and insights from their previous jobs. Additionally, Madsen and Servais (1997) explain that INVs have extended networks from inception, based on their international experience. It is this background, grounded with international exposure, which perhaps makes founders see borders as open and an opportunity to be exploited, rather than closed. The leader’s background is very important to the determination of the firm; some explain that they are path dependent, but others yet show how it can be broken (Madsen & Servais, 1997; Perks & Hughes, 2008). Madsen and Servais (1997) say they break domestic path dependence through the recruitment of a multicultural workforce, coordination of efforts in different markets, and the targeting of customers globally. While, Perks and Hughes' (2008) study proved that entrepreneurial leaders actually break path dependence, because they make decisions on the strength of the business case.
Leadership decision-making is therefore as important as international experience in discussing internationalization. In fact, as Perks and Hughes (2008) put it, decisions are not made by firms, but by leaders. In addition, Nielsen and Nielsen (2011) point out that the internationalization of firms does not occur in a vacuum, but instead is impacted by the choices made by leaders – the decisions they take. The leader’s background (age, tenure, previous jobs, education, experience, attitude, knowledge, tolerance for risk and uncertainty etc) is said to greatly impact the leader’s decision-making choices, if not their path dependence, such as the way in which they manage diversity in culture, the competitive environment and strategic decisions, which then results in superior performance (Aharoni et al., 2011; Nielsen & Nielsen, 2011). Leadership largely sets the firm's vision and is capable of galvanizing the support of their choices and vision; hence even if their choices are not the strongest course of action, their decision-making will impact the direction of the firm (Perks & Hughes, 2008).

It is for this reason that the attitude of the leader should also be considered an important factor in the international operation and expansion of the firm (Javalgi et al., 2003). Freeman and Cavusgil (2007) have explained that leaders can greatly influence the firm through their attitudes. In this case, they describe attitudes as their decisions, values and vision, but also making up a part of their attitudinal dimension is international orientation and psychic distance. Hence, it overlaps with Perks and Hughes (2008), Neilson and Nielsen (2011) and even Madsen and Servais’ (1997) decision-making theoretical discussion. Freeman and Cavusgil (2007) also look at it from a perspective of international experience, essentially pointing out that it is not just the quantity of international experience (number of years), but also the quality of that experience (national diversity) that matters, as well as the capabilities of their networks to contribute to the firm’s internationalization.

Freeman and Cavusgil (2007) further show that national diversity plays an important role, which is argued from a cultural point of view and measured on the attitudinal dimension as psychic distance. They show that firms with a higher international orientation (greater international experience, better educated, foreign language masters, less risk averse and less resistant to change) have better attitudes towards internationalization. However, Perks and Hughes’ (2008) study also showed that
firms, albeit mid-sized firms, could not relate to culture, but instead to psychic distance. Nevertheless, neither culture nor psychic distance was seen as a deterrent. When internationalizing they consider the business case, essentially, entrepreneurial leaders practiced strategic entrepreneurship. They only internationalize if the business case is strong enough. This also explains they say, why some firms may have the networks and customer relationships but have not internationalized. In contrast, Freeman and Cavusgil’s (2007) study shows that attitudes do affect how firms internationalize, while Javalgi et al. (2003) in contrast show that management’s attitude towards internationalization can be impacted. The attitudes of leaders are a guiding force and, together with the leaders international orientation and decision-making, they are in a position to navigate the complexity that is internationalization (Javalgi et al, 2003; Aharoni et al., 2011).

2.3.1.4 Knowledge

Knowledge type firms are in a better position to quickly exploit entrepreneurial opportunities, and as such it is an important factor that can impact internationalization (Oviatt & McDougall, 2005). Through the harnessing of knowledge, a firm can learn a lot about their host country and this can reduce uncertainty, for instance, taking advantage of social networks and clusters to access knowledge spillovers (Fernhaber et al., 2008). Furthermore, it is through organizational learning that Oviatt and McDougall (2005) see the assimilation and use of knowledge to the firm’s benefit. However, Oviatt and McDougall (2005) also explained that it is vital to consider the firm's existing or experiential knowledge, that is the knowledge gained by leaders from prior experience (Huber, 1991; Nielsen & Nielsen, 2011). Congenital knowledge of the firm also requires consideration; Huber (1991) explains this as the firm being shaped by its founder(s)’ nature and founding. Its founding can determine its search, experiences and its interpretation of what it encounters. While, Nielsen and Nielsen (2011) describe it as a force that drives the firm's internationalization, guided by past experiences and practices. This leads back to the path dependent versus path-breaking discussion from earlier (Perks & Hughes, 2008).

Nonetheless, prior knowledge, Oviatt and McDougall (1994) say, is of importance due to the value it brings to the firm. The more international experience, the more likely the firm is able to exploit entrepreneurial opportunities. To the INVs advantage,
founder teams' knowledge or organizational learning is characterized as being more individualistic, unlike the typical MNCs. Therefore, they are in a more flexible position to take advantage of their newness, or what they call: learning advantage of newness. Essentially, INV type firms have the advantage of not having to unlearn, and are therefore more adaptable to their environments (Oviatt & McDougall, 2005).

2.3.1.5 Liabilities: newness, smallness, and foreignness
Combating liability of newness, smallness, and even foreignness is a factor that firms face from establishment and going abroad (Kiss & Danis, 2008). Liability of newness and smallness are risks faced by new and/or small companies, respectively, and they are said to be disadvantaged by, for instance, a lack of or limited experience/resources and competencies due to their company's age or size. However, by their leader’s having international experience, (through rapidly developing competencies, and/or through networks gaining access to critical information and contacts), they can be in a position to overcome this and pursue growth. Likewise, liability of foreignness is the level to which the firm is not familiar with the environment it will encounter (cultural practices, languages, politics, economy etc). Therefore, not understanding the exchange risk of operating in a foreign country, being unfamiliar with the business conditions and facing discrimination from local authorities (Petersen & Pedersen, 2002). This too can be overcome with social networks, for instance through business relationship learning, as well as the information and contacts mentioned earlier, which will also assist in gaining access to the foreign market (Oviatt & McDougall, 2005; Gabrielsson et al., 2008; Kiss & Danis, 2008).

2.3.2 External challenges

2.3.2.1 Government & legal system
The government, according to Jansson (2007a) is a key institution within the organizational field, and one that impacts on an organizational level. Exerting a powerful influence (Daniels, 1995), the government can present a comprehensive set of challenges. One of the major external barriers faced by firms wanting to internationalize is government policy and regulation of the foreign market country (Daniels, 1995; Crick, 2007; Svetlicic et al., 2007). In what Kostova (1999) describes as institutional distance, it is crucial for a firm to consider this ‘regulatory pillar' and
assess the similarities and differences of the relevant institutions, between the home and the host country.

Crick (2007) identified a need for government trade policy to better understand the needs of the internationalizing firms, despite awareness of policy constraints (Hibbert, 1990; Lesch et al., 1990; Chaudhry and Crick, 2002). Crick further, states that a significant lack of government assistance is considered another hindrance to foreign market entry and Svetlicic et al (2007) further exemplify, through the findings of their study, that smaller companies assessed governmental support as insufficient. In regards to FDI, firms stated that they had to rely mainly on their own sources of information, as well as their own personal and business contacts. Findings of the study indicated that this was quite the opposite for MNCs who, through the support and cooperation of the host country governments, did not face such issues.

The laws and rules pertaining to a certain country or more specifically an environment within it, are crucial elements for an internationalizing firm to be aware of and obtain an understanding of. Such restrictions are therefore likely to pose challenges to the internationalizing firm. The enforcement mechanisms in place within a country’s **legal system** can also greatly affect the extent to which a challenge is presented and if such mechanisms are weak it could affect the value of legal contracts and documents, putting the company in a vulnerable position (Jansson, 2007a). Leonidou and Katsikeas (1997) state that a country’s legal settings is one of the various environmental forces that can affect a firm's internationalization and can be extremely problematic. Instability within the legal system, as well as extensive bureaucracy creates a considerable barrier. Lack of transparency in legalization can also lead to misinterpretation by those parties and thus present a challenge for the internationalizing firm, in establishing clarity and a sound understanding of the legal environment in which they have entered (Jansson, 2007a). Trying to adhere to frequently changing legislation and regulations can prove not only extremely challenging but costly too (Hamil, 1997; Crick, 2007; Svetlicic et al., 2007).

### 2.3.2.2 Psychic distance

Psychic distance, linked to the Uppsala model (Menzies and Orr, 2013) has been defined by Johanson and Wiedersheim–Paul (1975, p.308) as being, “the sum of
factors preventing or disturbing the flows of information between organizations and markets”. Perks and Hughes (2008, p.320) adapted the definition explaining it more specifically as “disturbing the flows of information between potential or actual suppliers and customer”. By these definitions, it is a broad umbrella that has become known to encompass the similarities and differences in; economic development and education level; the business language between host and home countries; previous trade links between host and home countries; culture and language.

Psychic distance has been explained as impacting internationalization. For example Menzies and Orr (2013) point out that the rate at which a firm internationalizes is dependent on the knowledge they have of the foreign environment (host country). It is this knowledge of the environment that determines the degree of psychic distance so to speak. The wider the gap, the greater the risk the organization perceives they will face. It is this uncertainty that influences and disturbs the flow of information, thus impacting upon the decision-making. Existing literature for INVs/BGs states that psychic distance is irrelevant; however, the findings of Chetty and Campbell-Hunt’s (2004) study disproved this, revealing it to be the opposite. This leads to the possibility therefore that psychic distance may be applicable in certain cases, but not all.

Notably, in a reconceptualization of psychic distance and cultural distance, Sousa and Bradley (2006) explained psychic distance as a more individual measure, whilst culture (religion, family, education etc) was more organization specific as it related to external factors. Perks and Hughes (2008) also found this to be true in their study, whereby leaders did not refer to issues being faced as cultural (uncertainty and avoidance), but rather through their psychic perceptions such as regarding the language of the host country. Hence, this is in contrast to Johanson and Wiedersheim–Paul’s (1975) definition, which widely incorporated both individual perceptions and external factors.

More specifically in terms of an external factor, country culture exercises a critical impact on the internationalization of a firm (Daniels, 1995; George & Zahra, 2002; Acs et al., 2004; Arbaugh et al., 2008). A country’s culture is a highly influential institution within the societal sector and has a widespread impact (Jansson, 2007a).
Culture affects the behavior of people, (i.e. habits and attitudes) (Crick, 2007) and norms and values (Kostova, 1999; Jansson, 2007a). As Jansson (2007a) describes, norms can be viewed as what is deemed to be the normal or acceptable behavioral practices, and values are the underpinning of cultures (and thus behaviors). The behavior of institutions within a network is greatly impacted by culture, particularly in relation to business practices and mores (Hamil, 1997; Crick, 2007; Jansson, 2007a). For the internationalizing firm, it is important to have a good understanding of a country's business rules so to speak (Jansson, 2007a), and a lack of awareness regarding such rule sets can lead to a multitude of challenges.

In what Crick (2007) defines as operational factors, working with other cultures raises a variety of issues, including, for example, language and communication, and is therefore deemed a highly problematic task for SMEs. Arbaugh et al (2008) further point out that cultural difference is particularly salient for entrepreneurial enterprises. They state that national culture is extremely influential on the potentially ‘high-risk’ activities linked to entrepreneurship (Steensma et al., 2000; George & Zahra, 2002) and as a consequence can discourage internationalization (Rothaermel et al., 2006).

2.3.2.3 Geographical distance
Geographical distance was identified within the existing literature, as a challenge posed to firms when internationalizing. Arbaugh et al.’s (2008) study found location factors to be a prominent barrier for entrepreneurial firms, with their analysis indicating that North American firms were not pursuing internationalization, in comparison to their European counterparts. Geographical distance was considered to be a plausible reason for this, whereby European firms have considerably smaller geographical distances to cover in order to gain an international presence. Consideration was also given to the sheer size of the North American market, which likely offers a multitude of prospects (Preece et al., 1999). Crick (2007) echoes this notion, stating geographical distance to be an issue when entering a foreign market.

2.3.2.4 Networks
Broadly speaking networks are one of the key characteristics for a successful global start-up (Oviatt & McDougall, 2005) and include both formal (government and business professionals) and informal (friends and family) relationships (Oviatt &
McDougall, 2005; Fernhaber et al., 2008; Kiss & Danis, 2008). The formal ties (Oviatt & McDougall, 2005) consist of various societal institutions that can be further categorized into organizational fields (i.e. government) and societal sectors (i.e. country culture), (Jansson, 2007 a&b), and creating and maintaining such ties can help to combat potential barriers.

Small, entrepreneurial firms often lack sufficient resources, experience and finance (Jansson, 2007 a&b), which can thus present a challenge when internationalizing. Therefore, it is highly beneficial to acquire the support of a network and gain access to a critical source of knowledge, including international opportunities, knowledge spillovers, foreign market information and/or venture capitalist funding (Johanson & Mattsson, 1988; Chetty & Blankenburg Holm, 2000). Furthermore, such networks can be useful in aiding the development of strategic alliances and cooperative strategies (Oviatt & McDougall, 1994; Oviatt & McDougall, 2005), and thus prove to be a useful strategic tool.

Oviatt & McDougall (2005) discuss networks in terms of strong and weak ties (the type of network). Weak ties are those indirect relationships (i.e. customers or competitor), whilst strong ties could be best described as direct relationships (such as business partners/investors). Strong ties will be small (ranging between 5-10 ties) and durable, as they require more involvement and investment from the entrepreneur. Hence, start-ups depend on them more at establishment, as they also involve emotional investment, trust, reliability, higher levels of resource and innovation exchange, and more effective and efficient knowledge exchanges. On the other hand, weak ties are more numerous and can grow quickly, because they require less investment, but are a source of vital information (which is more varied and diverse), and know how (Oviatt & McDougall, 2005; Kiss and Danis, 2008).

2.4 International business theory synthesis for sharecoms

It is clear that traditional international business theory as it stands is not entirely applicable or suitable for sharecoms, largely due to the simplistic and static nature of the models (Johanson & Vahlne, 1990; Ford & Leonidou, 1991; Dalli, 1994; Ramaswang et al., 1996). Sharecoms are dynamic, owing to their unique business
models, and are thus characteristically different to traditional companies (Bardhi & Eckhardt, 2012; Belk, 2014; Cusumano, 2015). Therefore, they require a theoretical framework that is multidisciplinary, considering multiple perspectives that may be suitable to them. This study, therefore, postulates that sharecoms share similar characteristics to service-oriented firms and INVs. Service firm literature was therefore considered to inform the formulation of the sharecom’s theoretical perspective (Dahlinger, 1991; Gansky, 2010; Bardhi & Eckhardt, 2012; Pla-Barber & Ghauri, 2012; Menzies & Orr, 2013; Belk, 2014).

It can be seen in Menzies and Orr’s (2013) study, a distinction that some service firms are capable of internationalizing according to the Uppsala model. INVs in contrast, internationalize based on a mixed methodology, such as international entrepreneurial theory; network theory; and RBV to name a few. Madsens and Servais (1997), for instance, highlight that when internationalizing, INVs still display certain elements of the Uppsala approach. Hence, despite the sharecoms illustrating characteristically that they tend to internationalize much like INVs (such as Hoffice, HouseTrip, Movellas, eBay or Etsy), due to their entrepreneurial nature (Botsman & Rogers, 2010a; Gansky, 2010; Belk, 2014; Cusumano, 2015), with such critiques that the Uppsala model in certain cases is relevant to both the service firm and the INV, it is deemed pertinent to add to the conceptual model. Johanson and Vahlne’s (2009) revised work while a worthwhile contribution, in the wake of this evidence of application, seems more distinct to the Uppsala model that they first built on. Hence, not disregarding their work, it is instead considered and integrated within the network theory and posed to be a possible internationalization process for the sharecom. Network theory is critical to the successful internationalization of sharecoms, that often lack resources, experience, finance etc. and can, therefore, benefit greatly from such network support (Botsman & Rogers, 2010a; Gansky, 2010; Cusumano, 2015). The RBV approach is also considered a necessary addition to the theoretical model, considering sharecoms’ competitive nature and reliance on resources (Dahlinger, 1991; Gansky, 2010; Bardhi & Eckhardt, 2012; Pla-Barber & Ghauri, 2012; Menzies & Orr, 2013; Belk, 2014; Cusumano, 2015).

It is, therefore, appropriate to say that the development of the theoretical model for this study uses a multidisciplinary theoretical approach, deemed most suited for the
study of sharecoms and identification of the challenges affecting the process. Table 4 below presents a summary of the main attributes linked to the varying proposed processes. These attributes comparatively inform how differently it is expected that sharecoms will internationalize, should they follow one of the theorized processes. It also implies that the internationalization process is affected differently depending on the process followed.

<table>
<thead>
<tr>
<th>Internationalization attributes</th>
<th>Step-wise manner (based on Uppsala model)</th>
<th>Inception driven (INV/BG View)</th>
<th>Resource oriented (RBV)</th>
<th>Network based (Network theory, includes Johanson &amp; Vahlne, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home market</strong></td>
<td>Domestic market developed first</td>
<td>Domestic market largely irrelevant (this study requires 75% export ratios)</td>
<td>The firm’s exploitation and development is key</td>
<td>Domestic market developed, but can quickly spread to international markets</td>
</tr>
<tr>
<td><strong>Prior internationalization experience</strong></td>
<td>None expected</td>
<td>Founder has extensive experience in relevant international markets</td>
<td>-</td>
<td>Leverages international experience from networks and contributes to firms capability to internationalize</td>
</tr>
<tr>
<td><strong>Extent of internationalization</strong></td>
<td>International markets developed serially</td>
<td>Many international markets developed at the same time</td>
<td>Dynamic and longitudinal</td>
<td>Enters international markets based on network relationships and their relationship with the markets</td>
</tr>
<tr>
<td><strong>Pace of internationalization</strong></td>
<td>Gradual</td>
<td>Rapid</td>
<td>Rapid</td>
<td>Rapid</td>
</tr>
<tr>
<td><strong>Psychic distance</strong></td>
<td>In order of psychic distance</td>
<td>Psychic distance normally irrelevant</td>
<td>Can be valuable in terms of foreign market acquisitions</td>
<td>Helps to overcome psychic distance</td>
</tr>
<tr>
<td><strong>Learning to internationalize</strong></td>
<td>At a pace governed by the ability to learn from (slowly) accumulated</td>
<td>Learning occurs more rapidly because of superior internationalization knowledge</td>
<td>Occurs overtime, learning and building on capabilities from previous market entry</td>
<td>Learning can be instantaneous, as knowledge is acquired through networks that already possess the international knowledge</td>
</tr>
<tr>
<td><strong>Use of information and communications technology</strong></td>
<td>Not central to internationalization</td>
<td>Key role as enabler of global market reach and learning</td>
<td>Knowledge seen as an important resource not only bound to the firm, and can be</td>
<td>Network relationships are useful for gaining information</td>
</tr>
</tbody>
</table>

Table 4: Internationalization attributes proposed for the sharecoms’ internationalization process
### Internationalization attributes

<table>
<thead>
<tr>
<th>Internationalization attributes</th>
<th>Step-wise manner (based on Uppsala model)</th>
<th>Inception driven (INV/BG View)</th>
<th>Resource oriented (RBV)</th>
<th>Network based (Network theory, includes Johanson &amp; Vahlne, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networks of business partners</td>
<td>Used in early stages of internationalization and gradually replaced with the firm’s own resources</td>
<td>Rapid development of global reach requires rapid, comprehensive network of partners</td>
<td>An intangible resource (social ties) that can be leveraged to overcome any knowledge gaps</td>
<td>The basis of this theory – they are used throughout this process, acting as intermediaries to expedite and expand access to foreign markets in an organized and coordinated fashion</td>
</tr>
<tr>
<td>Time to internationalize</td>
<td>Not crucial to firm success; slow</td>
<td>Crucial to firm success within a few years of inception (e.g., two years)</td>
<td>Important, as the less disadvantages are faced when internationalization occurs early</td>
<td>Can be instant, as network relationships can ‘chaperone’ consciously or unconsciously into internationalizing</td>
</tr>
</tbody>
</table>

#### 2.5 Theoretical model

From the review of existing literature conducted earlier under the theoretical framework, a theoretical model (Error! Reference source not found.) was conceptualized for application to the sharecoms being studied. The theoretical model is further aligned to this study’s research question, speaking to the internationalization process a sharecom faces when it embarks on going into a host country, as depicted by the arrow. This process, based on theory reviewed, shows that sharecoms internationalize in four ways: 1. Inception driven - internationalizing from inception, as per INVs approach, based on IET; 2. Step-wise manner – internationalizing based on the Uppsala model; 3. Resource oriented – internationalizing based on the RBV; 4. Network oriented – internationalizing by utilizing and leveraging their networks, as per network theory. With reference to the theoretical model (Figure 1), affecting this process are both internal and external challenges noted by the arrowed boxes.
The internal challenges are those challenges coming from within the firm, that can either assist or impede the internationalization process. This can be through a lack of or poor execution of the following: innovation; funding; leadership attributes: international experience, decision-making and attitude; knowledge; and by being put at risk: liabilities: liability of newness, smallness and foreignness. These challenges were based on the multidisciplinary theory approach that utilized IET, RBV and behavioral theory to inform the challenges, with a specific focus on INVs and service firms. INV and service firm literature was selected to guide the sharecom challenges as they shared similar characteristics (Porter, 1990; Huber, 1991; Oviatt & McDougall, 1994; Knight & Cavusgil, 2004; Oviatt & McDougall, 2005; Freeman & Cavusgil, 2007; Laanti et al., 2007; Fernhaber et al., 2008; Gabrielsson et al., 2008; Kiss & Danis, 2008; Perks & Hughes, 2008; Nielsen & Nielsen, 2011; Bardhi & Eckhardt, 2012; Menzies & Orr, 2013; Belk, 2014; Cusumano, 2015; Pedersen & Netter, 2015). On account of existing literature (as it is more established than sharing economy literature), the challenge of the business model, as raised by Pedersen and Netter (2015), is not included as an internal challenge.

The external challenges, on the other hand, are those challenges that exist outside the firm and either act as barriers that can obstruct or hinder the firm's internationalization process. They said challenges are: government and legal system; geographical distance; psychic distance and lastly, networks. Equally so, the external challenges are
based on our multidisciplinary approach, guided by challenges faced by the internationalizing firm, the Uppsala model and network theory (Johanson & Wiedersheim-Paul, 1975; Daniels, 1995; Hamil, 1997; Oviatt & McDougall, 2005; Mtigwe, 2006; Sousa & Bradley, 2006; Crick, 2007; Jansson, 2007a; Laanti et al., 2007; Svetlicic et al., 2007; Fernhaber et al., 2008; Kiss & Danis, 2008; Perks & Hughes, 2008; Menzies & Orr, 2013; Belk, 2014; Cusumano, 2015; Hartl et al., 2015).
3 Methodology

“Quality is never an accident. It is always the result of intelligent effort.” John Ruskin

This chapter lays out the methodological approach taken to conduct the study, ensuring that it was executed in a structured, strategic and ethical manner; and presented in an exhaustive way. The methodology is divided into five main sections: abductive approach, qualitative method, operationalization of theoretical model, research design and research quality.

3.1 Abductive approach

Alvesson and Sköldberg (2009) and Saunders et al. (2012) describe three research approaches that can guide a study: inductive, deductive or abductive. The inductive approach is where the researcher infers a theoretical explanation from data collected and analyzed. The theory is, therefore, an outcome of the research (Alvesson & Sköldberg, 2009; Bryman & Bell, 2011; Saunders et al., 2012). The deductive approach seeks to test a theory, to explain causal relationships between concepts and variables; it is rule-based and theory-driven. It disregards any explanation other than the general rule devised (Alvesson & Sköldberg, 2009; Saunders et al., 2012). Lastly, the abductive approach is considered more holistic than the other two approaches, having the characteristics of both the inductive and deductive approaches. Saunders et al. (2012) explain it as starting with an unexpected fact that is theorized and then explained from data collected and analyzed.

The disadvantage of using an inductive approach is its reliance on theorizing reality, and less on grounded conclusions. The deductive approach, in contrast, although less risky in its rigor, does not provide an understanding of underlying patterns and tendencies that may exist in a study. Hence, both the inductive and deductive approach would have prevented us from seeking practical solutions based in reality and depth, thereby limiting the extent to which we could answer to the research questions (Alvesson & Sköldberg, 2009; Bryman & Bell, 2011; Saunders et al., 2012).
The abductive approach, in contrast, provides both rigor and depth of understanding. Satisfying our research questions, it allowed our study to explore and analyze: ‘the challenges sharecoms face when internationalizing’; to describe: ‘what the challenges are that they face when internationalizing;’ and to understand, analyze and further describe how the challenges affect the sharecom’s internationalization process, in answer to both research questions (Alvesson & Sköldberg, 2009; Saunders et al., 2012). This approach is further suited to our study as we endeavored to conduct theory modification. Saunders et al. (2012) explain this is advantageous where one area is rich knowledge (internationalization theory) and the other is lacking (sharing economy theory). It is, therefore, for these reasons that the abductive approach was deemed most suitable for our study (Alvesson & Sköldberg, 2009; Saunders et al., 2012).

3.2 Qualitative method
Rather than contrast the strengths and weaknesses between the qualitative and quantitative methods of study, an argument of suitability is preferred to justify the selection of the qualitative method of study. In the first instance, the abductive approach is typically aligned with a qualitative method of study as it facilitates the depth of study required for such approach. Secondly, a qualitative method of analysis is suitable for conducting an exploratory, analytical and descriptive study as required by this study’s research questions (Alvesson & Sköldberg, 2009; Saunders et al., 2012). The qualitative method of analysis allowed for decoding the sharecoms’ social context, to better understand their challenges. It also enlightened both the researchers and the subjects to the challenges sharecoms face when internationalizing and how said challenges affect the internationalization process (Bryman & Bell, 2011; Saunders et al., 2012; Merriam & Tisdell, 2016).

The qualitative method was further selected due to its participatory nature, which the quantitative method does not have. It engenders trust and allows for depth in understanding, seeking to be as naturalistic as possible. In contrast, quantitative studies deal in precise and numerical findings, and less in depth of information. Therefore, for the type of study conducted: trust, depth of understanding and participation were a required necessity. By adopting a qualitative method, it facilitated engagement with our interviewees to gain a more comprehensive, richly descriptive
and holistic understanding of the sharecoms’ challenges; and of the way said challenges affect the internationalization process. This resulted in the presentation of a meaningful empirical contribution and raised unexplored insights (Bryman & Bell, 2011; Saunders et al., 2012; Merriam & Tisdell, 2016).

The qualitative methodology was also better suited to aid in theory modification. It allowed for the creation of a multidisciplinary theoretical framework that we were able to apply and empirically validate towards an answer for our research questions (Saunders et al., 2012; Merriam & Tisdell, 2016).

### 3.3 Operationalization of theoretical model

In facilitating this study's objective, it is important to be able to take the concepts that have been developed and turn them into tangible categories (Saunders et al., 2012). Ordinarily, operationalization is associated with deductive studies (Saunders et al., 2012), but as Alvesson and Sköldberg (2009) have argued, abductive studies have elements of deduction in approach. It is the operationalization's aim, therefore, to apply the theoretical model that has been developed based on the theoretical framework. It will, thus, be used as a guide in the field to gain the insights needed for the research objective to be achieved.

This requires implementing appropriate categories in the data collection instruments. This will be done through an operationalization definition, whereby the concepts designed will be assigned categorical indicator(s) that are coded to the interview guide. This will enable tracking and adjustments as necessary throughout the data collection process (more detail on the data collection process is provided in section 3.4 of the methodology). It will further illustrate the way in which the theory is connected to the concepts, and then how the findings will link to the theory (Bryman & Bell, 2011) and thus ensuring the research quality (see section 3.5) (Bryman & Bell, 2011; Saunders et al., 2012).
Table 5: Operationalization process and theoretical alignment

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Sub-concepts</th>
<th>Theory</th>
<th>Categories</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal challenges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td></td>
<td>IET and RBV</td>
<td>B – D and F</td>
<td>B7, C1, C3 and F</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td>IET and RBV</td>
<td>C and F</td>
<td>C2, C3 and F</td>
</tr>
<tr>
<td><strong>Leadership attributes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>International experience</em></td>
<td></td>
<td>IET and behavioural theory</td>
<td>C, D and F</td>
<td>C2, D1 - D3 and F</td>
</tr>
<tr>
<td><em>Decision-making</em></td>
<td></td>
<td>IET and behavioural theory</td>
<td>A - D and F</td>
<td>A7, B1, B2, C2, D4, D7 and F</td>
</tr>
<tr>
<td><em>Attitudes</em></td>
<td></td>
<td>IET and behavioural theory</td>
<td>A – D and F</td>
<td>A7, A9, A10, B1, B2, B4, B6, C2, D7 and F</td>
</tr>
<tr>
<td><strong>Knowledge</strong></td>
<td></td>
<td>IET and RBV</td>
<td>B – F</td>
<td>B2, C3, D1, D2, D3, E2 and F</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Liability of newness</em></td>
<td></td>
<td>IET</td>
<td>A, B and F</td>
<td>A5, A7, B2c, B3 and F</td>
</tr>
<tr>
<td><em>Liability of smallness</em></td>
<td></td>
<td>IET</td>
<td>A, B and F</td>
<td>A4, A7, B2c, B3 and F</td>
</tr>
<tr>
<td><em>Liability of foreignness</em></td>
<td></td>
<td>IET</td>
<td>B, E and F</td>
<td>B4, B5, E2 - E4, E7 and F</td>
</tr>
<tr>
<td><strong>External challenges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government and legal system</td>
<td></td>
<td></td>
<td>E and F</td>
<td>B2c, E1 – E5 – E7 and F</td>
</tr>
<tr>
<td>Geographic distance</td>
<td></td>
<td></td>
<td>A, D and F</td>
<td>A5, A6, A8, D4, D7 and F</td>
</tr>
<tr>
<td>Psychic distance</td>
<td></td>
<td>IET and Uppsala method</td>
<td>B, E and F</td>
<td>B2c, B3 – B5, E5, E6 and F</td>
</tr>
</tbody>
</table>
Table 5 above illustrates the main ‘concepts’ (first column) and ‘sub-concepts’ (second column) reflected in our theoretical model. It was developed as a consequence of the existing theoretical literature reviewed within the theoretical framework. The third column labeled ‘theory,’ shows the theoretical underpinnings supporting the theoretical model. To apply the theoretical model in the field the themes were distilled into a semi-structured interview guide as mentioned previously. For ease of cross-referencing and analysis of the findings, the interview guide was divided into six categories: A – F and the questions were asked in said order. These categories were then coded specifically to the theoretical model, as shown in the fourth column, labeled ‘categories.’ In the fifth column (labeled ‘questions’) it can be seen how the questions were then directly related to the concepts in the theoretical model.

Following from the preparation of the interview guide, interviews were arranged and the interview schedule can be seen in Appendix 9.1. The interviews were arranged to be either face-to-face or via Skype/FaceTime. The interviews were held from the 6th April to 18th April 2016, lasting between 30 minutes – 1 hour.

### 3.4 Research design

**Research strategy**

Case studies were used for this study; deemed suitable owing to their ability to offer an opportunity to obtain a comprehensive understanding of a case and furthermore to draw comparisons of multiple cases (Crewsell, 2013). The depth and extent of data that can be acquired from case studies is in line with the overall aim of this study,
which is to fill a gap in existing literature. The process of conducting case studies entails several steps (Creswell; 2013, Kvale, 2013), which Creswell (2013) further describes as data collection activities; comprising interrelated activities that seek to satisfy research questions by gathering useful information.

Locating of site/individual is the preliminary activity to take place in the process, and for the purposes of this study, a ‘multiple individuals’ selection method was used in order to form a collective case study (Creswell, 2013). Participants were found through Internet sourcing; including search engines and sharecom directories such as AngelList, and access to the sharecoms was gained through making initial contact via a combination of email, and social media platforms LinkedIn and Twitter (see Appendix 9.8 for sample sharecom contact list). A purposeful sampling strategy was implemented, whereby participants were selected based on their ability to purposefully inform an understanding of the research problem (Creswell, 2013), with the goal of yielding relevant and plentiful data (Yin, 2011).

In terms of case selection, a combination approach was adopted (Creswell, 2013), whereby a typical (criterion), diverse and extreme case selection was adopted (Seawright & Gerring, 2008). The typical or criterion case selection was the main factor of selection, whereby only companies possessing the fundamental characteristics of a sharecom (as defined within this study) were considered. A diverse case selection that ensured maximum variation was also applied (Seawright & Gerring, 2008), by including diversity in aspects such as age, size, business model and operating sector of the sharecom (see Appendix 9.2). It was deemed appropriate for the purposes of this study to take such an approach, in order to avoid bias (Yin, 2011) and provide a broader and more encompassing perspective (Creswell, 2013). From the selected case companies, a specific ‘interviewee selection criteria’ was applied, which included only high-level personnel such as founders, CEOs and Heads of Business Development (or similar). The reason for this was that it was believed that only these people would possess the level of knowledge required to answer questions (Yin, 2011; Creswell, 2013) about the internationalization of the sharecom, and more specifically the challenges faced and the affects they have on the internationalization process. Lastly, an extreme case selection was employed, by specifically selecting two non-internationalized sharecoms to be a part of our study. This was done to
maximize the variations that could be found in the study thereby both supporting the exploratory nature of the study, but also providing confirmation of the theoretical model in full or in part (Seawright & Gerring, 2008).

Sample size is somewhat subjective; although a common thought is that a larger number is more useful (Yin, 2011; Kvale, 2013; Boeije, 2014). Yin (2011) suggests that while there is no rule when it comes to the number of study units selected, a larger number can result in greater confidence in the findings. However, Creswell (2013) states a more modest amount, pointing out that four or five cases are deemed sufficient to identify themes of cases and perform cross-case analysis. For the purposes of this study, a total of six case companies were deemed to be a sufficient number to generate the required amount of data.

**Data collection**

Interviews were chosen as the instrument with which to conduct the primary research because they provide the opportunity to obtain qualitative knowledge (Kvale, 2013), which is required in order to meet the aim of the study. A step-wise process was also followed (Kvale & Brinkmann, 2009; Yin, 2011; Rubin & Rubin, 2012; Creswell, 2013; Kvale, 2013), in order to achieve the best results and thus produce a successful interview (Kvale, 2013).

The majority of the interviews conducted were done so via Skype/FaceTime, an approach that holds the benefit of cost and time efficiency, as well as an innovative appeal that can attract the reader (Crewsell, 2013), in addition to one face-to-face interview. The interviews were semi-structured and a protocol in the form of an interview guide was developed and implemented to help ‘guide’ the course of the interviews as mentioned earlier (Kvale & Brinkmann, 2009; Yin, 2011; Creswell, 2013; Kvale, 2013, Boeije, 2014). Notes were taken during the interviews, which are considered a necessity in order to accurately record information (Creswell, 2013). Audio recordings were also taken, upon consent of the participants, and these were later transcribed. All data was stored in a spreadsheet format and coded according to the operationalization of the study (Section 3.3).
Interview questions were carefully constructed, in relation to the conceptual framework and both closed and open-ended questions were used, depending on the type of information each question sought to obtain. Closed-ended questions allowed for the collection of precise and specific data and open-ended questions enabled us to focus on the topic of research, and further allowed the interviewee to expand on certain themes and divulge a greater depth of information, gently lead by the interviewer (Kvale, 2013; Boeije, 2014). Interview questions included both thematic and dynamic dimensions: thematically (‘what’) pertaining to the production of knowledge and dynamically (‘how’), concerning the interpersonal relationships in the interview (Kvale, 2013). These dimensions acted as a benchmark, in testing the suitability of a question.

**Method of analysis**

Analysis is considered as the processing of data to present a response to the research question(s) of a study (Boeije, 2014), and for the purposes of this study, qualitative content analysis methods were adopted. After all the data had been gathered, it was organized and sorted into themes through the use of coding (Creswell, 2013, Kvale, 2013; Boeije, 2014).

There are numerous analytic strategies, which can be implemented, such as reducing codes to themes (Huberman & Miles, 1994; Wolcott, 1994; Madison, 2005), relating categories to analytic framework in literature (Wolcott, 1994), counting frequency of codes (Huberman & Miles, 1994) and displaying the data i.e. through tables, diagrams and pictures (Wolcott, 1994; Madison, 2005) and comparing and contrasting (Huberman & Miles, 1994). As this study involved multiple cases, detailed descriptions of each case were firstly provided, known as ‘within-case analysis.’ A ‘cross-case analysis’ was then given, encompassing all the case companies (Creswell, 2013). The analysis addressed specific themes and the frequency of such themes, which were then correlated and compared (Kvale, 2013).

### 3.5 Research quality

Trust and ethics are critical to any research process. They ensure that the researchers’ findings are accepted as conclusive and true. Researchers must ensure this by making sure that their study (data collection, analysis and findings) can uphold to rigorous
standings. That is, that the research is valid (constructed, internal and external) and reliable. However, this has been mostly appropriate for quantitative studies. As such, qualitative researchers have been debating the correct methods of measuring research quality for qualitative studies. Unfortunately, consensus has still not been reached, but as Merriam and Tisdell (2016) point out, research is ongoing, and cannot wait for a consensus. They propose a generic method adjusted for qualitative studies. It is one that captures the spirit of trustworthiness and ethics, which is the essence of what our research quality aims to achieve. For this reason, it is found suitable to be adopted for this study, as laid out in the sections that follow (Saunders et al., 2012; Merriam & Tisdell, 2016).

3.5.1 Credibility (Internal validity)
As reality is not able to be accurately measured and is always filtered, the best way to measure and ensure that the research is giving the best representation of reality is through being credible and without being subjective (bias). The entire research process needs to be transparent so that, when presented, it can be accepted as true. In qualitative research, the researcher cannot remove him/herself from the process, but by being cognizant of any influences (bias and reactivity) and making them known, the research can be deemed credible (Yin, 2011; Maxwell, 2013; Merriam & Tisdell, 2016).

In this study credibility was ensured through triangulation methods, as much as possible, by validating the information gained in the interviews with documentation gained from case companies, by verifying it on the case companies' websites and also from media blogs/articles. To reduce reactivity in our interviews, we ensured that our interview guide had a mix of open and closed-ended questions. We avoided leading questions taking care not to lead the respondent to our desired results. In terms of subjectivity in the analysis of our results: findings were discussed between the two thesis partners and as many quotations as possible were included in the findings (Maxwell, 2013; Merriam & Tisdell, 2016).

3.5.2 Consistency (Reliability)
The social world which qualitative researchers study is highly contextual, always in flux and changing. It is also multifaceted and therefore it is unrealistic to expect that human behavior can be isolated, or that the findings of researchers can be exactly
replicated or repeated. Instead, what qualitative researchers can do is ensure that their studies are conducted and reported in a consistent publicly accessible manner, whereby their findings can be corroborated with the data presented. If this is done, it is considered consistent and dependable (Yin, 2011; Merriam & Tisdell, 2016).

For this study, reliability was ensured by being methodical: an audit trail can be conducted to validate the reliability; a research journal was kept to monitor the data collection process, and recordings of the interviews were made with the interviewees permission. As such the interviews can be cross-checked by peers or investigators with our findings as being reliably presented (Merriam & Tisdell, 2016).

3.5.3 Transferability (External validity)

When research is conducted it is typically expected to be of use for others as well as to be used in other situations, for others to test or build on. For the qualitative study, this means transferability; executing the research study in such a way that it can be utilized and applied by another researcher. In this case, the burden of application lies with the researcher, who is in a better position to know if the research can be applied to their given situation. The investigating researcher simply needs to ensure transparency and depth of information in the way the study was carried out in their study. Through these means it will ensure transferability (Saunders et al., 2012; Merriam & Tisdell, 2016).

This study ensured transferability by providing highly detailed descriptions of the study’s data collection methods: case participation invitations (Appendices 9.5 & 9.6), additional information introduction (Appendices 9.6 & 9.7); sample of sharecoms contact (Appendix 9.8) and interview guide (Appendix 9.3); the case companies engaged (Appendicies 9.1 & 9.2); and the findings (making use of quotations from the interviews validated against the interview recordings). In addition, in as far as possible this study aimed for diversity in case selection candidates, choosing cases from varied service backgrounds (co-work space, house rentals, story sharing, house sharing and clothing swop/sharing); being at different stages of the internationalization process (internationalized and not internationalized); and being from different countries (Sweden, England, Denmark and the US); and from different continents (Europe and North America) (Mirriam & Tisdell, 2016).
4 Research Findings

“The beginning of knowledge is the discovery of something we do not understand.” – Franklin Patrick Herbert, Jr

In this section the study presents the results of the sharing economy case organizations interviewed. Six were interviewed: Hoffice, HouseTrip, CoAbode, Movellas, Closay and SwopShop, of which the first four are internationalized and the latter two are non-internationalized organizations. The results of the findings are presented in accordance with the theoretical model developed; first starting with the internal challenges, then proceeding with the external challenges, and closing with the findings for the internationalization process in general.

4.1 Hoffice

Hoffice is a non-profit organization that was established in 2013 in Stockholm, Sweden by two friends (Christofer Gradin Franzen and Johline Lindholm). It is currently being run between Christofer Gradin Franzen and Andreas Wolfe. They first internationalized in 2014, with the first international Hoffice being set-up in Copenhagen, Denmark. They are located across several countries in North America, South America, Europe, Asia, the Middle East and Australia. Hoffice’s business concept is based on the collaborative sharing of office space (co-work space). However, what distinguishes Hoffice is its philosophical underpinnings and the fact that the co-work space operates out of the homes of private individuals to create a network. Hoffice's philosophy lies in its work structure, of structured work times and 'fun' breaks (play, interact, relax, eat, etc) between. Hoffice operates through a Facebook platform, with support from the Hoffice website (which provides supporting material on the Hoffice methodology). Hoffice does not charge any fees for joining or opening a Hoffice, to charge any fees would invalidate it as a Hoffice. The interview with Hoffice was conducted with Christofer Gradin Franzen, co-founder.
4.1.1 Internal challenges

4.1.1.1 Innovation
From a personal perspective, Hoffice's co-founder rates himself as being highly innovative (9 out of 10) and this was evidenced by his other interests, including another entrepreneurial start-up company - Cohero. As for Hoffice, however, he does not consider innovation to be core to why the organization internationalized, although as a concept it is innovative. The idea behind Hoffice he says is “obvious,” because from his viewpoint it is “in some ways not really innovative, just taking bits and pieces that are already out there and putting it together.” He speaks as part of a counter culture that values collective intelligence (which is his expertise), which is not supported by normative organizations, although people are critical of such organizational methods, their methods are not changed. Hoffice was a natural evolution from this culture, thus not seeming so innovative when it exists as one of the several ideas in a larger pool of ideas – as there is a lot happening in the field of collaborative consumption. Hoffice has also evolved without seeking any opportunities or support that Sweden offers in terms of innovation.

4.1.1.2 Funding
Hoffice started without any external funding as it was not required, owing to the platform they operate with. Facebook is used to setup, organize and connect with people within the network. Initially, when they started they did have offers made to them from the likes of venture capitalists, but they turned these down. The co-founder admits it was tempting at first, but he is pleased with his restraint, and that he allowed Hoffice to develop and evolve naturally to what it is now. Notwithstanding that they are currently looking into the development of a different platform for Hoffice to use. The project is being led by a student in collaboration with Hoffice, who are now seeking finance from crowdfunding. If successful the ownership of the platform would not matter to the founder, that is, if it is owned by the student, open sourced or by Hoffice. For him what matters is that “it supports the philosophy.”

4.1.1.3 Leadership attributes
Hoffice is not a traditional organization and therefore does not have a management team of such. However, two of the three currently in charge of running the day to day administration, (including the co-founder), have a mix of work, study and living
international experience. The co-founder, (for instance), is Swedish, wrote his Master's thesis in Gambia, lived in the USA for a year, spent time in Sri Lanka and Denmark as well as worked in Ireland. His other colleague, from Germany, studied and is currently living in Denmark. Having international experience is valued by him, as he believes it makes it “easier to understand social contexts,” and as such he can “understand why people will be a little less comfortable with inviting strangers” into their homes to operate as a Hoffice. He has a global outlook, he says, when he thinks of what he wants to do “it entails the world, want to help as many people as possible;” and as such having international experience makes it “easier to empathize with the whole world,” and to have a different outlook and perspective on the world.

In terms of decision-making, the internationalization of Hoffice resulted from a conversation between the co-founder and a Danish woman he met at an event. As such it was not a strategic decision to internationalize, and further internationalization is not a core part of Hoffice’s philosophy. As the co-founder says “if it happens, it happens.” Hence, internationalization has not occurred in a structured way: no approval or selection process involved. This is in line with the attitude to let Hoffice evolve naturally since establishment. For instance, Hoffices tend to open after the co-founder attends networking events or through press releases and he does not control them in any way. The only bit of control is shown when/if a Hoffice, is in breach of the Hoffice way, that is it can no longer be categorized as a Hoffice i.e. making a profit, then they are removed from the Hoffice map.

As for Hoffice’s attitude towards internationalization, as already mentioned it was not their ambition when they first established, hence rating it 2 out of 10. He says “it was like a pull process,” whereby they didn't have to do anything. However, they are not opposed to internationalizing and like the idea of being able to work anywhere with their structure in place. His philosophy can be seen to be aligned with his attitude towards internationalization. He considers himself what he calls a “free market optimist,” but does not believe in capitalism or “in passive income of any kind”, as it is part of an “outdated model.” Society, he thinks, can find a more efficient way of forming value and being organized. Hoffice is the first step in people forming “networks to support each other.” His attitude, therefore, comes across as very organic and evolutionary; he believes in open sourcing and likes experimenting; and
spreading his philosophy. On account of the way Hoffice is set-up, the co-founder's vision for the organization can differ to those that join, as they join for different reasons. For instance, whilst internationalization is not as important or on the agenda for the co-founder, for one of his administers that is very active, he explained that it is on the agenda. Said administrator, is planning a retreat for 2016, and Hoffice internationalizing is part of the expected discussion topics.

4.1.1.4 Knowledge
The cofounder has expertise on collective intelligence, which in part inspired the Hoffice idea. He also has previous business knowledge as he has another company which operates for profit. His own personal philosophy and style of working influenced the establishment of Hoffice and his vision for the organization. His knowledge base is also made up of feedback received from networking events, communicating with his Hoffice network, attending Hoffice retreats, and also prior international experience.

4.1.1.5 Liabilities
In terms of liability of newness, Hoffice is a relatively young start-up (approximately 2-3 years old), and as yet they have not faced any issues being a new organization in operation. For liability of smallness, however, with only three employees and not being a traditional organization or firm, they have faced problems with limited resources. This has been the case where they want to build a single platform for Hoffice and move away from using Facebook, as it is not an optimal platform for them. He says it is “more difficult” to build the platform “when you don't have an organization.” Their size has also had an impact in some ways, such as not being able to address issues foreign Hoffices might face when they open and then fail to succeed. In some cases, this has been attributed to safety and insurance issues, but in others, he thinks it is the facilitation skills of the host. Where a Hoffice has failed, generally the feedback has been that the host was not a good facilitator. With limited resources, he cannot go to each Hoffice and help them set up, like he did in Denmark. However, he is looking into how best to offer facilitation training. The advantage of being small, however, is that it is open source. As an open source it “makes it easier to spread.” It is simple and easy to set-up and they at Hoffice do not have to find people, “people find Hoffice.”

Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
Liability of foreignness is experienced to some extent, in terms of culture differences. The business model was developed on trust, hence, it is aligned to "the degree to which people trust" in their society. In Sweden, it started with friends of friends (and so on) participating. However, in some countries, it has not translated as well or been well received. For instance, in India, the model has not been as successful because of safety concerns, while in Japan it has struggled with participation rates, and in the UK where it was expected to be successful, it has not been, and this is thought to be because people are not as comfortable with strangers in their homes. No government discrimination has been encountered, however, nor any exchange risks, as Hoffice works through an online platform.

4.1.2 External challenges

4.1.2.1 Government & legal system

Government interaction has been rather limited for Hoffice to date, although what interaction has occurred has been of a positive nature. Hoffice has collaborated with the Swedish government, after being approached to “do some events at the government offices”. In addition, they have been approached by the Swedish ambassador in Romania and invited to speak at an event in the capital, as a “representative of modern, urban, Swedish culture and social entrepreneurs”. Other than this, the Hoffice co-founder explained that he had not heard of any government or legal issues from any of the Hoffice administrators in any of the countries where they operate.

4.1.2.2 Geographical distance

The first country Hoffice moved into was Denmark: a neighboring country with a short geographical distance. The decision came about after a Danish woman, who was impressed with the concept, approached the co-founder at a networking event in Copenhagen. From there, the majority of Hoffices have emerged in other neighboring or nearby Northern European countries, as well as spreading out further within Europe. Owing to such close proximities, Hoffice has been able to quickly gain a wide coverage in Europe. The geographical spread of Hoffice also relates to events and media coverage, “normally when I go to a place and talk about Hoffice, they start a hoffice”. This type of promotion for the organization has mainly been within Europe, as due to geographical distances, the concept is able to spread quickly, “for a
time now there has been a lot of articles in Dutch and then you see Dutch groups popping up”.

Further afield, Hoffices have been successfully set up in Canada, North America, Australia and New Zealand. In addition, hoffices have started in countries such as India, Sri Lanka, and Japan (though these have not really taken off). While it is apparent that hoffices with a smaller geographical distance have flourished the most, Hoffice does not have a strategy for internationalizing. Approval of new Hoffices is given to any country, as long as they run in keeping with the Hof office concept and do not operate for profit.

4.1.2.3 Psychic distance
The psychic distance was smaller among other European countries and this is likely due to similarities in culture and levels of trust, thus leading to successful establishment. In contrast, countries with greater psychic distance are more prone to issues and therefore not taking off. The way in which hoffices evolve is considered a contributing factor, “networks develop among friends and friends of friends”, centering on trust, such as those that started in Stockholm. However in countries with low trust levels such as India, safety concerns arose, as people were effectively “opening their homes to strangers”. The co-founder further informed that there were some issues in Japan, which prevented the concept flourishing, and these were thought to be culture-related. However, due to communication barriers between the Toyko hoffice administrator and Hoffice headquarters, it was unclear as to what exactly the problems were.

4.1.2.4 Networks
Hoffice is a natural networking entity and as such its networks are deemed to be highly important in terms of internationalizing, with the CEO clearly stating, “Networks are everything to Hoffice”. The main actor within Hoffice’s network is the user; considered to be the driving force behind its internationalizing activities. The co-founder explained that it is often the Hoffice administrators who “push the concept forward” and “without them it would be impossible to internationalize”. Another key part of its network is the media, whose press coverage often leads to the emergence of new Hoffices around the world. In its home country of Sweden, there are “quite many networking events”, which Hoffice attend and this has proven advantageous in that
“after speaking at an event, a new hoffice will pop up in that area”. This has also been the case in countries other than Sweden.

4.1.3 Internationalization process
Hoffice internationalized within a year of establishment. The internationalization was not a part of the company's vision or mission statement, nor was it the ambition of the co-founders. The internationalization process was sparked at a networking event through a discussion with a sharing economy colleague, who showed an interest in Hoffice. The subsequent spread of Hoffice internationally, occurred through the co-founder attending other networking events to spread the word on Hoffice and his philosophy for Hoffice, as well as through interviews that have been published. Through these engagements and interviews, Hoffices have spread globally. It is very easy for Hoffices to begin, as it is not restricted by resources. The Hoffice philosophy is open source (instruction material and information provided on the website) so anyone can start their own Hoffice, in any country via Facebook. Further, he encourages people to take ownership and experiment with Hoffice and the method.

4.2 HouseTrip
HouseTrip is a for-profit organization that was established in 2010, in Lausanne, Switzerland between partners Arnaud Bertrand and Junjun Chen. They first internationalized a year or so later to London, England, which later became their headquarters. They have offices in Lausanne, Lisbon, and London. HouseTrip’s business concept facilitates the holiday rental of private homeowners' houses to holiday seekers (guests) on a safe and secure platform. Both the homeowners and the guests are therefore HouseTrip’s customers. HouseTrip provides approximately 300,000 properties from around the world, online for guests to choose from. HouseTrip makes its revenue through service fee charges. The interview with HouseTrip was conducted with Rumyana Miteva, Head of performance marketing, London Office.

4.2.1 Internal challenges

4.2.1.1 Innovation
Innovation was seen as important to HouseTrip’s success in internationalizing. It was explained that “every aspect of being able to innovate helps in being more competitive,” and furthermore to “enter a market more efficiently” and that “thanks to innovation” they are able to offer a better service. Innovation is also rated as
important to HouseTrip, as part of their identity is seeing themselves as a “tech business.” Being in England is also advantageous for HouseTrip for this reason, as they have found it to be very ‘tech’ friendly. From England they are also better able to recruit the talent they need to remain innovative. Hence, to remain innovative is to also be efficient, and they do this by keeping abreast of the latest tech trends, especially in digital marketing, which changes frequently (e.g. new channels), as well as assessing and reassessing the latest developments. Through this, they are able to apply and use the best technologies, tools and approaches to ensure a “great experience for the end users.” She personally rated herself as being equally innovative, with an 8 out of 10, and spoke of her colleagues in the marketing team in the same light, as they all strive for this in their daily work lives.

4.2.1.2 Funding
HouseTrip started with external funding, whereby the co-founders were able to raise funding from Angel investors. Internationalization was therefore naturally a part of the agreement, with Miteva explaining that what most investors want to see is growth in their investment. The best way to achieve such growth was to internationalize, but also their service offering depended on them internationalizing. They would not have been able to offer their users such a range of destinations without growing and being international. Without funding, they would have had limited resources and marketing spending. This she says "would have limited our reach and certainly our prospects as well, in terms of how many markets we can go into at a time." It would therefore probably have restricted HouseTrip to operating in a single market, as opposed to multiple markets. For her, therefore, "having financial resources means…[being able to] do more things at the same time."

4.2.1.3 Leadership attributes
The management team of HouseTrip has varied international experience, either from working in different countries and/or with global brands or studying abroad, as some are graduates from either the US, UK or Germany – a “very international team.” They also have the added advantage of being a multilingual team. Miteva believes international experience allows HouseTrip to have a global mindset, as well as being culturally aware and sensitive. Furthermore, being multilingual in nature, allows them to do business with their partners or users in their native language. Therefore, by HouseTrip having a broad spectrum of international experience, she
finds that being exposed to the differences in country and culture “your approach becomes more sensitive towards internationalization”, which then carries over into everyday work to the benefit of the whole business.

For decision-making, HouseTrip internationalized for strategic reasons: to enter a market that provided them with the technology they needed, marketing resources, talent acquisition and the ease of scaling their company up. The decision to internationalize was thereby driven by the founders (who built the business), as well as the investors influence for the need for growth and the service offering. London, Miteva says was chosen by the founders a couple of months after establishment because they saw it as “a tech city...it's easier to find available resources to scale up the business, to build it, and mainly hire talent.” The decision to go into subsequent markets, has been driven by extensive market research (following trends and monitoring users search criteria on search engines) and test campaigns are executed before establishing fully in a new market.

HouseTrip’s attitude towards internationalizing is very positive and data-driven, rating the importance of internationalization very highly (9 out of 10). They see entering markets as the perfect opportunity to get information on users, “it makes you...richer as a company” she says. Their outlook towards internationalization is also positive because they see it as a means to grow their service further: to minimize risks, to remain innovative and competitive in the marketplace. However, it is also seen as a rewarding challenge of “keeping users happy in the same way.”

4.2.1.4 Knowledge

HouseTrip has a lot of (internal) international experience that translates into cultural experience, in addition to prior work experience. Knowledge is also exchanged during visits, between employees to different offices, as well as through conference calls. The monthly conference calls (between the London and Lisbon offices) are used to "share how each part of the business is doing." Also, a good knowledge source is their networks, where they have been valuable in terms of collaborating. For knowledge on their markets, they keep current on technology developments and conduct market research regarding their customers and their search habits, to get a sense of their interests. This then informs market entry choices and allows them to
remain ahead of competitors. They also keep up to date on legal and political issues through their in-house legal advisor.

4.2.1.5 Liabilities

HouseTrip internationalized within a year of establishment, and had not experienced any issues associated with being a new organization going abroad, that is liability of newness. They were not concerned for instance with any government or legal issues being a new organization, as they were less well known. Hence now they “are on the radar of governments...and have to deal with a lot more legal stuff.” The same is reflected for liability of smallness; when they were a much smaller organization they did not face government or legal issues. It is now that they are bigger "and the brand becomes more popular” that they are facing government and legal issues. Resourcing was not much of a problem when they were smaller either, as they had external funding and entered the UK market to be properly resourced.

They have faced a liability of foreignness in contrast to a lesser extent. The holiday rental industry faces discrimination on a whole - which they are a part of – from traditional hoteliers. “A lot of unhappy hotel chains,” she describes that object to them as part of what is seen as a “new and destructive” industry. They also to some extent face government opposition/questions regarding their business. In dealing with this, they keep informed through their legal advisor, and also by making the lobbyists involved aware of HouseTrip’s business and that they are doing more good than harm. In terms of language, this could have been a problem, but they have ensured that they have their website translated into six different languages. Also, they use English as their business language, but as their office has a number of foreign language speakers, they generally can communicate to partners in their own language.

4.2.2 External challenges

4.2.2.1 Government & legal system

During the interview, the head of performance marketing reflected upon the change in HouseTrip’s involvement with the government and legal systems of the countries in which they operate. She commented that when they were smaller and not so well known such issues did not affect them, but as they have grown so has the level and extent of their dealings. HouseTrip is currently “lobbying for the holiday rental
market”, as it comes under objection from the governments of several countries, who see them as part of a ‘new and destructive’ industry. Many places (i.e. Catalonia, Berlin, New York City) are trying to ban such ‘disruptors’ to the traditional holiday industry.

HouseTrip manages their relationship with the relevant governments by being “as informative and open as possible”, explaining what they are doing and the benefits of such services in an attempt to influence decision-making where they can. The industry is not yet established; still growing and changing and “changes in regulations can be sudden and unexpected”. To ensure that HouseTrip keeps abreast of such issues, a full-time, in-house legal advisor monitors all government and legal issues. It is also crucial to be aware of industry activities, as there are “a lot of unhappy hotel chains that will jump at us” and this situation is considered by the sharecom as “kind of inevitable”.

4.2.2.2 Geographical distance

After initially setting up in Switzerland, HouseTrip soon moved its base to the UK, a relatively close country in terms of geographical location and a more established market to position the company in. From there HouseTrip was able to spread out within Europe, operating mainly within the UK, France, Germany, Italy, and Spain, which are close in proximities. After establishing within the key European markets, the company now operates globally. In terms of selection criteria, HouseTrip “follow trends in travel destinations”, as well as respond to supply and demand (i.e. mostly sunny places). With “demand for warmer climates”, a greater geographical spread has emerged, as “Europe can only provide such weather in the summer months”.

4.2.2.3 Psychic distance

HouseTrip does not consider culture as a major challenge when internationalizing, although they still need to be aware of this factor and take it into consideration. It is important to understand the norms and values pertaining to a certain country, as these cultural variances are key to successful internationalization. For example “in the UK people have a preference for ‘package’ holidays” and in Spain people are still hesitant about the style of accommodation HouseTrip offer, whereby “people still prefer to stay in hotels”. This is valuable information for HouseTrip and something
they use to help better target those markets accordingly. Although “branding stays the same for all markets”, campaigns can be adapted to suit different cultures/subcultures and countries, for example; will use iconic Parisian images such as the Effiel Tower on the landing page, to target non-French guest, and different aspects of the capital/country such as food markets when targeting French guests. “Language is the most demanding part of internationalization” and the biggest challenge relates to the website content that “must be translated into the right language” and adapted to make it understandable to the market. The website is currently available in six languages and “all other markets are targeted using English”, which is “the official language of business”. The head of performance marketing informs that this helps to reduce problems, although “staff are multi-lingual”, and therefore “dealing with hosts and guests in different countries is easier”.

4.2.2.4 Networks
HouseTrip’s network consists of investors and other start-up companies, who are considered to play quite an important role in the company’s internationalization. Miteva stated that both these network actors are beneficial in “giving advice and recommendations”, as well as “sharing ideas and information”, making the internationalization process easier. However, she further commented that the company is “not completely dependent on its networks” and “could still internationalize without them”. Despite the level of interaction HouseTrip has with the governments in various countries; they do not consider them as part of their network because they do not offer advice, as the other network actors do. However, based on the degree to which the company actively engages with the governments and the issues that they are dealing with, it can be argued that they are indeed a key actor within their business network.

4.2.3 Internationalization process
HouseTrip was established in 2009 in Switzerland and first internationalized in 2010, by entering the UK market. In that time the business relocated head offices to London seeking better resources: human, finance and technology (innovation). They required talent in marketing and programming to market the service and build the platform. London was seen as a city having access to these resources to aid HouseTrip being able to grow and reach other markets. When they started they received funding and as part of that agreement it was required that they achieved growth, which meant they
needed to cater not just for one single market but multiple markets. Their business model and service offering was suited to this: "make the booking of a holiday rental as easy as it is to book a hotel room", this is done via an online platform, matching holiday renters from around the world to a host that has a spare home to rent out in its entirety for a period of time. When entering new markets they choose based on suitability, depending on prior market research conducted (trends and user search criteria) and by testing markets before full expansion. Hence, their business is very supply and demand driven.

4.3 CoAbode

CoAbode is a for-profit organization based in Santa Monica, California (USA), established in 2002. However, it was initially a non-profit organization, changing status in 2015. It first internationalizing between 2006 and 2007 to Canada, the only other country it is located in outside of the US. CoAbode’s business concept lies in the facilitation of house sharing services for single mothers. This service is offered through its online platform that provides a matching algorithm, assisting single mothers to find ideal housemate candidates. The website also provides a community support element. Currently, CoAbode gains revenue through advertising on their website but has other plans to expand revenue stream. The interview was conducted with Carmel Sullivan, founder and CEO.

4.3.1 Internal challenges

4.3.1.1 Innovation

The founder finds herself liking the idea of companies like hers: start-ups, being disrupters in the marketplace. She likes being able to question the traditional way of doing things, and being able to create new ways of doing them, instead of sticking to what is typically seen as "set in stone." In CoAbode’s case they are not new, and have been called a "pioneer in this area" in previous publications, as they started almost in 2002, she stated they were "one of the first." Despite this, however, their service remains very unique. Her competitors are not many, and do not have the exact service offering, the closest she says is a service for "senior citizens and it's really just a directory." Therefore, not offering the matching services she offers to her single
From a personal perspective, she also considers herself innovative (8 out of 10) and evidences this against the fact that she has co-founded two other businesses before, as well as the fact that CoAbode started when no one was doing it. It is her unique service offering that draws her customers and the fact that it is simple and straightforward to use, also giving the users a lot of autonomy once the matching is done. This can be attributed to why, Canadian users could easily begin using the service, and therefore starting CoAbode’s internationalization process. As an innovative product, she, therefore, sees it being able to attract users, even for different demographics. In the past, she has had offers for her service: franchising in Australia, her software in South Africa for pregnant girls, and for use for single dads (Sullivan, 2016).

4.3.1.2 Funding
CoAbode is a recently turned for profit organization, and as such when they started they were not actively looking for external funding. However, they did start with funding, in the form of a donation made by a family member. This aided in them hiring developers to build their website. Sullivan explained that funding was not necessary to enter Canada, but needs it to go into other markets such as the UK. Hence, she is currently looking for external funding to assist her expansion plans, including executing an acceptable monetizing model for her service. She currently does not like using advertisements on the website and is considering an alternative approach. She does find that her location in Santa Monica has a lot of support for tech companies, and she attends these events as they have investors in attendance. In addition, she has also sought funding from her entry in the Richard Branson's Virgin start-up competition (Sullivan, 2016).

4.3.1.3 Leadership attributes
The management team at CoAbode, in general, does not have a wealth of international experience, but the founder herself is very international. Her background consists of being "born in Ireland, raised in Australia" and going to the
US in "her early twenties." Her international experience she believes has given her a global mindset, and made her fearless to internationalizing- she says "the thing is it doesn't scare me." Although the rest of her team lacks international experience, the Chief of Marketing, for instance, has vast experience with working with international markets mainly the Chinese market.

Regarding CoAbode’s **decision-making** in internationalizing, it was not a conscious effort on their part to enter Canada. Rather, it was based on Canadian customers’ accessing the service using a US zip code. Based on the customers obvious need for their service, they then decided to cater to Canadian customers, as the demand grew. With the economic downturn, their service also became more needed, "besides Canada, we get requests all over the world," from single mothers. The increasing demand contributed to them turning into a for-profit organization so that they could expand the business to manage the demand. They are also therefore now looking at expanding to other countries, because of previous interest in their service, but also because it can be easily transferred. The decision is to go into the UK first and other English language countries. Before entering a market she explained that a lot of research will be needed to understand the market and the users in the market; to understand “where are they hurting.” She explained this with a mock example of entering Australia, where she thinks it “would be an awesome service for Australia, but the government provides so much assistance unlike in the United States, where maybe it wouldn't be as needed financially,” but perhaps instead the service would be needed for emotional support.

The founder’s current **attitude** is very pro-internationalization (8 out of 10). Her management team has also been supportive of CoAbode’s internationalization process. The founder "thinks globally, it's just sort of automatic" she says and in any case the business model can be adapted for different demographics, it is very viable: single dads, pregnant teens, students or the elderly - it has a lot of possibilities. She is also currently seeking funding and has entered the Virgin Start-up competition in the hopes to enter the UK market and then other English speaking markets. Her attitude towards internationalization is, therefore, one that sees there is "no reason not to go global." This is despite not internationalizing quickly in the 14 years since establishment. It does not speak to a negative attitude towards internationalization, but
rather limited resources, being a non-profit and not having internationalizing as part of the main agenda.

4.3.1.4 Knowledge

CoAbode’s knowledge base is varied: the founder has prior experience as a single mother herself and her needs influenced the creation of the company. She also has previous experience owning two other businesses prior and therefore has experience in both the for-profit and non-profit sector. CoAbode’s Chief of Marketing also comes with extensive senior management knowledge. Furthermore, Sullivan gains information when she attends start-up networking events and communicates with them. In terms of acquiring knowledge when entering a market, she explains that she needs to do a lot of research before she can set up in another country. Setting up in Canada was easy because of cultural similarities, but in other countries, this may differ.

4.3.1.5 Liabilities

When CoAbode entered the Canadian market they did not face any liability of newness issues, as they were not new when they entered. Also, the market was similar to the US market. Further, they were as small (6-7 employees) then as they are now, so have operated without much notice. Hence, a liability of smallness, in that case, was an advantage, but resources is a disadvantage that they currently face. Since establishment she has not paid herself a salary, in addition because previously they were a non-profit organization, they had to pace themselves in expanding. She recalls that she "shied away from expanding or doing anything that would make [her grow] that exponentially like [she] has in the United States, simply because: will I be able to manage it?" If they expanded too quickly, with limited resources they may not be able to meet their customer needs.

CoAbode has not faced any liability of foreignness when entering Canada. No government or legal issues/discriminations, because they are currently too small and do not have a traditional competitor in the true sense. There also exist no cultural or language differences, as the US is very similar to Canada culturally, and share the same ‘main’ language - English. The way in which the service is offered also aids in reducing any liability of foreignness as the women have autonomy to arrange things once they have their matches. One cause for concern that could arise in the future is
discrimination from religious groups that believe CoAbode is damaging to the ‘traditional’ families. This was an issue faced in the US where CoAbode is more widely dispersed, but it is not an issue faced in Canada. The founder thinks this may be because Canadians are “just so much more open to these kinds of ideas ...they really see it as a really good solution.”

4.3.2 External challenges

4.3.2.1 Government & legal system
So far CoAbode has not had a lot of government interaction in either the US or Canada. When they initially entered into Canada they were “small enough to go under the radar”, however as the company grows and internationalizes further it is thought that certain government and legal challenges could occur. CoAbode said that they had “not had any discrimination or issues” with local authorities in either of the countries in which they operate, although they have had “some resistance from religious groups” who believe the CoAbode model is “destroying the nuclear family”.

4.3.2.2 Geographical distance
CoAbode’s internationalization into Canada was based on the principle of supply and demand, with “Canadians wanting access to the site and the service it provides”. However, it is clear that geographical distance was a contributing factor for both parties involved; the Canadian users had knowledge about the service in its neighboring country and some were even able to gain access due to the closeness of the two countries, (by using American zip codes to register on the website) and CoAbode was able to enter into Canada easily due to its close location. Having proven that the business model works in neighboring Canada, CoAbode plans to internationalize into markets with a greater geographical distance. However, they will "start with other English-speaking countries", and location is not likely to present a challenge as culture and psychic distance, in general, is considered to be very close.

4.3.2.3 Psychic distance
When CoAbode internationalized into Canada, they did not experience any challenges in terms of psychic distance. Both countries are well developed, with similar economic and education levels, as well as being culturally close. In addition, the
website is written in English, which is the main language of both countries, so that was not an issue.

Going forward, CoAbode’s internationalization strategy is to move into other English speaking countries, starting with the UK and the common language is considered to help reduce challenges. In addition to language, such countries are thought to have similar cultures, behaviors and attitudes, which can contribute to CoAbode’s success. The founder emphasized the importance of researching new markets, for example in Australia country practices are quite different to the US, with the government providing a lot of financial support to single mothers. Therefore, demand for the service might not be as high, although “women may still be seeking the emotional support” which CoAbode’s services can provide. Plans to branch out into other segments i.e. single fathers, empty nesters and the disabled were also discussed and again, in these cases, research must be conducted in various markets to assess whether there is a need for the service.

4.3.2.4 Networks
CoAbode considers their network to be important and especially so in the future in terms of further internationalizing, "eventually, it will be huge, very important!”. CoAbode’s relationship with its users is key to the business, in addition to the press, who they consider “a form of a network”, with the founder further commenting that she has “an amazing amount of contacts”. It is these two parties (users and press) combined that “do most of the promoting” for the service. The press has given CoAbode some much-needed coverage, including articles written in large publications such as the Washington Post. In addition, users, (particularly those in more rural locations), often contact their local newspapers to request press releases to help spread the word. The founder explained, “even with the single moms, they are even doing networking for us, for themselves”. She believes that the service would spread easily because "it is a good story and a good concept," however, such networks play a valuable role in the internationalization of the company. Investors and other start-ups are additional actors in CoAbode’s network and through attending various networking events; they have proven to be highly beneficial. The founder described some of the networking events at which she had received emotional support
from other start-ups and technical assistance from ‘tech people’, in addition to valuable advice from potential investors.

4.3.3 Internationalization process
In 2002, CoAbode was established in California and now operates throughout the US. They first went into Canada between 2006/2007, but not from a decision coming from the leadership. It was not a part of the vision of the organization. They entered the market because their service was unique and served a burning need, so Canadian moms found a way to access the service by using US zip codes to register. It is from this growing need that CoAbode finally entered the Canadian market. In addition, they have not been actively trying to grow the product in Canada, because of a fear of not having the resources to manage the expansion. They have since made a plan to internationalize further, as evidenced by their four stage expansion plan. With the switch to a for-profit organization, they are now actively seeking funding to expand to other English speaking countries, starting with the U.K. and then Australia.

4.4 Movellas
Movellas is a for profit organization that was established in 2009 in Copenhagen, Denmark by Joram Felbert. The company first internationalized in 2011 to London, England and are now in operation in the majority of English speaking countries (in particular the US, Canada, Australia, and New Zealand), in addition to several other countries worldwide. Movellas business concept lies in providing a social writing platform geared at young adults. They facilitate authors uploading their creative writing for readers to read and share in any language. Hence, their customer base is made up of both authors and readers. Movellas makes its revenue through alternative revenue streams. The interview with Movellas was conducted with Joram Felbert, founder, and CEO.

4.4.1 Internal challenges
4.4.1.1 Innovation
Innovation for Movellas is seen as playing an integral role in internationalizing. By being innovative they are able to keep abreast of technological changes in their environment, which then allows them knowledge of the market and to take advantage of the changes to their benefit. For example, he explained that ‘last week Facebook
announced something they call Boots,” which they are currently watching to see exactly what it is because it was described to them as “going to be bigger than the AppStore.” Therefore, for them being a small company they find it very important to be updated so that they can take advantage of new market developments, which allow them to be quick adapters to satisfy their target users. His statement was

“...[that they may be able to] move faster to new platforms before [their] competitor, so yeah innovation is definitely everything especially with a very young target group because...you're having one thing today and a new trend could happen or come out of anything tomorrow, so you have to be innovative all the time to be popular amongst your users...”

Personally, he considers himself highly innovative (9 out of 10), “my strongest part” he stated, and this is obvious in his discussion from having always worked in the start-up environment, and having established/partnered with four other start-ups previously. From an innovative perspective, he does find Denmark offering a good environment but feels from his time in the UK that their environment is more proactive.

4.4.1.2 Funding

Movellas was started with seed capital from Angel investors and the founder believes that they could not have internationalized without external funding. When they started, internationalization was a part of the agreement, but they were to first strengthen themselves in Denmark and then go abroad. Funding is seen as vital to internationalizing by the founder, especially today for companies to grow and scale up their business. In terms of additional funding, they have received it from the government and by leveraging from international networks, which assisted in their move to London. They view funding and networks as intertwined. Although he explained that it is harder raising funds as a Danish company abroad, because investors prefer American or British firms, he notes that the Danish government is trying to attract more foreign investment in the country. Overall though, he says “money is the biggest challenge all the time, you need money to roll out to more countries...so definitely the biggest challenge.”

4.4.1.3 Leadership attributes

The founder expressed that he personally has some international experience in terms of work and traveling: UK, Israel, France and Italy. His international network also has
international experience and diverse working backgrounds, which is advantageous to him. He finds that international experience is beneficial because it reduces fears of traveling, and also gives them a better understanding of the different markets they enter. Having an international network he says also makes it "easy for you to travel....and to figure things out and how it works."

In terms of decision-making, he made the decision to move to the UK 2-3 years after establishment, based heavily on the investors influence and their service offering needs. This culminated in a need to grow their business. The easiest way to do this is by having content for the users to read, and Danish is not widely spoken, unlike English. Hence, moving to the UK was strategic to develop English content so that they could then enter the US market later on, but even now he says the “most important is still to build up the English language and then to grow especially in the US.” Consistently, their expansion is driven by the first target what he calls the “big languages” languages that are widely spoken, such as English and Spanish, and he is now looking at Portuguese. Other influencers when entering a market include the size of the population, ease of advertising in the country, size of English speaking population and also relying on market trends. For example, India has a large English-speaking market, and he says it is “a market we haven't done so much with at the moment and might be cheaper to go in there with advertising compared to...the US market, Australia or Canada.”

Movellas’ attitude towards internationalization is positive, as internationalization is a necessity for them (10 out of 10). They could not be successful as a company, by simply remaining in Denmark offering only Danish content. The business offering has changed somewhat over time but has remained firmly in content sharing market. The founder keenly wants to grow the community and “build the most successful site for teen fanfiction and really a social community.” He stresses his focus on English and Spanish speaking communities, and wanting to go into other countries, but is limited by resources.

4.4.1.4 Knowledge
Movellas is limited in resources, not having enough staff that speaks the different languages of the countries they may be interested in expanding into, and therefore has
to be strategic in their choices. If they did have staff that had the language skills they
could grow the company faster. Positively, the founder has prior experience in
working in the start-up environment and being co-partner in four other start-ups but
had no knowledge of fanfiction prior to working with it. He had what seemed like a
strong international network when he started and their work and international
experience benefited Movellas. However, he is not networking as much, as they are
re-strategizing. Knowledge of the market they enter is gained through market
research, social media research and generally keeping abreast of market trends.

4.4.1.5 Liabilities

Movellas faced some aspects of liability of newness. When they were a much
younger organization (2/3 years old) and had just entered the UK market, they did not
anticipate the need to adapt their platform (unfamiliarity with market needs). They
launched with the same Danish platform and as a result received a lot of complaints
from their users. Also, still an issue is that when they enter a new market, and not
being well-known, it takes a while for their service to gain traction (about a year).
They also face a liability of smallness, being an organization of only about 12
employees. The main challenge they face is having limited resources (financial and
human) as a small organization. They have to, therefore, make critical decisions in
their strategy for growth of their business. For example, not all project ideas they
come up with can be executed and launched, instead, they have to make strategic
decisions. Due to lack of resource they, therefore, cannot hire all the resources they
would like that speak the different languages where they would like to grow the
business. In contrast, however, their smallness does have an advantage: less
bureaucracy. Decisions on ideas are made quicker and executed faster, but as already
mentioned not all can be realized. On these points he said:

“...because we are a small team and ... [based on] a start-up way of working of
course [there is] less bureaucracy; and if you are in a meeting [and] decide this
might be a good idea, then ... the process is much shorter, from having an idea to
actively [executing the idea]. This can be an advantage, but it has some
consequences that there will be some stuff you won’t be able to do, and will all the
time [need] to decide what is exactly the best thing to do in order to grow traffic...
[with] a much bigger team the process may take a lot longer, but you’d be able to do
much more ... at the same time because you would have [the] resources.”
Liability of foreignness is not experienced much by Movellas, as much of their activity is online, and they do not have a lot of government interactions. The founder did say, however, that they do find that it is not as easy raising funds abroad as a Danish company. Investors, he says prefer US and UK firms.

4.4.2 External challenges

4.4.2.1 Government & legal system

When Movellas first internationalized into the UK they found their government interactions to be fairly straightforward, with low levels of bureaucracy and high levels of transparency. Setting up in the UK, according to the CEO, was “much less complicated in comparison to Denmark” where he stated that “a good accountant is needed” to keep up with the complexity of the government rules and legal system.

As a UK registered company, Movellas must comply with all relevant UK laws and failure to do so can land them in significant trouble. They currently sell all their products (apps) via the App Store so do not have to deal with any regulations in that department, although it is expected that as the business grows, alternative distribution channels will be considered. Movellas are considering selling through their own website, and therefore they will need to further investigate the related trading rules and laws.

Movellas previously tried to make a partnership with schools in the UK, however, the government considered there to be too much sexual content to comply with the strict education regulations of the country. In other countries in which they operate, Movellas government engagement has been mainly contractual, based on adhering to terms and conditions, which can change from country to country, for example in the UK and US regulations prohibit advertising to children. As their target audience is children, they need to be extra vigilant and strictly monitor activity on the website. The CEO spoke of two incidents whereby members (teenage girls) had been talking about committing suicide. These cases were discovered by Movellas ambassadors, (who monitor the site) and the company then worked together with the police; providing them with information so that they could deal with the situation. Although the CEO commented, “we could not do so much other than hand it over to the local authorities”.
4.4.2.2 **Geographical distance**

Movellas entered the UK, which is relatively close in proximity within Northern Europe. The reason behind the move was to “help grow the business in the English language”, and the UK was considered the most appropriate setting to do this due to its convenient location. “London is just two hours away”, noted the CEO and therefore if you have a meeting tomorrow you can “just take a flight in the morning and be back later in the day”. In addition to its geographical distance, it is quite a small country and therefore easier to get established. This move acted as a platform from which Movellas could further launch themselves, into other English-speaking countries (Canada, Australia, New Zealand etc) and ultimately into the largest of markets; the US. Due to the nature of the business, language is a large factor in terms of new market selection and Movellas have a clear internationalization strategy in place for this. Having successfully set up operations within the major English-speaking countries, they are now looking into India, as it is "a developing English-speaking market with the potential to grow traffic". The next step is to enter into the main Spanish (Spain and the majority of South America) and Portuguese (Portugal and Brazil) speaking countries.

In addition to language, population size is a likely determinant for Movellas internationalization, as this will help to grow traffic more quickly. Russia and China are two large markets that the company has been researching, however due to both geographical and psychic distances, these could prove challenging. The CEO commented, “with a product like ours you really need to have local offices” which he considered vital “if you really want to be successful in a new market”, further reflecting that this was the case “at least in your most important markets” and something they will be looking into in the future. This recognition for a need of local or regional presence would help to overcome any issues, which are likely to arise when operating in countries that are a considerable distance from the head office.

4.4.2.3 **Psychic distance**

Several cultural differences have emerged as Movellas has internationalized, some proving to be a challenge. Language was a big issue for the company in the beginning when they moved into the UK. They made the mistake of using the Danish platform, which led to Danish users commenting on English users’ stories in Danish, causing...
confusion and lack of understanding. The founder explained, “the English speaking users got very frustrated” as the Danish users “thought they were Danish users just writing in English” and therefore this “language mess up was really giving us a lot of problems”. Movellas overcame this challenge by making the decision to split the platform so that profiles could only operate in one language at a time. Language also proved problematic when the company tried to start-up in Germany, Spain, and Portugal, with the founder stating, “it really takes a long time to build up a new language”, a process that can be “really very difficult”.

The perception of gender in writing is another issue that differs considerably based on culture, with story writing viewed as more of a ‘girly’ activity in Denmark, with “90% of users being female”, whereas in the UK and the US there are “a lot more boys writing” as it is considered a more ‘acceptable’ practice for both genders. Movellas has also found that in the US, users are more willing and prone to “sharing their work on social media” (such as Facebook), which is beneficial for the company in terms of advertising and promotion. In contrast, Danish users tend to be “more private and reluctant to share their work” publicly. What is considered ‘offensive’ in terms of content is also dependent on country culture, and the CEO stressed, “there are some sexual differences” and this means that “what some users in some countries think is ok to write is very offensive in another country”. Such psychic distance could be a potential challenge in terms of internationalizing into countries with stricter views on such matters.

### 4.4.2.4 Networks

Networks are very important to Movellas, in particular, its users who create content, which “attracts other users and thus helps to grow traffic”. However, it is not just the users that are significant, other key actors within the network are the investors, without which Movellas could not internationalize, “if you don’t have a network, then you’d need to build a network”. The founder explained that it is important to “get contacts to be able to get into markets” and commented further that it is impossible to internationalize “just sitting from an office in Copenhagen”. Movellas current network is not very large and this is due to “some scaling back” that the company has done, in order to “reconsider and rebuild the international platform”. However, going forward they have a collaboration in the pipeline with Sony, which would
expand their business network and make the partnership a key relationship within it. Relationships like this, in addition to the ones already formed, for example with the App Store, help to strengthen Movellas network and enable them to tap into a plethora of valuable resources, knowledge and experience.

4.4.3 Internationalization process
Movellas was established in Denmark in 2009 and after receiving funding from an investor they were encouraged to internationalize, with the US market as the end goal. The investor first advised that they strengthen in Denmark and then go international to grow their English content. The first country they entered was the UK in 2011. The UK was the sensible option as they could easily build their English content, and it is a bigger market than Denmark, but smaller than the US. They have since entered a number of additional countries, most being English speaking countries: the US, Canada, Australia and New Zealand. They are also in Spain, as they aim to focus on the ‘big languages,’ Spanish being one of them. Other criteria for entering a suitable market include ease of advertising, population size and market trends.

4.5 Closay
Closay is a for profit organization that was established in 2015, in Copenhagen, Denmark by Alexander Langhede Andersen and two other colleagues. Closay is not an international organization but has intentions of internationalizing in 2016, with Germany as their first market entry choice. Closay’s business concept is based on facilitating the rental of luxury clothing, shoes, handbags, and jewelry. The service is provided through an online platform where private individuals are able to lease their items or rent items. Closay makes revenue by charging small service fees to its customers on items leased. The interview was conducted with Alexander Langhede Andersen, co-founder, and CEO.

4.5.1 Internal challenges

4.5.1.1 Innovation
Closay values innovation very highly, believing that employees should be free to innovate. They also believe it can then help in internationalizing, by being aware of market changes and being competitive. He shares an anecdotal thought:
“... And when we go out into the world there’s no doubt that we won’t be the person that knows the most about the market in South America or similar...every company should value innovation...very very highly.”

The co-founder rates himself personally as highly innovative (8 out of 10), saying: “I have been an entrepreneur since I was 15 years old, so I have been wanting to start something by myself my whole life.” He also has a prior business venture. Operating a business in Denmark he explained as being very supportive and the same can be said regionally: Sweden and Norway.

4.5.1.2 Funding

Closay was not established with external funding, but since establishment, they have sought funding, as the following statement shows: “No we didn’t we are raising [funding] right now.” They are currently trying to raise investment from Angel investors, and recently received funding from the Danish government (12 April 2016):

“...as it is right now we need to get as many users as possible, because then we will in two years be able to raise enough money to go to the US and I think the company that wins ...first wins the US. So yeah to get an Angel investor would provide us with money, but also experience...”

They are seeking funding because they need it to grow their business further. Their business model does not allow them to make a large profit per transaction, so they need a larger market than Denmark. He said:

“A concept like ours [doesn’t] earn too much money on each transaction, so in order to [become] a big company we have to get a lot of [users]... to go outside of Denmark and the world. What we want to do is make our solution as scalable as possible... [we are] almost ready to be scaled to other countries.”

Hence, to execute their short term goal of entering the German market and their long-term goal of reaching the US market they need funding.

4.5.1.3 Leadership attributes

All three of the Closay leadership team have international experience. The CEO, in particular, has a mix of work and study experience abroad. He did an internship in the US with a tech start-up for three months, worked in London for a year, traveled to Sweden for business (with a previous company), as well as did an exchange program in Taiwan. As such he says he sees value in having international experience because it prepares the individual for the differences in countries. Without this experience, it
would be difficult to relate when going abroad, so prior international experience makes it easier.

In terms of how their decision-making impacts the internationalization process, Closay started with the intention to internationalize. The co-founder is thinking strategically and competitively with regard to internationalizing. It is his view that if they wait or are too slow to internationalize they could lose their advantage to another competitor. It is “whoever gets to the market first, becomes the winner.” As such, they plan to go into Germany in mid 2016 (3 months from interview). In Germany the plan is to test their concept and grow in preparation for the US market (2 years), so that they can compete with US start-ups. These reasons, therefore, impacted their decision to seek external funding. Their attitude towards internationalization is therefore understandably positive (10 out of 10). It is one that is looking forward to their start-up’s expansion and testing their concept in a larger market. It is one that sees the potential for success in the US market when they are a little more mature as a company.

4.5.1.4 Knowledge
Closay’s leadership has previous work and international experience which contributes to knowledge of doing business and knowledge of foreign countries. For example, the CEO has owned a company prior to establishing Closay with his co-founders. This means he has previous knowledge of establishing and running a business. The CEO has admitted though that they are lacking some experience, and as such they aim to get this experience from the investors they are seeking.

4.5.1.5 Liabilities
Closay has expressed liability of newness concerns. This was raised in terms of them not being ready to enter the US market as they are now, an organization only established in 2015. They see the US market as highly competitive and are seeking investors to not only assist them in financing but also for experience. This therefore also ties to the liability of smallness, which they are experiencing: currently being only three employees (the founders). In addition, a causal result of liability of smallness is having limited funds. They wish for Closay to grow and internationalize and to do this they require financial resources which they do not have. Being small will also mean added pressure on them to manage different insurance and tax
requirements as per the countries they enter. Nonetheless, as a small organization, they have the advantage of being flexible in setting up and exiting a country, for example when they enter Germany. The issue of taxes and insurance would also be the same problem faced for liability of foreignness. This could be a disadvantage they would face that a local competitor would not face. They do not anticipate facing any other issues, as they will be operating as an online platform.

4.5.2 External challenges

4.5.2.1 Government & legal system
As they are not currently operating in any other countries, Closay have not had any government or legal interactions to date. However, the CEO expects that issues will arise pertaining to tax and insurance, stating "we will need to make a deal with every country", something he considers to be a "very difficult thing". He further explained that in terms of taxes, the Danish government is currently discussing making sharing economy sites provide the government with information about the uses etc and this would again prove a challenge if every market had similar demands.

4.5.2.2 Geographical distance
Although yet to internationalize, Closay have a clear strategy in mind when it comes to doing so and geographical distance is a contributing factor. From their home country of Denmark, Closay plan to move into Germany (within a year of launching) to prove that their business model works. The reason for selecting Germany is that it has a larger market than Denmark, which is needed in order to test the concept. Being close in terms of geographical distance will make it easier when it comes to physical positioning, as well as for the team when traveling back and forth between the two countries. The CEO informed that should the move into Germany not be successful within half a year, it would be “better to go to Spain or Genova, as these are also larger markets” and geographically close to Denmark. After growing the business, Closay intends to move into the US within two years, as although geographically far away, it is the largest market in the world and they need to get in there quickly before the competitors. The CEO stated, “if Closay doesn't move there fast then someone else will come in and take over the market".

Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
4.5.2.3 Psychic distance
In addition to Germany being geographically near to Closay’s home country of Denmark, it is also close in terms of psychic distance and this may be another reason for its selection. Although the two countries have different first languages, English is used as the official business language of both, so this is not likely to cause any issues. Psychic factors such as culture, economic development and general levels of education are very similar between the two countries and this is thought to reduce both risk and uncertainty. Regarding Closay’s intention to move into the US, both countries are highly developed with cultural norms and business practices that are not too dissimilar, which again reduces risk levels when entering.

4.5.2.4 Networks
Closay highly values their networks, stating that things can be easier when you have contacts, however, the CEO stressed that hard work is more important and that you “can get a long way by being proactive”. He furthers explained that Denmark, and in particular Copenhagen, has “an awesome support system”. One of the main actors in Closay’s network is fellow start-ups, which they consider to be very helpful. Their current premises are in a university supplied office complex that can host up to 120 start-ups, so being able to meet people is easy and “there are a lot of networking sessions to be a part of”.

4.5.3 Internationalization process
Closay is not yet internationalized, but planning to within next three months (estimated in July). They plan to test their business concept in Germany and continue to grow. Two years from now they see themselves in the US. They did not declare whether they saw themselves spreading in any other countries, as their focus is mainly to grow and the first step is Germany, with the end goal of the US’s larger market. To achieve this they intend to rely on investment (government and Angel investment), as well as the experience provided by investors, and support system offered by operating in Denmark.

4.6 SwopShop
SwopShop is a non-profit organization that was established in 2012, in Malmö, Sweden by Jane Olsson. SwopShop is not an international organization, and has no immediate intentions to internationalize, but instead intends to focus on expansion in
Sweden. SwopShop’s business concept is based on being a clothing exchange agent for modern brands and vintage clothes. They provide customers with the opportunity of exchanging their unwanted clothing in store for green hearts (a SwopShop currency), and in turn purchases of the second-hand clothing can be made from the accumulated green hearts a customer possesses. SwopShop does not have an online platform, but may be considering it for the future, currently, excess clothing is sold by the founder through an online site. SwopShop makes revenue through a surcharge fee placed on purchases. The interview was conducted with Jane Olsson, the founder.

4.6.1 Internal challenges

4.6.1.1 Innovation

While not innovative in the sense that is considered the norm today – technology – the founder says SwopShop is innovative. It focuses not on technology but on changing behaviors of buyers, “I think I'm doing many things when it comes to the behavior of the customers and the behavior [as a] sales person.” Buyers she explained are becoming more self-aware of over consuming, and instead being smart about purchasing clothes. Further, her innovation lends itself to how she offers her service, making SwopShop more than just a secondhand clothing store. The SwopShop brand and idea has also gained interest in its novelty, whereby the founder says she has in the past received franchising requests. She rated herself an 8 out of 10 for being highly innovative and explains that she was given an award for being innovative (The Blåslampan 2015 award). The award is around recognizing innovation in consumption ideals.

4.6.1.2 Funding

SwopShop did not start with any external funding. In the beginning, the founder tried to secure funding, but she was not successful. She sought the funding from a local governmental agency that grants 6000kr for 6 months. She is not thinking of seeking any further funding in the future, as she has spoken to other investors previously and does not believe it will be helpful to her: “I had [spoken to investors] but not interested anymore…I have seen it that I can do this by myself.” She also says “I don’t think any money can change a person’s behavior…it can’t bring you to change your way of thinking.”
4.6.1.3 Leadership attributes

The founder has a mix of travel and work experience abroad. Her international experience consists of working in the hotel industry in the UK and Mexico: "I worked in the hotel restaurant business. I love service...I love to make people happy." She traveled to Spain and studied Spanish whilst there, and she backpacked to Thailand, where she started teaching English to Thai students, and eventually opened her own teaching business. She says: "I traveled for 10 years and I have been back since 2012 and during those 10 years so many things changed in Sweden and I changed too." In terms of her decision-making for internationalizing, she is not opposed to it. In fact, her thoughts are "Why not if it’s possible.” However, she believes that a business should grow slow, as that is what is said for making a successful business. She, therefore, wants to spread throughout Sweden first before going into another country. “…they say successful businesses grow slow, so I want this to grow slow. I want it to start in Sweden first then go international.”

Her need to internationalize is aligned to her philosophy of wanting to create more jobs. If an international opportunity presents itself where it could create jobs, she would take the chance. In terms of how she would internationalize, it would either be as a franchise or by her opening up a physical shop that is her preference. She says a physical shop allows people to try on clothes while online you make bad buying decisions. "For me when I’m successful is when I’m creating jobs on the market and people stop overconsuming that’s when I feel successful. I don’t need 100 SwopShops...outside of Sweden...I just want to create jobs and...reuse before recycle." However, she did mention that she may be considering taking her business online, mainly to keep up with the current trend, but also it would help her with her storage issue. Those clothes she cannot store and sell in her store she is already selling on a third party site.

Her attitude towards internationalization is overwhelmingly positive (rating it 10 out of 10), despite already being in business for about 4 years and yet to internationalize. She also does not have any set goals of wanting to internationalize or ideas of what countries she would go into first should she internationalize. This is explained by wanting to grow slowly and her philosophy of only wanting to create jobs. Jobs can
be created anywhere. Hence, while she is not against internationalization it is obviously not the priority currently for SwopShop.

4.6.1.4 Knowledge
SwopShop’s knowledge is based solely on the founder, as the sole employee. She has prior service industry training having worked in the hotel industry in both the UK and Mexico. She also has prior entrepreneurial experience having owned her own company in Thailand. Her international experience abroad also contributes to her knowledge of different cultures.

4.6.1.5 Liabilities
SwopShop’s liability of newness was faced in terms of having to navigate the many rules of establishing a business put in place by the government. In terms of liability of smallness, the founder faces resource issues, which she overcomes with a reliance on her volunteers and customers (lines blur). Her customers, she says, helps her in handing out fliers (advertising), setting up a Facebook page, decorating the store, website design and so forth. She discusses her ideas with her customers, she says "whenever I have an idea, I always talk to my customers, because if they are not going to do it nobody is going to do it." Being a single store, which is funded only by sales made, she does not have a lot of storage space for the clothes she receives daily. Also being a small business, she is the only resource petitioning the politicians on tax issues. She gets double taxed, once for being a service and again for selling clothing. She faces no liability of foreignness as she has not internationalized, but should she, she sees similar government issues carrying over abroad.

4.6.2 External challenges

4.6.2.1 Government & legal system
In terms of government and legal involvement, SwopShop is actively speaking to politicians in Sweden, in an attempt to have changes made pertaining to taxes and patent protection. The founder explained that the existing laws, rules and regulations are not suitable for companies with “an exchange-based business model” and that the government should introduce a specific ‘exchange’ tax code. Furthermore, she commented that the government should “do more to help protect the innovation of new start-ups”, by issuing patents to secure intellectual property for a period of three
years. As these issues have arisen in SwopShop’s home country, similar challenges are expected when they begin to internationalize.

4.6.2.2 Geographical distance
In terms of internationalizing, SwopShop’s founder emphasized that the importance is not on ‘going global’ but more on “creating jobs and changing the way people in the world think”. She stated that she doesn’t “need 100 SwopShops and 50 outside of Sweden”, further claiming “I just want to create jobs”. The sharecom’s plan is to “start in Sweden first then go international”, and this is to be done through franchising, whereby the country selection is not important, and approval will be given to any interested parties.

4.6.2.3 Psychic distance
As with geographical distance, psychic distance is not a major concern for SwopShop as they are not yet internationalized. However, by operating through a franchise system and with no country selection criteria there is a probability of psychic distance becoming a challenge at some stage in the future.

4.6.2.4 Networks
SwopShop considers their current network to be made up mainly of its customers/members, which are considered extremely important. In terms of growth and internationalizing, the founder exclaimed, “My customers, they are the ones that can help me do this” and that “without them, there would be no business”. Not only do these actors generate income for SwopShop, many of them provide help in other ways, from volunteering in the shop and helping with the accounts, to website design, social media marketing, and flyer distribution. SwopShop’s network members are also considered a source of support and advice, whereby new ideas are often discussed with them first. The founder stated, “whenever I have an idea, I always talk to my customers”, which is her way to gauge if something new or different will work, “if they are not going to do it, nobody is going to do it!”. These actors are therefore considered to be highly valuable to the business.

4.6.3 Internationalization process
SwopShop has not internationalized, and while not opposed to internationalization per se, it is not expected to happen soon. The founder wants to grow the business slowly in Sweden first before going abroad, but would consider going abroad if an
opportunity presented itself in line with her philosophy of creating jobs. Should she internationalize, it would be either via a franchise or through opening up other branches owned by herself. However, there is the possibility that an online store will also open eventually, due to growing clothes supplies and trend for online stores. It is not her preference, however. Furthermore, there is no clear preference for entering a particular country first or starting in a particular region.

4.7 Findings summary
The information found in Table 6 represents the main overarching findings, offering a comparative view to aid in progressing into the analysis of research found in the next chapter of this report.
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<tbody>
<tr>
<td>House Trip</td>
<td>High personal self-rating</td>
<td>Established with external funding (Angel)</td>
<td>Possess a mix of studying and working experience</td>
<td>DM strategic not strategic</td>
<td>Prior knowledge</td>
<td>Newness: None</td>
</tr>
<tr>
<td></td>
<td>Innovation key to why they Int’d</td>
<td>Would not have been able to internationalize without funding</td>
<td>IE a benefit</td>
<td>Driven by founders and business need</td>
<td>Market knowledge</td>
<td>Smallness: Resource issues</td>
</tr>
<tr>
<td></td>
<td>High personal self-rating</td>
<td>Established with external funding (donation)</td>
<td>Founder has an international background</td>
<td>DM not strategic</td>
<td>Prior knowledge</td>
<td>Foreignness: service adaptability to differed cultures</td>
</tr>
<tr>
<td></td>
<td>Innovation core to establishment (Pioneer in field)</td>
<td>Int’d without further funding</td>
<td>Marketing manager has exposure working with foreign market</td>
<td>Conscious effort not to internationalize too fast</td>
<td>Market knowledge</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Triggered INT</td>
<td>Seeking further funding to internationalize to further</td>
<td></td>
<td>Positive attitude, data-driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movellias</td>
<td>High personal self-rating</td>
<td>Established with external funding (Angel)</td>
<td>Possess a mix of working and traveling experience</td>
<td>DM strategic</td>
<td>Prior (experiential) knowledge</td>
<td>Newness: None</td>
</tr>
<tr>
<td></td>
<td>Innovation key to why they Int’d</td>
<td>Would not have been able to internationalize without funding</td>
<td>IE a benefit</td>
<td>Driven by founders and business need</td>
<td>Market knowledge</td>
<td>Smallness: None – able to operate under the ’radar’</td>
</tr>
<tr>
<td></td>
<td>High personal self-rating</td>
<td>Established with external funding</td>
<td>Possess a mix of work and study IE</td>
<td>DM strategic and competitive (for wanting to internationalize)</td>
<td>Prior (experiential) knowledge</td>
<td>Foreignness: industry related discrimination</td>
</tr>
<tr>
<td></td>
<td>Innovation important to INZ</td>
<td>Currently seeking funding</td>
<td>All 3 founders have IE</td>
<td>Positive attitude towards wanting to internationalize</td>
<td>Seeking to leverage knowledge from future investors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High personal self-rating</td>
<td>Not established with external funding</td>
<td>The CEO has a mix of work and study IE</td>
<td>DM: Not opposed to internationalizing, but want to grow first domestically before looking internationally</td>
<td>Prior (experiential) knowledge</td>
<td>Newness: Not ready for large markets</td>
</tr>
<tr>
<td></td>
<td>Sees her organization as differently innovative</td>
<td>Currently seeking funding</td>
<td>IE seen as a benefit</td>
<td>Highly positive INT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SwapShop</td>
<td>High personal self-rating</td>
<td>Not established with external funding</td>
<td>Possess a mix of travel and work experience</td>
<td>DM: Not opposed to internationalizing, but want to grow first domestically before looking internationally</td>
<td>Prior (experiential) knowledge</td>
<td>Newness: Regulatory issues</td>
</tr>
<tr>
<td></td>
<td>Sees her organization as differently innovative</td>
<td>Currently seeking funding in the future</td>
<td></td>
<td>Highly positive INT</td>
<td></td>
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</tbody>
</table>

Authors: Ava J. Campbell and Heidi C. Thornton

Masters level: Business Administration with specialization in International Business Strategy
<table>
<thead>
<tr>
<th>Organization</th>
<th>Innovation</th>
<th>Funding</th>
<th>International experience (IE)</th>
<th>Decision-making (DM) &amp; Attitudes</th>
<th>Knowledge</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoffice</td>
<td></td>
<td></td>
<td></td>
<td>attitude, but skewed by no urgent need for internationalizing in near future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>House Trip</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>CoAbode</td>
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Table 7: Summary of interview findings: external challenges and internationalization process

<table>
<thead>
<tr>
<th>Organization</th>
<th>Government &amp; Legal</th>
<th>Geographic distance</th>
<th>Psychic distance</th>
<th>Networks</th>
<th>Internationalization (INZ) process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoffice</td>
<td>Limited but positive government interactions No legal issues (so far)</td>
<td>Initially moved into a neighboring country (Sweden to Denmark) Rapid international coverage across Europe More challenges faced in countries with greater geographical distances</td>
<td>Cultural issues linked strongly to geographical distance Greater success in other (nearby) European countries, as well as countries such as Australia, Canada and USA that have common business language, similar levels of economic &amp; educational development etc.</td>
<td>Networks are essential Main network actors are the users, who drive the internationalization of the sharecom and the media who help to spread the work &amp; create ‘buzz’</td>
<td>Rapid Within a year (2014) Open source methodology Through networking events and press coverage</td>
</tr>
<tr>
<td>House Trip</td>
<td>Lobbying in some countries/cities where seen as a ‘disrupter’ to traditional hotel industry Working with governments for them to understand/accept the industry better In-house legal advisor deals with rapidly changing rules &amp; regulations</td>
<td>First moved from Switzerland into the UK and then further within Europe Easy to spread quickly due to small geographical distances</td>
<td>Cultural distance not a major issue but market research carried out to gain a better insight regarding country culture, behaviors &amp; habits etc. English is the main business language but multi-lingual staff deal with hosts &amp; guests in a variety of languages</td>
<td>Other sharecoms within the industry (start-ups) and the government are key actors within their network Close &amp; open communication is essential to help combat challenges</td>
<td>Rapid Within a year (2011) INT part of funding agreement Based on market suitability Supply and demand driven</td>
</tr>
<tr>
<td>CoAbode</td>
<td>No government/legal issues or involvement (so far)</td>
<td>First internationalized into neighboring Canada Move was motivated by user demand &amp; was easy process due to close location</td>
<td>So far, operating in Canada has been problem-free due to the closeness in culture, language, norms &amp; values etc with the USA</td>
<td>Networks consist of users, who help drive the business forward &amp; promote the sharecom The media are also considered a valuable part of the network, as together with the user they help to market the company</td>
<td>Slow Approximately within 4 years (between 2006 and 2007) Established in US and is nation-wide Int’d only to Canada so far Currently looking to expand</td>
</tr>
<tr>
<td>Organization</td>
<td>Government &amp; Legal</td>
<td>Geographic distance</td>
<td>Psychic distance</td>
<td>Networks</td>
<td>Internationalization (INZ) process</td>
</tr>
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</table>
| Movellas     | • No challenges in terms of government (so far)  
• Keep up-to-date with legal issues in the varying countries in which they operate, as can frequently change  
• Rules & regulations pertaining to children (their user) are of particular importance | • Moved initially from Denmark into the UK for ease of access (short flight for meetings etc)  
• Spread further within Europe with relative ease | • Challenges encountered in terms of language barriers/miscommunication  
• Issues faced pertaining to cultural differences i.e. gender roles, definitions of offensiveness/appropriateness in terms of content | • Users are a valuable actor in the network  
• Investors and collaborating companies (i.e. Sony & Apple) are also considered important to the sharecom | Rapid  
Approximately within 2-3 years (between 2011 and 2012)  
• INT part of funding agreement  
• Int’d in mainly English speaking countries  
• Based on market suitability |
| Closay       | • Aware of potential government & legal challenges when internationalizing, based on those experienced in their home country i.e. tax & insurance issues | • Plans to move first from Denmark into Germany because it is a larger market with a close geographical location, where the company can grow  
• Second move will be into the USA & the sharecom recognizes the potential challenges of entering a geographically distance country & the important of being ready (hence the first phrase of the strategy, to move into Germany) | • Nothing anticipated for the move into Germany as both countries use English as the main business language, plus both countries have similar cultures and levels of development (education & economy)  
• USA not considered to be a problem either due to language and culture similarities | • Recognize the advantages of having networks, although do not see them as essential  
• Current network includes other start-ups and investors | Intention to enter Germany then US market |
| SwopShop     | • Currently interacting with home government (lobbying for tax breaks for start-up companies & a new tax code for 'exchange-based' business models, as well as patent protection for innovation)  
• Based on government & legal challenges experienced in home country, similar issues are anticipated when internationalizing | • No strategy or country selection plan for internationalizing  
• Considering the use of a franchise model, so internationalization will depend on demand/interest | • With intentions to operate in 'any & all countries' it is inevitable that psychic distance will become a challenge at some point  
• Franchise model will likely alleviate some cultural distance issues (the local business owners will be able to deal with any such issues) | • Networks are vital to the sharecom  
• Main actor is the user, who has multiple roles, including; customer (generating income), emotional support, business advise, marketing/accounting/web design assistance and help in the shop | Not yet Int’d  
Projected INZ is not anticipated in the short or medium term  
Projected INZ will therefore be slow  
Should INZ occur, there is not country specific choice, but would prefer to a physical store to online store |

Key for table xx

<table>
<thead>
<tr>
<th>DM</th>
<th>IE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision-making</td>
<td>International experience</td>
</tr>
<tr>
<td>NZ</td>
<td>Int’d</td>
</tr>
<tr>
<td>Internationalization</td>
<td>Internationalize</td>
</tr>
</tbody>
</table>

Authors Ava J. Campbell and Heidi C. Thornton
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5 Research analysis

“He who would search for pearls must dive below.” – John Dryden

This chapter is an analytical discussion of the empirical findings. It consists of three main sections based on the theoretical model: internal challenges, external challenges and the internationalization process.

5.1 Internal challenges

5.1.1 Innovation

All the internationalized sharecoms interviewed, with the exception of Hoffice viewed innovation as playing an important part of their internationalization process. For them innovation, as pointed out by Freeman & Cavusgil (2007) is critical to the firm’s internationalization. The findings support that it enables the firm to be competitive in the market place, by being able to satisfy and meet their customers needs with the best service they can provide, as attested by both HouseTrip and Movellas. It also allows the sharecom to take advantage of a gap in the market, to seek competitive advantage as discussed by Laanti et al., (2007). This was evidenced by CoAbode’s findings, where the founder has been considered a pioneer and likens herself to being a ‘disrupter.’ A term frequently being used to describe sharecoms, as they competitively displace traditional firms in the market place. Closay (non-internationalized sharecom) supports both these points of theory, as they aim to internationalize to take advantage of a gap in the market to be competitive. Further, Fernhaber et al (2008) explain that early innovation allows new venture firms to take advantage of the narrow window of time to exploit the market before competition. Closay’s co-founder stated that they needed to internationalize as early as possible, before the market place became too competitive – they need to start first.

The theoretical literature also spoke of innovation and leadership together. The modern leader, Porter (1990) said, is one that believes in change and innovation. Additionally, Mtigwe (2006) and Laanti et al (2007) pointed out that entrepreneurial firms are not only seen as innovative, but are also related and influenced heavily by their leadership. In the study, all the sharecom leaders rated themselves as being...
highly innovative. They saw innovation as a tool; to keep abreast of market place changes (HouseTrip and Movellas), to be competitive through innovative culture (Closay), and to influence behavior change within society (Hoffice and SwopShop). This paired with their overall stance on innovation, supports the point that sharecoms as the theoretical framework highlights starts from a point of innovation (Laanti et al., 2007). The study revealed not only a link between innovation and leadership, but also a link between entrepreneurship and innovation. Swenson et al (2013) state that entrepreneurs start by understanding the problems of their customers – their pain point – and from this they create a solution to that problem: this is entrepreneurial innovation. Hence, the results of our study, tied with theory, shows that the sharecom leader identified a pain point in the market place and established from a point of innovation. It is then the leaderships’ decision-making that dictates the way that innovation is expressed: how they take advantage of the gap in the market and narrow window of opportunity; and how they remain competitive in the market place (Laanti et al., 2007; Fernhaber et al., 2008; Swenson et al., 2013). In the case of Hoffice, although the leader does not consider his service especially innovative, this study disagrees, they chose an open sourced market strategy. While others, like HouseTrip and Movellas (and intended by Closay), entered the market competitively and quickly. Or, as in the case of CoAbode, and supported by SwopShop, the leaders show that despite their innovative capabilities, they influenced their business for a slower growth trajectory.

Technology was mentioned in passing as an enabler/driver and less of a major challenge in the international business theory, therefore it was not added to the theoretical model (Madsens & Servais, 1997; Knight & Cavusgil, 2004; Oviatt & McDougall, 2005; Laanti et al., 2007). However, given the results, where it is shown that technology plays a much stronger role as a driver for the sharecom, supporting Botsman & Rogers (2010a), Owang et al. (2013) and Barnes & Mattson (2016) position that technology is a driver in the sharing economy. The results show that a lack of technological innovation can have a negative effect on the sharecoms’ internationalization. Of the six sharecoms interviewed, SwopShop was the only sharecom that was offline, whereby its channel of distribution was only through direct marketing from a physical store (‘brick and mortar’). This shows that being technologically innovative influences the rate at which the sharecom will
internationalize, as shown with four of the six sharecoms having internationalized/intend to internationalize (this includes Closay, but excludes CoAbode) within a year or so of establishment.

Confirmed therefore, in the sharecoms’ case, it is not merely the challenge of innovation impacting the sharecoms’ internationalization process, but ‘entrepreneurial innovation’ which is a critical challenge (Laanti et al., 2007; Fernhaber et al., 2008; Swenson et al., 2013). The sharecoms’ internationalization process is affected in three ways: firstly, the product or service offering needs to be innovative. However, without this being leveraged by an innovative leader/leadership team the product or service will face a slower internationalization process (Mtigwe, 2006; Laanti et al., 2007; Fernhaber et al., 2008; Swenson et al., 2013). Secondly, an innovative leader/leadership team is necessary to the process, but unless they are proactive, that is: taking advantage of the opportunities available to them in a narrow window of time (resources, networks and technology, e.g using an online system) they will face a slower internationalization process (Porter, 1990; Madsens & Servais, 1997; Knight & Cavusgil, 2004; Mtigwe, 2006; Laanti et al., 2007; Fernhaber et al., 2008; Botsman & Rogers, 2010a; Owang et al., 2013; Barnes & Mattson, 2016). Thirdly, technology is an important resource for entrepreneurial innovation to leverage, being an active influencer. It gives the sharecoms product/service the competitive edge to innovatively reach the market and thereby speed up the internationalization process (Madsens & Servais, 1997; Knight & Cavusgil, 2004; Oviatt & McDougall, 2005; Laanti et al., 2007). Fourthly, the former points become inapplicable, if the product and service is of the type of innovation than can be driven proactively by other users (that is open source designed).

5.1.2 Funding

Extrapolating from the findings shows that funding is very important to a sharecom wanting to internationalize, and can present a valid challenge (Laanti et al., 2007). Of the four internationalized firms three (HouseTrip, Movellas and CoAbode) started with initial funding. HouseTrip and Movellas were absolute in their explanation that they could not have internationalized without funding. CoAbode in comparison, although starting with funding, stressed that it did not aid them in internationalizing to Canada. The founder however explained that for them to internationalize further
afield it will only be possible with further funding. Hoffice did not start with funding, nor did it need funding to internationalize. The co-founder however expressed a recent need for external funds, to build their own platform, so that they no longer have to rely on Facebook.

CoAbode and Hoffice represent the exception, both internationalizing without the aid of external funding. This at best can only be explained based on a difference in business model approach. The way in which CoAbode and Hoffice were/are able to create, deliver and organize value to its users (which goes beyond its use of technology) and in turn capture a portion of that value. This is at the core of the business model approach explained by Teece (2010), Baden-Fuller and Mangenatin (2013) and McQuillan and Scott (2015). CoAbode and Hoffice’s business models are different to that of HouseTrip, SwopShop or any of the other sharecoms interviewed, and as Teece (2010) presents the business model choices not only affect the architecture of the business, but also its expansion paths. It could also contribute to explaining CoAbode’s current need for funding, as their business model approach has evolved since entering Canada (now a for profit), considering the business model also deals with capturing value (Teece, 2010; Baden-Fuller & Mangenatin, 2013).

Excluding Hoffice, the findings show correlation with theory where Knight and Cavusgil (2004) and Laanti et al. (2007) explain that limited funding is a barrier for small firms internationalizing; and Cusumano (2015) highlighted the sharecoms’ need for a large injection of funds from start of establishment. This is supported empirically in the case of Closay, whose founders are in the process of preparing the firm for internationalization. Since they did not establish with external funding, they have started the process of seeking it, as they see a need for it to internationalize. Equally, supporting the theory that a lack of funding is a barrier and much dependent on the business model, where Pederson and Netter (2015) speak of a niche business model being limiting to a sharecoms expansion is SwopShop (Knight & Cavusgil, 2004; Laanti et al., 2007; Cusumano, 2015). Although originally seeking funding, SwopShop did not start with funding, and are no longer seeking funding. Being in establishment for approximately four years, and with the founder intent to internationalize ‘one day,’ speaks of a slower or stalled internationalization process.
Securing funding is therefore vital for the sharecom to internationalize, and theory supports opportunities for this to be overcome. Fernhaber et al (2008) and Gansky (2010) have highlighted that growing access to investors (such as venture capitalists or Angel investors) exist and Freeman and Cavusgil (2007) also state that the firm's networks can also be of assistance. The study revealed this to be the case for sharecoms, of the four internationalized firm, two gained external funding from Angel investors. The latter two, Hoffice: took no funding as explained earlier, but will be seeking it from crowdfunding and CoAbode received a family donation, but is currently seeking investment too. Closay, has already gained government funding and but is still seeking additional investment. This also supports a point mentioned by Laanti et al. (2007) that multiple sources of funding is important. The study also showed that the areas the sharecoms are operating and/or seeking funding in are a supportive system for seeking funding: UK (HouseTrip), Denmark (Movellas and Closay), CoAbode (US) and Sweden (Hoffice).

The results also revealed that despite a sharecom starting with funding and internationalizing, the challenge of a lack of financial resource is still a problem faced. This was highlighted more so with Movellas, than any of the others, but is of course evident with CoAbode, and to some extent Hoffice, despite them not starting with funding. Movellas, in the interview, explained that a lack of funding can be a hinderance to the initiation and execution of projects, as well as a limitation on the number of countries they are able to enter. When questioned, HouseTrip had also raised this as a retrospection of what their state would have been without funding – they would be limited to a single market. However, it does seem that sharecoms, while not being as capital intensive as manufacturing firms (Menzies & Orr, 2013), do still have a need for funding later on, for projects like Movellas or for renewed growth like CoAbode or for platform rejuvenation like Hoffice. Fraser et al. (2015) discusses that the funding of a firm can be impacted by a number of factors, chief among them being: the pace of the firm’s growth and the [leader’s] perception.

The pace of the firm’s growth Fraser et al. (2015) explains, or in this case the sharecom’s growth, means that the sharecom’s business lifecycle will go through different stages of growth which based on the entrepreneurs decision, will require less or more funding. This is also determined by the sharecom’s size, age and the
ownership form. The leader’s perception is the view or attitude the entrepreneurial leader has towards seeking funding. Hence, the former speaks to Movella’s continuing need for funding, as well as CoAbode and Hoffice’s current needs for external funding in this stage of their internationalization processes. The latter speaks to SwopShop’s opposition to seeking external funding, whereby the founder is not comfortable with investor offers and believes she survived without funding before and can continue to do so.

In sum, therefore, sharecoms need access to external funds - making it a critical challenge - to aid in their internationalization process, preferably from multiple sources (Knight & Cavusgil, 2004; Laanti et al., 2007; Fernhaber et al., 2008; Gansky, 2010; Cusumano, 2015). Without funding the sharecom will either take a much longer time to internationalize or as postulated earlier, result in the sharecom being confined to a single market. The exception to this, based on the sharecoms business model approach (Teece, 2010; Baden-Fuller & Mangenatin, 2013; McQuillan & Scott, 2015), is that it can internationalize without external funding aiding the process. However, changes in the business model approach, could speak to further need for funding later on. This raises the point that sharecoms funding needs are not acting in isolation, and are impacted by the sharecom’s pace of growth and the leader’s perception (Fraser et al., 2015). Hence, dictating at different points in the sharecoms business life cycle a need or resistance for further funding, depending on external factors or simply the leader's decision-making and attitude towards seeking funding.

5.1.3 Leadership attributes
Chetty and Campbell-Hunt (2004) stress the importance of international experience for the INV/BG firm, particularly for entering new markets. Laanti et al. (2007) also put forth that the international experience of the top leadership team is an advantage to maximize opportunities in the international market. In terms of preference, prior experience (stock experience) is more valuable than experience gained while internationalizing (stream experience). The former experience has been said, in theory, to lead to speedier entry and/or commitment to internationalizing, due to absorptive capacity (Chetty & Campbell-Hunt, 2004; Oviatt & McDougall, 2005; Laanti et al., 2007; Fernhaber et al., 2008). The findings showed that all the case companies interviewed, including the non-internationalized firms had a mix of
international travel, study and work experience. Of the four internationalized cases, three internationalized within three years of establishment, using Gabrielsson et al’s (2008) internationalizing from inception criteria. Closay, although not internationalized, intends to do so this year (2016) and would then also be in line with the criteria of internationalizing from inception. Further, Oviatt and McDougall (2005) explain that international experience results in commitment to the internationalization process. The findings seem to support this, whereby all but Hoffice rated internationalization highly important. What is evident from the results however is that SwopShop and to a lesser extent CoAbode, although in possession of international experience and commitment to internationalization, have not translated this into an immediate drive to internationalize.

International experience could therefore be considered less as a driver to the internationalization process but rather an enabler, meaning that it does not actively cause the sharecom to internationalize, nor does it prevent it from internationalizing, or actively affect the pace of internationalization. Instead, it merely acts as an advantage to leadership to utilize and assist them in their internationalization endeavors. International experience gives them awareness of the market, and can affect how they connect and operate in the market, as well as their way of thinking (Fernhaber et al., 2008). More specifically, the findings show that international experience benefits sharecoms, in the following ways: firstly through empathy and sensitivity for others (Hoffice, HouseTrip and SwopShop); secondly, providing a global vision/mindset (Hoffice, CoAbode and HouseTrip); thirdly, by allowing them to be better able to connect with customers and understand the market (HouseTrip and Movellas); lastly, by allowing them to develop international networks and gain experience (Movellas and Closay).

The decision-making theory is largely supported from the study’s results, but highlights it as having a much more prominent role than expected, more in line with Oviatt and McDougall’s findings (2005). The study firstly supports Perks and Hughes (2008) in that decision-making is not made by the firm, but by managers or in the case of smaller entrepreneurial firms like some sharecoms, the founders, or what our study recognizes as leadership. Secondly, the study supports Aharoni et al’s (2011) view that decision-making is impacted or rather influenced by several characteristics.
To the first point the study clearly shows where leadership dictated the need to internationalize (HouseTrip, Movellas and Closay) and followed by their need to seek funding to assist in achieving their vision of internationalizing. While, others took a more ‘relaxed’ view on internationalization (Hoffice, CoAbode and SwopShop), hence not seeking external funding with the express purpose to internationalize further, but rather to do so naturally (at the call of their customers). SwopShop, is the extreme case that shows a sharecom whose founder has made the active decision to not seek any funding and to purposefully grow slow, by first expanding in Sweden. Hence, internationalization is not on the agenda.

To the second point, the characteristics Aharoni et al (2011) state as affecting leadership’s decision-making is supported by the results. Decision-making is influenced by knowledge (market knowledge); customer needs; availability of resources; personal and international experience; and capabilities (Oviatt & McDougall, 2005; Nielsen & Nielsen, 2011. In addition, it can also be seen that the leader’s attitudes towards internationalization also impacts their decision of whether or not to internationalize. Freemen and Cavusgil (2007) explained that leadership had a great impact on the organization based simply on their attitudes. Hence, the leadership’s attitudes are an important determinant for internationalizing, and also affecting their attitude is the market characteristics and the size of the firm (growth and resources) (Javalgi et al., 2003).

Three of the six sharecoms interviewed (HouseTrip, Movellas and Closay) showed that they wanted/want to internationalize based on a mix of the factors mentioned earlier. For instance, it strategically makes sense for their company to internationalize, based on the market, market characteristics and customer needs (business case). Also, motivating decision-making is a lack of resources or capability, hence sharecoms like HouseTrip and Movellas sought external funding, but also moved to an area where they could develop their capabilities. While, in the case of Closay, they lack experiences in some areas, and hope to fill this with from future investors. The type of business model, as noticed by HouseTrip, Movellas, CoAbode (more recently) and Closay, has impacted the need to internationalize. These sharecoms are profit seeking, searching how to convert customer created value into profit. Their model is pushing
them to seek growth (McQuillan & Scott, 2015). Further driving all the sharecom's positive attitude towards internationalization is their international experience. Interestingly however, is Hoffice’s low rating of internationalization despite Hoffice’s prolific internationalization, and not being opposed to continued international growth. In addition, is SwopShop’s high rating towards internationalization, but having not internationalized.

The explanation lies not with a negative attitude towards internationalization from Hoffice, but simply the priority of the leader being on spreading Hoffice’s philosophy, and letting it grow organically. However, SwopShop’s attitude towards internationalization does speak to the founder’s international experience, but it is outweighed by her personal ideological focus on the environment and job creation. Hence, it matters not if SwopShop internationalizes or not, as long as jobs are created and overconsumption is stopped. The founder’s reluctance to internationalize quickly may speak to both being a very small sharecom (consisting of only one employee - the founder), but also a lower tolerance for uncertainty and risk than her other sharecom counterparts, especially considering she would prefer to internationalize by opening a physical store (Oviatt & McDougall, 2005). This carries more risk than her counterpart: a Mesh business, which utilizes technological advancements (Gansky, 2010).

In conclusion, the findings show that the leader’s decision-making is critical in the sharecoms internationalization process and how it is affected (Oviatt & McDougall, 2005; Perks & Hughes, 2008). The leadership determines the internationalization trajectory: to internationalize or not, as well as how the internationalization process will occur and the general pace. This is essentially influenced by several internal (personal) and external (environmental) factors. The internal factors being, the leadership’s international and personal experiences, their ideological beliefs, attitude towards internationalizing, and theoretically their tolerance of uncertainty and risk. While, their external factors are understanding the market and market characteristics; the business model; size of firm; and business case (includes customer needs, and general argument for entering a market) (Javalgi et al., 2003; Oviatt & McDougall, 2005; Freemen & Cavusgil, 2007; Ahoroni et al., 2011; Nielsen & Nielsen, 2011)
5.1.4 Knowledge

Oviatt and McDougall (2005) posit that knowledge type firms are in a better position to internationalize. The level of the firm's prior knowledge Oviatt & McDougall (2005) state also impacts the firm's absorptive capacity and thereby its ability to develop knowledge. Nonetheless, in terms of internationalization, they also consider existing knowledge as important as well, as it is the attainment and assimilation of knowledge for internationalizing. Theory further states that access to knowledge is capable of influencing the firm’s attitude towards internationalization, but also its market entry choices and the exploitation of opportunities (Huber, 1991; Oviatt & McDougall, 2005; Freman & Cavusgil, 2007; Fernhaber et al., 2008; Nielsen & Nielsen, 2011).

The study has supported the theory discussed above, showing that for instance the sharecoms’ leaders experiential knowledge has impacted their attitude towards internationalization. HouseTrip, Movellas and CoAbode leadership all have a positive attitude towards internationalizing, and they all have previous international experience: whether through study, travel or work. It has also impacted on their market entry choices, for instance in the case of Movellas, one of their criteria for entering new markets depends on having the language skills capability to develop their service for that market. Further supported is the fact that because of the experiential knowledge gained from working internationally, sharecoms like HouseTrip, are able to enter new markets and test their product as soon as they see an increase in trend. Hence, experiential knowledge allows the sharecom to take advantage of a given entrepreneurial opportunity.

The congenital knowledge of the firm has also been evidenced from the empirical results, whereby a sharecoms’ leader’s previous experiences and belief has impacted the organizations establishment. This is evidenced by Hoffice’s, CoAbode’s and SwopShop’s philosophical led approach. All three leaders started their organization with a cause in mind. Whilst in the case of Movellas the founder has prior experience working in the start-up environment. Giving him years of experience to influence the establishment of Movellas and positioning them in the market. As Huber (1991) points out the nature of the organization is influenced by the nature of the founder and its founding. Movellas and the others do not seem to be strictly tied to a path,
although it is clear that their experiences influence their decision-making when it comes to internationalizing. However, as their thinking is largely globally minded, most have a multicultural workforce and they mainly make decisions based on market knowledge they are more flexible and adaptable in their decision-making, hence being path breaking (Huber, 1991; Oviatt & McDougall, 1994; Oviatt & McDougall, 2005; Perks & Hughes, 2008; Nielsen & Nielsen, 2011; Madsens & Servais, 2013). Movellas, as has been mentioned previously, started as an sms content sharing business, but realized there was more demand in the market for young adult creative writing content. They made the switch to the latter service, as it was the more successful option.

The sharecom’s learning has also confirmed what Oviatt and McDougall (2005) refer to as, individualistic. Tying into the earlier statement that the leadership plays a pivotal role to the sharecom. This individualistic learning is what makes sharecoms adaptable and capable of unlearning, with greater absorptive capacity, as discussed earlier with Movellas case. Or in the case of CoAbode, that started as non-profit, and changed to a for profit. They also tried to monetize through advertisements on the website and are thinking of adjusting it, to find the right fit (Oviatt & McDougall, 2005).

The sharecoms also prove to gain knowledge from two further sources: their networks and through market research. An advantage of networks is gaining information and benefiting from additional knowledge (Oviatt & McDougall, 2005; Fernhaber et al., 2008; Gansky, 2010). In the study this was shown in the case of Hoffice where they accessed information on the Hoffice developments from their users and by liaising with the press which aids them in spreading the Hoffice philosophy. In the case of SwopShop they show how their customer’s knowledge can be leveraged to assist them in executing operational functions. Closay shows their hopes to gain knowledge from their future investors to fill in any knowledge gap they will have and assist them in internationalizing. The empirical findings show that through market research the sharecoms (HouseTrip, Movellas and CoAbode) are able to proactively and competitively learn about their market and market environment before entry. This contributes to their competitive advantage over their competitors generally, and the potential competitors in the new market (Oviatt & McDougall, 2005). In addition,
Oviatt and McDougall (2005) state that market knowledge impacts the speed of the internationalization process.

In summary, knowledge is important to the firm, impacting the leader’s attitude towards internationalization, and thereby the decision to internationalize (Oviatt & McDougall, 2005; Freeman & Cavusgil, 2007). It therefore influences the way in which the leader manages the challenges they face when internationalizing. The experiential and congenital knowledge of the leader is therefore important, as it forms part of the sharecoms knowledge pool that contributes to them being a knowledge firm. Also, forming part of the sharecoms knowledge pool is the knowledge gained from their networks (investors, customers/users, press, other sharecoms, employees/teams, etc.), as well as any market research conducted. Through having this varied knowledge pool, the sharecom is able to benefit from: greater absorptive capacity; a reduction of uncertainty in operating abroad; greater adaptability and flexibility in operation; and greater depth in knowledge (Huber, 1991; Oviatt & McDougall, 1994; Oviatt & McDougall, 2005; Perks & Hughes, 2008; Nielsen & Nielsen, 2011).

5.1.5 Liability

Liability of newness and smallness are faced in the same way by the sharecoms: lack of resources. The findings support Kiss and Danis (2008) who state that new and small firms face a lack of resources in funding, contacts, information and people, which dictate the growth and survival of the firm. However, as Gansky (2010) points out, sharecoms, by their very nature, are able to overcome these challenges. Hence, as Laanti et al (2007) suggest INVs/BGs can overcome the challenge presented by the liability of newness by addressing it prior to establishment. Kiss and Danis (2008) further point out that it can be managed through leveraging of networks.

The results of the study show that although faced with both liabilities, the sharecoms in some cases are able to overcome the challenges. In the case of HouseTrip and Movellas they overcame it through seeking external funding and leveraging their networks. Through their access to funding, they also gained access to international contacts, as Movellas explained and, for experience, as Closay states they are seeking.
Aside from international contacts, HouseTrip was also able to secure the right human resources. Movellas’ case showed that whilst funding and experience (age) overcame newness, they were still experiencing liability of smallness as an issue. The founder expressed his concern of always being second to enter new markets in comparison to their competitor, because of a lack of resources: both financial and human resources. CoAbode's findings also support this fact that whilst having the resources secured prior to establishment can and will help in overcoming liability of newness, it does not necessarily translate in overcoming liability of smallness. They too expressed that they had to limit their growth due to a lack of resources. It, therefore, supports further that funding is a necessity throughout the sharecoms business lifecycle as explained earlier under funding (Fraser et al., 2015).

However, Hoffice's presence as a sharecom proves that there are advantages to being new and small, as they have not encountered any issues with the liability of newness or smallness like the other sharecoms interviewed. This could be explained as a consequence of their business model approach (Baden-Fuller & Managenatin, 2013; McQuillan & Scott, 2015). Hoffice's model relies on the users executing the operation independently. The leadership team, so to speak, is therefore mainly in charge of daily administrative activities and maintains the website. It needs no funding for them to operate as they are a non-profit, and because they are established as a network-oriented business, growing the business without funding was not an issue. Instead, it grew through its networks (friends, friends of friends, the press, users), hence overcoming both the liability of newness and smallness. However, as they grow they are facing the need for their own platform, which they anticipate will need external funding.

Another advantage to being new comes from what Oviatt and McDougall (2005) discuss as; learning the advantage of newness. Explained as where firms that are new are found to be more flexible and adaptable to new environments, allowing them to pursue growth. Empirically, this is evident with Movellas, whereby they were able to change their core offering, from when they first started. It also explains HouseTrip being able to move to the UK successfully. However, their ability to be adaptable and flexible does not seem to be limited to their newness. For instance, both Movellas and HouseTrip keep abreast of the technological developments in their industry so that the
can capitalize on it. CoAbode for instance listens and considers the suggestions of its customers, to the benefit if it's service: implementing complementary service offerings. Gansky (2010) explained that gaining information from customers was an advantage of the Mesh. This speaks to the innovativeness of the firm. In terms of the advantage of smallness: Movellas found that their day to day activity was less bureaucratic, and to a lesser extent, the same could be said for Hoffice, due to being so decentralized. While, HouseTrip found legal and government issues were less of a concern when they were smaller. This was further supported by CoAbode, Movellas and Hoffice as the results showed them having limited to no government interactions.

**Liability of foreignness** is a less prominent issue than expected for sharecoms. Kiss and Danis (2008) and Petersen and Pedersen (2002) explain that it has to do with the lack of familiarity with the market the firm is entering on a social, cultural, political and economical standpoint. This in turns disadvantages them to local firms. However, the sharecoms, while having faced varying degrees of liability of foreignness, have been able to manage it; and it has not prevented them in being competitive. For instance, HouseTrip who as part of the house rental industry faces government and regulatory opposition from their tradition competitors (hoteliers), but is not disadvantaged or dissuaded from competing.

In the case of Hoffice, the foreignness issues faced are slightly more remote, as it is their users - as agents, in this case, that establish the satellite hoffices. Hence, the cultural and language barriers faced are not as a result of Hoffice actively seeking to open a Hoffice in either India, Japan or the UK (where it has not taken been successful), but rather as a result of an independent agent choosing to establish a Hoffice in their own home country. Therefore, it raises to what degree is this liability of foreignness? Nonetheless, it has merits to being considered a factor, as Hoffice was created for working in Swedish society, based on openness, trust and collaborating with friends and friends of friends. In the case of CoAbode they have faced no liability of foreignness. This ties in with the theory that states the more familiar the market the less likely liability of foreignness should be a problem (Menzies & Orr, 2013). Hence, CoAbode’s entry into Canada, which is similar to the United States in many ways, should have a very small psychic distance.

Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
Concluded therefore is that liability of newness, smallness and to a lesser extent foreignness all pose a risk to the sharecom’s internationalization process. Liability of newness and smallness, pose a medium risk to the internationalization process. Without adequate resources – funding in particular - the sharecom could face the pace of the internationalization process affected, as discussed earlier (Laanti et al., 2007; Kiss & Danis, 2008; Gansky, 2010). However, newness is readily overcome by acquiring the resources before or soon after establishment, assisting the sharecom to internationalize or the type of business model approach adopted (Kiss & Danis, 2008; Baden-Fuller & Managenatin, 2013; McQuillan & Scott, 2015). As also already discussed a lack of funding can affect the sharecom at different stages in its business lifecycle (Fraser et al., 2015). Hence, funding can become a continued cause for concern for the sharecom due to the liability of smallness, unless having a business model that does not require funding. It is these factors that raise the risk of liability of newness and smallness, but it is moderated due to advantages that come from being new and small: flexibility and adaptability to new environments; learning advantage of newness and; not facing government and legal issues (Oviatt & McDougall, 2005; Gansky, 2010).

Liability of foreignness, as argued can present a challenge, but is not a major challenge, but should still be considered a possible risk to the internationalization process, albeit low risk. It is ranked a low risk, based on the fact that sharecoms are not that concerned with the liability of foreignness when entering a market. Instead, they take advantage of being either new and/or small firms as a sharecom, as mentioned previously. However, as they mature they would have experience, networks and depending on business lifecycle stage the funding to mitigate any foreignness issues they expect to face (Kiss & Danis, 2008; Petersen & Pedersen, 2002).

5.2 **External challenges**

5.2.1 **Government & legal**

The findings show that government and legal involvement and experiences varied greatly among the sharecoms. On the one hand, there is CoAbode who haven’t had any interactions (to speak of) with these institutions when internationalizing and Hoffice whose experiences have been somewhat limited, albeit positive. In both
cases, this could be related to their business models and more specifically, the way in which they operate; for example, Hoffice's service model is based on open source and is a non-profit venture. Then there is Movellas, who state that their government and legal interactions have been quite straightforward during the internationalizing process. However, they do have to keep abreast of and comply with the particular laws and regulations of each country they operate in. This is in line with the theoretical claims of Leonidou and Katsikeas (1997), who identify the legal systems of some countries as a potential challenge.

On the other hand, there is Housetrip, who spoke of quite extensive interactions relating to the government and legal system when internationalizing, increasing notably with company growth. In particular, Housetrip have faced issues in certain countries where they (companies of their nature, not them specifically) are seen as a disruptor to the traditional hotel industry. Furthermore, in keeping with the findings of Crick (2007), HouseTrip found that the governments of some of the host countries have a lack of understanding of the ‘new industry’ in which they operate, and thus there is a need for government trade policy-makers to have a better knowledge of start-ups and entrepreneurial companies. A lack of support for companies such as sharecoms, was also highlighted and this reiterates the discoveries of Svetlicic et al (2007) that small firms do not receive the level of government support and cooperation given to MNCs.

Additionally, the fact that the industry is not yet established and thus in its infancy means that pertaining regulations change rapidly and HouseTrip, therefore, have the on-going challenge of ensuring that they are in constant compliance. This is in line with the theoretical findings of Hamil (1997), Crick (2007) and Svetlicic et al (2007) that all speak of the challenges and expense of adhering to regularly changing legislation. However, in spite of the extent and complexity of the interactions with these institutions, HouseTrip found the relationships easy to manage by maintaining close contact and communication with government and legal authorities, as well as other sharecoms in the industry (competitors), who they are lobbying together with in some cases.
Both of the non-internationalized sharecoms had already experienced some government and legal issues in their home countries and based on these, they expected to face challenges of a similar nature when entering foreign markets. Closay spoke of tax and insurance issues while Swoopshop was more concerned with tax breaks, specifically for exchange-based business models, and patent protection for innovation of start-ups. These latter issues relate to Daniels (1995) observations that government policy and regulations can present a significant barrier when a firm is internationalizing. Further connection can be linked back to the aforementioned theory of Leonidou and Katsikeas, 1997; Crick, 2007 and Svetlicic et al., 2007, which identifies insufficient understanding and assistance within government and legal institutions pertaining to newer types of firms, such as sharecoms.

In summary, the findings revealed varying degrees of government and legal interactions, with varying effects on the internationalization process, among the companies that have already internationalized. Involvement with the institutions was dependent on: the type of industry in which the sharecom operates (i.e. HouseTrip deemed as a disruptor to a well-established traditional industry), the size of the sharecom (HouseTrip and Movellas both spoke of government and legal interactions increasing as they grow), the way in which the service is provided (i.e. Hoffice is based on open source, with each individual hoffice managing itself) and the sharecom's networks (HouseTrip's network actors include other companies operating within their industry as well as government and legal and these make challenges easier to manage). In addition, whether a sharecom operates for profit or is a non-profit venture can effect the level of government and legal involvement they will have and thus the extent to which they will become an issue.

5.2.2 Geographical distance

Theoretical findings of Crick (2007) and Arbaugh et al (2008) indicate that location factors can be a barrier for entrepreneurial firms and this was evident, to some degree, within the empirical findings of this paper. In the case of Hoffice, successful internationalization into some countries with a significant geographical distance (such as India and Japan) had proven to be a challenge, in comparison with entry into countries located nearer to the sharecom’s home country of Sweden, such as Denmark.
and Germany. HouseTrip and Movellas also found internationalizing into countries with geographically close proximities to be less challenging than those further afield.

Further in line with the findings of Arbaugh et al (2008) was the idea that European companies were able to acquire an international presence at a faster rate and with more ease, based on the relatively small geographical distances involved. This was the case for three of the internationalized sharecoms (Hoffice, HouseTrip and Movellas), who all internationalized first into neighboring or nearby countries and from there continued to spread out through Europe. Closay (one of the non-internationalized sharecoms) expressed a similar intention regarding its internationalizing strategy, by stating that they will move into a geographically close country first - from Denmark into Germany. From there, the sharecom's plan is to grow the company, to sufficiently develop and thus be in a stronger position to enter North America in two years, where as Preece et al (1999) note, there is a plethora of prospects. The other non-internationalized sharecom (SwopShop), however, did not speak of any internationalizing strategy or plans.

Research by Arbaugh et al (2008) suggests that North American companies do not internationalize in the same way as European companies, owing to geographical distances and this shows true in CoAbode’s internationalizing pattern. The sharecom’s internationalization has been slow in comparison to some of the European sharecoms interviewed, who have gained international coverage (often) within considerably shorter time frames. CoAbode initially spread out across North America, before moving into neighboring Canada, which was likely due to the shear size and amount of opportunity available, as stated by Preece et al (1999).

To conclude, the empirical findings showed that location factors impact greatly upon a sharecom’s internationalization and are therefore taken into consideration in terms of strategic planning. All of the internationalized sharecoms initiated their internationalization by entering into neighboring or nearby countries (CoAbode, Hoffice, HouseTrip and Movellas), despite varying motives for doing so. Furthermore, the European sharecoms (Hoffice, Housetrip and Movellas) were able to gain international presence quite rapidly and with moderate ease, owing to smaller geographical distances. They also identified that greater geographical distances acted
as a barrier in some cases, thus affecting the internationalization process. Lastly, it was evident in the findings that there exists some degree of correlation between psychic distance and geographical distance.

5.2.3 Psychic distance

Supporting the theory provided by authors such as Johanson and Weiderson-Paul (1975) and Menzies and Orr (2013), psychic distance proved true within the empirical findings as a potential barrier for sharecoms when entering a foreign market. However, the findings revealed the cultural aspect of psychic distance to be the most prominent within the internationalization process, which echoes the opinion of Sousa and Bradley (2006). Furthermore, the theoretical claims of Daniels (1995), Zhara and George (2002), Acs et al (2004) and Arbaugh et al (2008) that speak of country culture impacting a company when entering a foreign market, were apparent for all of the internationalized sharecoms, with the exception of CoAbode. Issues encountered reflected those identified within the theory, including habits and attitudes (Crick, 2007); and norms and values (Kostova, 1999; Jansson, 2007).

Half of the internationalized sharecoms found the impact of culture to be an issue when entering new markets. Hoffice experienced problems regarding its business model, and more specifically the way in which the service operates. As a service model based on open source it is aimed at communities and networks of users, who are linked in some way (friends or friends, colleagues etc). However, in some countries (most notably those further afield, i.e. India and Japan), Hoffices were set up more for commercial purposes, with administrators ‘advertising’ to the public and charging a fee. This alteration of the concept was a result of differences in country culture and consequences led to the closing down of such hoffices, as they were not operating in keeping with the intended concept. In addition, Movellas experienced cultural differences regarding ‘gender roles', whereby in some countries, it was not a cultural norm for boys to write fiction. They faced further cultural issues in terms of what is deemed as offensive materials, which they found to vary greatly between countries, particular those with a greater cultural distance.
Three of the four internationalized sharecoms spoke of the challenges presented within operational factors such as language and communication, which according to Crick (2007) and Arbaugh et al (2008), are highly problematic for small, entrepreneurial firms. Hoffice had experienced communication issues with its administrators (the people running the Hoffice Facebook pages in various countries), citing language as the main barrier and HouseTrip mentioned language as being a primary challenge when it comes to translating the website and promotional content. Furthermore, Movellas mentioned several challenges relating to communication and language. Moving from the USA into Canada, CoAbode did not experience any language issues, and as part of their future internationalizing strategy, they plan to move into other English speaking countries, so as to avoid any such challenges that could arise.

From the findings it was clear that for most of the interviewees (5 out of the 6), cultural distance was factored into their internationalizing strategies, with all of the internationalized sharecoms made their first moves into countries with similar cultures. Notably, such countries were also geographically close, a point that indicates some linkage between to the two factors. Furthermore, the findings showed that all of the internationalized sharecoms found greater success in countries where there is a smaller cultural distance and major reported challenges typically pertained to countries with a greater degree of cultural distance. This unearthing relates to the theoretical views of Johanson and Weidersheim-Paul (1975) and Menzies and Orr (2013), who discuss the correlation between challenges and psychic (cultural) distance.

One of the non-internationalized (Closay) intends purposely to make their first move into a country with a small degree of cultural distance, recognizing the benefits of entering a country with not only a similar culture and common business language but also similar levels of education and economic development. The other non-internationalized sharecom (SwopShop) does not have an internationalization strategy in place, however they have expressed an interest in adopting a franchise model to roll out worldwide, so it is likely that the local franchisees will be able to help reduce any major cultural issues or flow of information from the organization to the market, as noted by Johanson and Weidersheim-Paul (1975).
To sum up, the findings of the interviews supported the theory stating that psychic distance is a factor for consideration in terms of internationalization, however, it was culture, more specifically, that proved to be the major element. Such cultural distance proved to have some correlation with geographical distance, with findings showing that greater cultural issues were often found in countries that are further afield and higher success rates were apparent in countries that are both culturally and geographically close. It is also clear that most of the sharecoms have a sound understanding of cultural distance and factor this into their internationalization strategies, with seemingly high levels of success.

5.2.4 Networks

Interviewees were unanimous in their view that networks are important, especially in terms of internationalizing, which shows support for theoretical findings of Oviatt and McDougall (2005) who claim networks to be essential for global start-ups. All of the internationalized sharecoms ranked networks as highly important, (with scores ranging from 7 up to 10 out of 10) and half of the sharecoms (Hoffice, Movellas and SwopShop) considered their networks to be essential to the business and stated that internationalizing would be impossible without them. Although in agreement that networks brought many benefits, the other half (Closay, CoAbode and HouseTrip) believed that they could internationalize successfully without them, citing ‘hard work', ‘being proactive' and ‘having a good concept' (amongst others) as the fundamentals.

As Oviatt and McDougall (2005) suggest, there are many advantages to building and maintaining networks, such as; gaining access to international opportunities, knowledge spillovers, foreign market information and funding. Some (if not all) of the benefits have been experienced by the internationalized sharecoms that were interviewed and have been particularly useful in cases where host country governments have not provided sufficient support and guidance, as suggested by Crick (2007) and Svetlicic et al (2007). HouseTrip illustrates this point through working with their competitor(s), (a weak tie) to tackle government issues, sharing knowledge and providing a source of support. This is in alignment with Oviatt and
McDougall (2005) and Kiss and Danis (2008) who explain that weak ties are a source of vital information. They further maintain other weak tie relationships closely with government officials and legal authorities, co-operating with them and providing them with information regarding the industry they operate in, which can help to overcome the challenges they may be facing (Oviatt & McDougall, 2005; Kiss and Danis, 2008). Such challenges are more apparent in an industry where there is a direct traditional competitor, as in the case of HouseTrip who contend with large hotel chains.

All six of the interviewees identified the user/customer as a key network actor, with Hoffice and CoAbode citing them as the ‘driving force’ of the business. In one case it can be seen where the customer acts as a strong tie, where SwopShop is emotionally attached and highly dependent on them, despite theory stating they are weak ties. SwopShop is highly dependent upon its user, not only for generating an income but also for volunteering their services in areas such as marketing, accounts and assisting in the shop. SwopShop further relies on its user for advice and support, while CoAbode, Closay and HouseTrip obtain this from other start-ups, who they see as a valuable part of the networks. Half of the sharecoms (CoAbode, HouseTrip, Movellas) also included investors among the most crucial actors within their networks owing to being strong ties and are a necessity for financial support and guidance. Funding through investors can affect a sharecom’s network in several ways, such as strengthening and expanding it, as well as impacting upon the relationships with other network actors (i.e the government and legal system). In addition, the media was found to be a prominent actor within both CoAbode and Hoffice’s networks, and a major source for promoting the sharecoms, attributing to their growth and success. Furthermore, with talks of upcoming collaborations, Movellas considers the likes of Sony and other significant MNCs to be future actors within their network and hopes to tap into their resources, knowledge and experience.

The empirical findings show that networks have an influence on market entry decisions, as presented by Oviatt and McDougall (1994; 2005) and the majority of the sharecoms interviewed indicated that actors within their networks had an effect on their decision-making regarding internationalizing. CoAbode and Hoffice linked their market entry choices with media coverage and thus user demand, and both CoAbode
and HouseTrip use market research as a tool to determine where their users are and what specific service they desire. Taking a more organic approach, SwopShop plans to adopt a franchise model when it internationalizes, meaning that foreign market entry will be strongly determined by the user. Movellas upcoming business development plans mean that the parties involved (collaborating companies) are likely to have a strong power over the sharecoms internationalization strategy.

Overall, it is apparent from the findings that networks are highly valued and can consist of a number of varying actors. The overriding benefit that the sharecoms take from their networks is access to knowledge and experience, as well as guidance and support. The user proved to be the most valuable actor, with the community-based sharecoms such as CoAbode, Hoffice, Movellas and SwopShop placing particular emphasis on their importance. It is further evident that networks are critical in order for a sharecom to successfully internationalization, and they can help to reduce and even eliminate pertaining challenges such as government issues and physical (cultural) distance.

5.3 Internationalization process

The results support the theoretical framework that the sharecoms’ internationalization process is multifaceted. The theoretical framework posited that sharecoms internationalized in four ways: in a step-wise manner; being inception driven, being resource oriented; or being network oriented. However, the results show rather than sharecoms internationalizing in only one of the ways listed, they are capable of internationalizing in a combination (hybrid) of the ways listed.

Primarily, sharecoms appear to be inception driven, that is, according to Gabrielsson et al.’s (2008) criteria for INVs, they internationalize from inception (within 0 – 3 years of establishment) and start with a global vision (seeking to gain competitive advantage in multiple countries from early on). These are the two key criteria that overlap with other authors like Oviatt and McDougall (1994), Laanti et al. (2007), Knight and Cavusgil (2004) and Rialp et al. (2005) that define INVs in their literature. It can be seen where HouseTrip and Movellas internationalized from inception based on the criteria mentioned earlier. Hoffice, although internationalizing from within a year of establishment, cannot be said to have internationalized with a global vision,
given the co-founder's low rating on internationalization. Internationalization cannot be said to be a part of Hoffice's strategy, nonetheless, it is clear despite lacking the drive to internationalize it can be seen where they are widely spread internationally. This is on account of leadership decision-making playing such a vital role in the decision-making but more so because of Hoffice's business model. Hoffices co-founder is not opposed to the internationalization of Hoffice's philosophy, but with a lack of proactive internationalization strategy, Hoffice was still able to internationalize autonomously. This was due to their business model, as previously discussed being a network oriented service. Hoffices internationalization process is mainly network based, therefore but shows a growing need for resources as it matures: to support its endeavors of a Hoffice platform to assist the business, but also to revise the Hoffice business model.

HouseTrip and Movellas although being primarily inception driven, also reflect having a hybrid internationalization process. In the case of HouseTrip, their internationalization as Peng (2001) explains is dynamic and longitudinal. They view multiple market entry as advantageous to them acquiring rich data, but also gaining a strategic alternative - should they fail in one market, they can learn from their experiences or withdraw and still profit in other markets. Their internationalization is also network based, and echoes Mtigwe’s (2006) notion that there is always a third party contribution in the internationalization process. Johanson and Vahlne (2009) also points out that internationalization is an outcome of the strengthening of network relationships to improve or protect their market positions. HouseTrip internationalized as a result of gaining Angel investment, to which internationalization was an outcome based on the investor’s expectation.

Movellas’ internationalization process also reflects being both resource orientated and network based. They too are dynamic and longitudinal (Peng, 2001), yet they also show that their expansion is very much reliant on having available resources: financial and human. Mtigwe (2006) explained that according to the RBV, resources are critical for the organization to be competitive; to be in a position to efficiently and effectively offer value to the market. Movellas, when interviewed, expressed the difficulty a lack of resources had on them executing projects and competing with competitors on market entry. They, like HouseTrip also internationalized based on
receiving funding, and as such given Johanson & Vahlne (2009) network approach also internationalize in a network oriented way.

CoAbode’s internationalization process like its counterparts is also a hybrid. CoAbode has only internationalized to their neighboring country: Canada, although widely spread within their home country. This was explained as owing to carefully managing resources. CoAbode, without adequate resources did not want to internationalize too quickly and then place themselves in a situation where they compromised on their customer value offering. Hence, purposely they have internationalized slowly. As such their internationalization process shows remnants of occurring in a step-wise manner and resource-oriented way. Chetty & Campbell-Hunt (2004) explain that firms that internationalize in a step-wise manner, develop their home markets first, like CoAbode. They also state, like Johanson & Vahlne (1990) that they internationalize in order of psychic distance, which can be seen as they entered Canada first. The founder explained that Canada shared a similar culture, language, and political system as the US, and has faced no liability of foreignness issues.

The gradual resource commitments that Johanson and Vahlne (1990) speak of is not completely what is driving CoAbode’s internationalization resource restraint, but more of the RBV. As highlighted already with Mtigwe (2006), CoAbode sees resources as a necessity for internationalizing, and this is evident with their focus on raising funds through entering start-up competitions, and attending networking events. Additionally, their reliance on their customers as networks is also a major player in their internationalization, which is in line with Johanson and Vahlne’s (2009) more networked oriented internationalization approach. They speak of relationships assisting firms in identifying and exploiting opportunities, and in CoAbode’s case it was their customers that allowed them to identify the need for them to enter the Canadian market.

The two non-internationalized firms juxtapose the two extremes of how differently sharecoms can internationalize. Closay’s internationalization based on their intentions, will be inception driven. SwopShop, on the other hand, is on a step-wise trajectory of internationalizing. Menzies and Orr (2013) theory of internationalization on soft service firms states that the step-wise approach cannot be used, but as SwopShop are

Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
characteristically a soft service firm, internationalization intentions would be step-wise. The founder expressed her desire to grow slow, although she did not specify entering a specific market that is considered psychically close to her (Johanson & Vahlne, 1990).

Although both are at extremes of the spectrum of rapid and gradual internationalization, they can both be expected to have a hybrid internationalization method. In Closay’s case they already can be seen to express elements of resource orientation. This, as theory previously highlighted, is evident in their competitive drive to enter markets by acquiring the resources (funding) to internationalize. They have also shown the interest of their investors filling their knowledge gap, speaking to network based internationalization (Peng, 2001; Mtigwe, 2006; Johanson & Vahlne, 2009). SwopShop's internationalization intentions do not align to being resource-oriented, as they are not partial to being competitive or seeking external funding. Instead, it would be network based; they show a strong affinity to their customers in their network and spoke of receiving requests from abroad to internationalize. Hence, should SwopShop internationalize it would occur over time, based on a strong ideological need, linked to their network relationships (Chetty & Campbell-Hunt, 2004; Mtigwe, 2006; Johanson & Vahlne, 2009).

In summary, therefore, a sharecoms' internationalization cannot, as posited by the theory solely be explained by a single internationalization process, but more of a hybrid. They internationalize through a combination of the four approaches mentioned in the theoretical framework: step-wise manner; inception-driven; resource oriented; network based. In addition, while all the challenges can generally be expected to impact the internationalization process, the leader's decision making, business model (now clearly presenting as a critical challenge) and geographic distance, combined or separately, influence the primary process followed.
6 Conclusions

“Completion is a goal, but we hope it is never the end.” –Sarah Lewis

This final chapter brings all the pertaining parts of the thesis together, presenting the major findings and conclusions in a comprehensive manner. Firstly, the research questions will be revisited and answered in their entirety, in line with the research objectives. A discussion of the implications will then be given, starting with the theoretical implications relating to academia and following on with the practical implications relevant to sharecom managers. The limitations of the study will then be described in relation to their impact on the results and this will lead into the concluding section of this paper, which examines the potential opportunities for further research.

6.1 Addressing the research questions and objectives

6.1.1 Research question 1

The first research question set out within this thesis asked: ‘What challenges do sharecoms face when internationalizing?’ and this was dealt with by using both theoretical and empirical investigation. Challenges identified within the theoretical findings, enabled us to develop a theoretical model (Figure 1) for our research and further to design an interview guide to use within our empirical data collection. Findings from the empirical study then allowed us to more accurately classify the challenges sharecoms are presented with when entering a foreign market and thus revise our theoretical model (Figure 2). Based on the empirical findings the following was evident:

1. Both internal and external challenges exist (as found within the related theory), however, it is clear that some of these are intertwined. Relationships were apparent within the two groups of challenges, as well as some interplay between them, as indicated in Figure 2.

2. In terms of internal challenges, **knowledge, funding** and innovation proved to be prominent, which is in line with the theoretical findings. However, from the findings, it became clear that innovation should more specifically be referred to as **entrepreneurial innovation**.
3. Decision-making was found to be a major part of the ‘leadership attributes' challenge and thus, the challenge has been relabeled as **leadership decision-making**.

4. The challenge previously entitled ‘liabilities’ (stated to contain the following: newness, smallness and foreignness) has also been redefined as, **firm risk**, considered more appropriate.

5. **The business model** was a further internal challenge that came through and something that was not identified within previous theoretical literature. It has therefore been added to the revised model.

6. Regarding the external challenges, **government** and **legal, geographical distance** and **networks** remained to be noticeable barriers, as per the theoretical findings.

7. Culture appeared to be the most notable aspect of psychic distance, with other parts not proving to cause a significant issue and as so, it was considered appropriate to retitled the challenge as **cultural distance**.

8. The type of **industry** in which a sharecom operates came to light as being a major factor in terms of internationalizing and is therefore considered to be an additional external challenge.

**6.1.2 Research question 2**

The second research question asked: **‘how do such challenges affect the internationalization process?’** and this was addressed through a combination of theoretical and empirical research. The analysis found that the challenges, both internal and external, identified earlier affected the sharecoms’ pace of internationalization. Sharecoms have been found to have a hybrid internationalization process. They are capable internationalizing rapidly following a primarily inception driven process, or gradually following a primarily step-wise process, with elements of either resource orientation or network based to moderate the process faster. This is on account of how the various challenges are faced and overcome by the sharecom. The sharecom that internationalizes at a faster pace is found to have typically overcome the internal challenges and used them to their advantage to further overcome the external challenges. The sharecom that internationalizes slower is one that faces
resource constraint and/or the leader has taken a strategic decision for slower growth, constraining the sharecom from international expansion.

Aside from the pace of the internationalization process, certain challenges impact the process in noteworthy ways:

1. Leader’s decision-making (critical challenge) determines whether the sharecom should internationalize or not; it is their decision that determines the internationalization trajectory (which market to enter first, the pace and how to execute it).

2. Knowledge informs the leader's decision-making and how they manage the challenges faced, ergo it affects the internationalization process through point 1, above.

3. By being technologically innovative the sharecom can find itself having the competitive advantage as it internationalizes, as well as lending itself to a more effective and efficient process.

4. A lack of funding or limited funding (critical challenge), is not only capable of stalling the sharecom's internationalization process, but can also constrict the sharecom to a single international market.

5. Depending on the business model (critical challenge) the sharecom is capable of internationalizing without the leader’s intent or proactive involvement, however, it can limit expansion.

6. The network (critical challenge) relationships of the sharecom have the ability to provide knowledge and experience that can help to ease the internationalization process. They can also inform and influence the international markets, which sharecoms enter.

7. The firm risk can be leveraged as an opportunity, whereby being small and new can be used as an advantage to the firm's internationalization process. By being new and/or small, the sharecom is more flexible and adaptable in learning and acquiring new knowledge and to adapt to their environments (learning advantage of newness) when internationalizing. Additionally, government and legal issues are not a concern when entering new markets, making the process easier.

8. The sharecom’s external challenges relate specifically to how well the sharecom prepares for international market entry and is aware of their
environment. As such, they can also affect the sharecom's internationalization process through a lack of efficiency and effectiveness (cost and time being important factors in the internationalization process).

6.2 Limitations

One limitation that can be identified within this research relates to the size of the sample. Although this was considered adequate in order to address the research problem with a qualitative approach, it is still worthy to note that a larger sample size may have produced more varied findings and thus lead to a different conclusion. Furthermore, a more diverse population sample could have added more validity and credibility. The majority of the case companies selected were from Northern European countries, and while this was an unintentional occurrence (purely based on levels of response), it is believed that future research involving a wider geographical spread would be beneficial.

6.3 Theoretical implications

This study has first and foremost identified that sharecoms are a new type of firm, distinctive to INVs/BGs - albeit sharing some similarities, yet different to traditional firms (Oviatt & McDougall, 2005; Menzies & Orr, 2013; Botsman & Rogers, 2010a; Gansky, 2010; Cusumano, 2015). Through the identification of the sharecoms' difference characteristically, it was further confirmed that the theory that applies to manufacturing/exporting, INVs and service firms are not distinctly suitable for describing the sharecoms' internationalization process. Instead a multifaceted theoretical approach is suited built on IET, as the sharecom's display the characteristics of being entrepreneurial (Madsens & Servais, 1997; Oviatt & McDougall, 2005; Rialp et al., 2005; Laanti et al., 2007; Fernhaber et al., 2008; Menzies & Orr, 2013).

It is this multidisciplinary approach, which has guided the development of the internationalization process, which is depicted in Error! Reference source not found.. The internationalization process initially proposed that the sharecoms follow one of the processes, however, the empirical findings show that they follow a hybrid process (Johanson & Vahlne, 1997; Peng, 1990; Chetty & Campbell-Hunt, 2004; Mtigwe, 2006; Johanson & Vahlne, 2009). The head of the arrow in Figure 2 depicts
the processes that combine to make up the sharecom's hybrid internationalization process. The challenges depicted within the arrow show that they affect the internationalization process through either internationalizing gradually, following the step-wise approach, variably (slow-rapid) depending on networks and resource availability, to rapid; following the inception orientation.

The internal and external challenges that the sharecoms face when internationalizing were found to confer with theory. However, the empirical findings show two additional challenges, internal and external respectively. The first being business model, it was initially highlighted in the sharecom literature as an issue but as stated in our theoretical framework it was not conferred with internationalization theory, which was the basis for building the sharecom theory. Empirically, however, this has shown to be a challenge that needed to be included in the revised theoretical framework. The second challenge is industry, which was not found in the sharing economy or internationalization theory literature. Further, the empirical findings have shown that some challenges are more critical to the sharecoms success than others, hence being considered critical challenges. If sharecoms are unable to overcome these challenges it can not only hinder the sharecoms internationalization process but stall it. These critical challenges are: leadership decision-making, business model, funding, entrepreneurial innovation, and networks.

Further revealed by the results is that the challenges are not only impacting the sharecoms internationalization process, but also each other. In Figure 2, the black arrows show directionally how certain challenges interact with or influence other challenges within the model. For instance, the way in which, knowledge influences leadership decision-making or the way in which the sharecom's industry can cause government and legal issues for the sharecom yet also provide the sharecom with valuable network relationships. In some cases, there are dual influences, such as between funding and the firm risk; and between geographic distance and culture.

These changes to the theoretical model have then resulted in a revision of the theoretical model below (see Figure 2). The study also empirically showed that the challenges are capable of influencing each other. This was alluded to in the theory but

Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
Figure 2: Revised theoretical model

Theoretically, the study has shown three key learnings: the first being the role of the leader's decision-making; the second, the importance of resources to the sharecom and the third, the sharecom's business model. The sharecom's leadership plays a critical role in its internationalization, having the capability to propel the sharecom towards internationalizing or to derail the process. It is through the leader's pro-activeness that resources available to them can be leveraged or those not available can be sought in order to achieve their internationalization vision. The sharecom's resources: funding, innovation, knowledge and networks, are very important to the sharecom and its internationalization. By being equipped sharecoms can overcome many, if not all, of the external challenges (geographic distance, culture, government and legal system, industry and networks) and firm risk (liabilities of newness, smallness and foreignness) they face. Having the necessary resources gives the entrepreneurial sharecom that is typically new and/small, a competitive advantage in the marketplace, and increases the pace and ease of internationalization. The business model was an empirical finding that showed the type of business model can influence how the sharecom internationalizes, as well as its resourcing needs and how it faces firm risks and government and legal issues.

In essence, the sharecom is able to internationalize rapidly dependent on a number of start-up factors: leader's decision-making and business model, but is moderated by the available resources (funding, innovation, knowledge and networks) leveraged to spearhead the internationalization process and used to overcome their external challenges and firm risk.
6.4 Managerial implications

In addition to its contributions to academia, it is believed that this thesis can offer relevant (and hopefully, valuable) advice to sharecoms from a more practical standpoint. Based on the research conducted, implications will be provided in general terms, (pertaining to all sharecoms), as well as more specifically based on the findings of the individual cases within this study. From a broad perspective, the findings have led us to conclude that when internationalizing, sharecoms need to be aware of the challenges they may face (both internal and external), as well as the various interplay that can occur between the challenges. It is crucial to gain an understanding of how challenges can impact one and other, and factor this into strategic planning. It is our belief that with this information, sharecoms can take action to help reduce risk and minimize potential issues.

Firstly, the significance of networks to a sharecom and the importance of establishing and maintaining relationships with relevant parties as early on as possible was identified as a major managerial implication. In addition to the customer/user, investors and other start-ups are considered to be valuable within a network and can provide an expedient source of guidance, support, and knowledge, which a sharecom can tap into and use when operating within a foreign market. Such knowledge, combined with pre-existing (experiential and congenial) knowledge held within the firm can equate to a competitive advantage.

Furthermore, it is considered strategically wise for a sharecom to hold institutions such as the government and legal system within its network, as they can assist in lessening and even eliminating further related barriers when internationalizing. Such connections are of particular benefit to sharecoms that operate within an industry considered to be a ‘disrupter’ to a pre-existing traditional industry, (such as HouseTrip and the traditional hotel industry). These institutions were found to be a challenge for sharecoms because they lacked adequate knowledge regarding the sharing economy and thus there exists an absence of appropriate policies and regulations. By maintaining clear and open channels of communication, sharecoms can help inform the relevant authorities and work towards a more harmonious and supportive market environment.
Secondly, the importance of funding was brought to light and the fact that a lack thereof can present a considerable challenge to a sharecom’s internationalization. Although the findings show that it is not impossible to internationalize without external financial resources, it can make the process slower and/or prevent further international growth. Managers, therefore, need to be mindful of this and seek funding in preparation of international expansion plans, so as to avoid any setbacks in the future. Funding from external investors will benefit a sharecom, not just financially but in terms of strengthening its network, as previously mentioned.

Thirdly, it was evident that geographical distance has a significant impact on the internationalization process, and is therefore considered to be a managerial implication that should be factored into its internationalization strategy. The findings revealed that sharecoms internationalize into geographically close countries with more ease and a greater probability of success. Furthermore, for European sharecoms, an international presence can be acquired quite rapidly by spreading out first through Europe and then further afield. This can be appealing for those wanting to make an immediate and sizeable impact on the market. Entry into more distant markets proved problematic, due to both location factors and cultural distance, however, the latter of which can be overcome by carrying out through market research prior to internationalizing.

6.5 Potential opportunities for further research

There exists a fountain of knowledge still to be explored within the sharing economy, but equally so when it comes to understanding it in relation to international business strategy – from the perspectives of knowledge management, business intelligence, change management, market entry strategy, business culture and ideology, to name but a few. More specific to this study, however, are several areas revealed for further study.

Whilst this study addressed the internationalization process of sharecom's and tried to be varied in its case selection, a wider study on the sharecom's internationalization process would be worthwhile. Investigating a larger range of sharecoms from different countries, regions, at different maturity levels and having different business
models. This study would also be valuable as a quantitative study testing our theoretical model's proposition. In addition, a more qualitative study would be valuable to understand the effect that different business models have on the sharecoms internationalization process, understanding in greater depth how it determines their internationalization path. For the addition of richer data to the field of study, a longitudinal study could be undertaken to study the way in which sharecoms internationalize and manage the challenges faced over time.

The role of leadership proved to play a key role in the sharecom’s internationalization process. This has implication for leadership studies, but also international business strategy, for while decision-making of the leader was the main challenge, it would be interesting to identify how the leader(s) shape the sharecom’s internal environment, its internationalization trajectory and how important of a role they play in achieving a sustainable competitive advantage for the firm. Also of interest would be leadership dynamics and the maturing firm; how does the leader’s influence change as the firm ages? Does it mean they are less entrepreneurial and innovative? or do they remain so, and how?

Further studies could also be done on autonomous internationalization, understanding the drivers behind organizations that internationalize, despite the lack of internationalization drive. Of further valuable would be to understand the organizational structure, the relationships and leadership roles in such an organization.

As our limitations indicate, due to case selection our study was constrained to looking at only developed country sharecoms. As such a worthwhile study would be to mirror this study from an emerging market perspective. Looking at the challenges sharecoms face specifically, when entering emerging markets in comparison to developed markets.
8 References


**Authors** Ava J. Campbell and Heidi C. Thornton  
**Masters level:** Business Administration with specialization in International Business Strategy


Keymolen, E., 2013. Trust and technology in collaborative consumption. Why it is not just about you and me. *Bridging distances in technology and regulation*, pp.135-150


Authors Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy


**Interviews**


9 Appendices

9.1 Appendix A – Interview schedule

Table 8: Interview schedule

<table>
<thead>
<tr>
<th>Case company</th>
<th>Interviewee title</th>
<th>Country location</th>
<th>Date of interview</th>
<th>Mode of interview</th>
<th>Length of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoffice</td>
<td>Co-founder</td>
<td>Sweden</td>
<td>06 April 2016</td>
<td>Face-to-Face</td>
<td>1:17:44</td>
</tr>
<tr>
<td>HouseTrip</td>
<td>Head of performance marketing</td>
<td>England (United Kingdom)</td>
<td>12 April 2016</td>
<td>Skype</td>
<td>50:02</td>
</tr>
<tr>
<td>CoAbode</td>
<td>Founder/CEO</td>
<td>USA</td>
<td>15 April 2016</td>
<td>Skype</td>
<td>1:04:32</td>
</tr>
<tr>
<td>Movellas</td>
<td>Founder/CEO</td>
<td>Denmark</td>
<td>18 April</td>
<td>Skype</td>
<td>1:13:23</td>
</tr>
<tr>
<td>Closay</td>
<td>Co-founder/CEO</td>
<td>Denmark</td>
<td>13 April 2016</td>
<td>Skype</td>
<td>21:08</td>
</tr>
<tr>
<td>SwopShop</td>
<td>Founder</td>
<td>Sweden</td>
<td>14 April 2016</td>
<td>Skype</td>
<td>55:58</td>
</tr>
</tbody>
</table>

9.2 Appendix B – Case company profiles

Table 9: Profiles of the companies interviewed

<table>
<thead>
<tr>
<th>Organization</th>
<th>Year established</th>
<th>Established in</th>
<th>Service offered</th>
<th>Non/For-profit status</th>
<th>Number of employees</th>
<th>Internationalized status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoffice</td>
<td>2013</td>
<td>Sweden</td>
<td>Home office sharing network</td>
<td>Non-profit</td>
<td>3</td>
<td>Internationalized</td>
</tr>
<tr>
<td>HouseTrip</td>
<td>2009</td>
<td>Switzerland (UK based now)</td>
<td>Holiday rentals</td>
<td>For profit</td>
<td>~100</td>
<td>Internationalized</td>
</tr>
<tr>
<td>CoAbode</td>
<td>2002</td>
<td>USA</td>
<td>House sharing for single mothers</td>
<td>For profit (recently switched)</td>
<td>~7</td>
<td>Internationalized</td>
</tr>
<tr>
<td>Movellas</td>
<td>2009</td>
<td>Denmark</td>
<td>Teen story sharing</td>
<td>For profit</td>
<td>12</td>
<td>Internationalized</td>
</tr>
<tr>
<td>Closay</td>
<td>2015</td>
<td>Denmark</td>
<td>High-end clothes sharing/rental</td>
<td>For profit</td>
<td>3</td>
<td>Non-internationalized</td>
</tr>
<tr>
<td>SwopShop</td>
<td>2012</td>
<td>Sweden</td>
<td>Brand and vintage clothes swopping</td>
<td>For profit (with volunteers that rotate)</td>
<td>1</td>
<td>Non-internationalized</td>
</tr>
</tbody>
</table>
9.3 Appendix C – Interview guide

**Note:** 1. Text in grey should only be asked to the internationalized firm, along with all black text. 2. Text that is italicized should only be asked to the non-internationalized firm, along with the rest of the black text.

**A. Biographical data**

1. What is your position/job title?
2. Are you a non-profit or for profit organization?
3. What service would you say you offer and how?
4. How many employees do you have?
5. When was the organization established?
   a. In which country’s as the organization established?
6. What countries do you currently operate in?
7. When did you first internationalize?
8. Which was the first country you went into?
   a. Why was it ____________?
9. What is your organizations philosophy (vision, mission, values)?
10. Has it changed since you have internationalized?
    a. If yes, how?

**B. Internationalization**

1. What do you think motivated your/organization need to internationalize?
2. *Since starting up have you wanted to internationalize?*
   a. If no, why not?
      i. If no, do you believe this sentiment may change?
      ii. What would need to happen to change your views on internationalization?
   b. If yes, have you made any attempts to internationalize and how?
   c. If yes, do you recall a time that your size and/or age were a hindrance to you internationalizing?
3. Can you recall a time that your size and/or age were either to your advantage or disadvantage (Disadvantages examples: government, legal issues, human/finance resources, language etc. or Advantages examples: being more agile, more flexible and willing to try new practices, networks)?
4. *If yes, did language and/ culture (business and social) practices in any way prevent you from internationalizing?*
a. If so, how?
b. If no, why?

5. Did language and/culture (business and social) practices affect you from internationalizing in any way?
   a. If so, how?
   b. If no, why?

6. (For int and non-int (even if yes/no)) How important do you/your management team rate internationalization? On a scale from 1-10: 1 = not at all important & 10 = highly important.
   a. Can you please explain why you have given this score?

7. Do you think your organization’s innovativeness played an important role in you being able to internationalize?
   a. If yes, how?

8. (Non-int wanting to int) how important of a role do you think your organization’s innovativeness will play for you to internationalize?
   a. If yes, how?
   b. If no, why?

C. Innovation and Financing specific

1. How innovative do you consider yourself to be? On a scale from 1-10: 1 = not at all innovative & 10 = highly innovative.
   a. Can you please explain why you have given yourself this score?

2. Did you start with external funding/financing?
   a. If no, why? (Was it obtained at a later point?)
   b. If yes, from who? (E.g. Angel investors, crowdsourcing, banks, government, venture capitalists, etc.).
   c. Depends on Q2) Was internationalizing part of your funding/financing agreement?
   d. (Depends on 2a) Do you think you could have internationalized without funding?
   e. If no, do you think receiving external funding could help you to internationalize and how?

3. How much support is available in your country in terms of financing, networking and innovation for an entrepreneurial organization such as yourself?
   a. How has this helped/limited you in terms of internationalizing?
D. Leadership and organization

1. Have you/management team had prior international experience (I.e. worked/studied abroad or travelled for example) before the organization was formed?
   a. If yes, what types of experience?

2. Do you feel that this has benefited the organization's international expansion?
   a. If yes, how?

3. (If yes wanting to internationalize) Do you feel like this will benefit you in internationalizing?
   a. If yes how?

4. What is your approval/selection criterion for entering a new country (i.e. growing economies, similar cultures, same language etc.)?
   a. (Use if need to probe further) Have you noticed any patterns?

5. How important do you consider your networks to your internationalization? On a scale from 1-10: 1 = not at all important at all & 10 = highly important.
   a. Can you please explain why you have given yourself this score?

6. Do you think you could have internationalized without your networks?

7. (If tried to internationalize before), did you have a selection criterion for entering a new country (i.e. growing economies, similar cultures, same language etc.)

8. How important do you consider your networks to your organization? On a scale from 1-10: 1 = not at all important at all & 10 = highly important.
   a. Can you please explain why you have given yourself this score?
   b. Do you think having the right networks would have made you able to internationalize or can still make you internationalize?
      i. Which networks and how?

E. Government/Legal

1. To what extent have you had to interact with the governments of the countries you've entered?
   a. Please explain further in what way(s)?

2. How would you rate your experience of such interactions (e.g. culture, corruption, business practices etc.)? On a scale from 1-10: 1 = very negative &10 = very positive.
   a. Can you please explain why you have given yourself this score?
   b. (Optional) If 6 or above, did any of your preparations assist in this?

3. Have you faced any discrimination from local authorities when you enter a new country?
a. If so, what do you believe to be the cause of this?

4. Can you remember facing any legal and/or regulatory issues when entering a new country?

5. Has there been an advantage or disadvantage to being a _____ etc. organization when internationalizing?
   a. If yes, what?

6. Has there been a disadvantage to being a _____ etc. organization when trying to internationalize?
   a. If yes, what?

7. (If tried to internationalize) Did you face any government or legal issues, including discrimination when you tried to internationalize before?

F. General-closing questions

1. In addition to what we have already discussed, can you tell me more about any other challenges you have encountered whilst internationalizing?

2. In addition to what we have already discussed, can you tell me more about any challenges you faced that prevented you from internationalizing?

3. From your experience of internationalizing what’s the most valuable thing you have learnt?

4. Any closing comments?
9.5 Appendix C – Sample invitation email

Hi there/[if name is available insert here instead]

We have an exciting research project we would like [insert company name here] to be a part of:

Who are we? - We are Ava & Heidi, master’s students studying International Business Strategy at Linneaus University (Kalmar, Sweden). We are currently working on our thesis project based on the sharing economy, focusing on internationalization.

Why we want you? - We think you would be the perfect fit for our study for 2 reasons: 1) we like your business concept and 2) you are operating in two or more countries.

How will this work? - We would like a quick interview via video conferencing (e.g. Skype/FaceTime).

What we’d like from you? - We would like confirmation of your availability to participate (as soon as possible please). Then just an hour of your precious time to be interviewed next month.

When will this happen? - We would like to conduct interviews between [insert dates here]

We would be grateful if you could pass this on to the right person for us please. Thank you and hope to hear from you soon!

Kind regards,
Ava & Heidi

9.6 Appendix D - Sample email with more detailed information (option 1) – generic

Dear [insert name]

Thanks so much for your interest in our research study. Here’s a bit more information for you.

Research context

We gained an interest in the emergence of new companies using innovative ways to connect with users through their products and connect them with each other - ultimately creating a ‘new product.’ In turn these innovations we found are driven out of essentially a societal, economical and technological need. Society is in need of accessing more, and less on owning; also they wish to have more social/collaborative interactions with each other. The last economic crisis also impacted this need to own less, and technology we found has played the important role of making this connection happen quickly, conveniently and seamlessly.

It is these drivers we believe that make the sharing economy so popular, and then essentially become disrupters in the marketplace. We also took note that some sharing economy companies where spreading their wings abroad, but some (not all), were facing difficulties from a regulatory backlash. On account of our programme being focused on companies going abroad, we found this research area apt. We therefore decided we would like...
to investigate more on the challenges *sharing economy companies* (which we have now dubbed ‘*sharecoms*’ in our research) face going into international markets.

**Research question and sub-question**

Our research questions are therefore:

1. [insert research question here]

**Data collection**

We are conducting a qualitative study, through case study interviews. As such, **we will only need approximately 1-1.5hrs** of your time (or a relevant representative) for an interview via Skype (or similar video conferencing interface).

**Before the interview**

Should you agree to interview with us, we are conducting them from between [insert dates]. You can then expect for us to email you a copy of our interview guide ahead of the interview. This will allow you some time to familiarize yourself with our interview questions. In turn should you have any questions, you are more than free to contact us.

Kind regards,

[insert your name]

9.7 Appendix E - Sample email with more detailed information (option 2) – personalized

Hi [insert name]

Thanks so much for your email, we appreciate you taking the time to get back to us so quickly, and are happy that you are showing an interest.

We really do hope the further information (includes the questions you asked) we provide you below will encourage you to be a part of our case research. We do believe your company will allow for greater diversity in our results.

**Research context**

We gained an interest in the emergence of new companies using innovative ways to connect with users through their products and connect them with each other - ultimately creating a 'new product.' In turn these innovations we found are driven out of essentially a societal, economical and technological need. Society is in need of accessing more, and less on owning; also they wish to have more social/collaborative interactions with each other. The last economic crisis also impacted this need to own less, and technology we found has played the important role of making this connection happen quickly, conveniently and seamlessly.

It is these drivers we believe that make the sharing economy so popular, and then essentially become disrupters in the marketplace. We also took note that some sharing economy companies where spreading their wings abroad, but some (not all), were facing difficulties from a regulatory backlash. On account of our program being focused on companies going abroad, we found this research area apt. We therefore decided we would like to investigate more on the challenges sharing economy companies (which we have now dubbed ‘sharecoms’ in our research) face going into international markets.

**Research question and sub-question**

1. [Insert research question here]
Data collection

We are conducting a qualitative study, through case study interviews. As such, we will only need 1 hour of your time (or a relevant representative) for an interview via Skype (or similar video conferencing interface).

Before the interview

Should you agree to interview with us, we are conducting them from between 11 - 18 April. You can then expect for us to email you a copy of our interview guide ahead of the interview. This will allow you some time to familiarize yourself with our interview questions. In turn should you have any questions, you are more than free to contact us.

Our research benefit to you

As our research is in the management sciences, it is very much geared towards being practical. As part of our research aim we hope that our research will provide managers/leaders with an in depth knowledge of the challenges they are likely to face going into international markets. In addition, you can expect to gain insight on the factors that typically hinder sharecoms from internationalizing quickly. Our research has put forward that sharecoms are unique, and as such the typical challenges and factors impacting speed of internationalization facing traditional companies is not the same. Hence, the challenges a hostel would face trying to enter a foreign market will certainly be different to the challenges, you, as CoAbode would face. Your service is unique and you interact with your customers very differently. Your concerns are also different.

We intend to interview other sharecoms as well, in different service areas and of different ages, to pin point the challenges they face. This will then enable you, to understand the challenges you have faced and are facing from going into Canada, for instance. It will also prepare you for challenges you may face should you branch out into other countries or geographical areas, such as Europe for example. We also expect that you will gain knowledge on how you may speed up your internationalization process if the need arises, as you will know which factors specifically impacts the sharecoms internationalization process.

The final benefit we can provide you is a copy of our thesis. As I mentioned earlier, our program is geared towards being practical, as such we do not only focus on theory, but also will discuss managerial implications. This section and our conclusions we believe will be of particular interest and value to you.

-----

Thank you once again for enquiring further about our study, and I hope that we have answered your questions fully. Should you have any further questions we are more than willing to answer them.

We do hope that you will agree to be one of our case companies for the study and look forward to hearing from you soon.

Kind regards,

[insert your name]

9.8 Appendix F – Sample sharecom contact list

The companies used as part of case interviews are noted in bold.

<table>
<thead>
<tr>
<th>Sharecom</th>
<th>Date established</th>
<th>Current age</th>
<th>Location</th>
<th>Industry</th>
<th>Mode of contact</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>AirBnb</td>
<td>2008</td>
<td>8</td>
<td>USA</td>
<td>Accommodation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blablacar.com</td>
<td>2006</td>
<td>10</td>
<td>France</td>
<td>Car sharing</td>
<td>Twitter</td>
<td></td>
</tr>
<tr>
<td>Closay</td>
<td>2015</td>
<td>1</td>
<td>Denmark</td>
<td>Clothing sharing</td>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Sharecom</td>
<td>Date established</td>
<td>Current age</td>
<td>Location</td>
<td>Industry</td>
<td>Mode of contact</td>
<td>Information</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-------------------</td>
<td>-------------------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>CoAbode</td>
<td>2002</td>
<td>14</td>
<td>USA</td>
<td>House sharing</td>
<td>Linkedin</td>
<td>51-200 employees</td>
</tr>
<tr>
<td>Crowdcube.se</td>
<td>2010</td>
<td>6</td>
<td>UK/Stockholm, Sweden</td>
<td>Crowdfunding platform</td>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Doovy</td>
<td></td>
<td></td>
<td>Sweden</td>
<td></td>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Drivy.com</td>
<td>2010</td>
<td>6</td>
<td>France</td>
<td>Car rentals</td>
<td>Twitter</td>
<td>11-50 employees; Swedish cofounder arno smith handle: @<em>entrepreneur</em></td>
</tr>
<tr>
<td>Fundedbyme</td>
<td>2011</td>
<td>5</td>
<td>Stockholm, Sweden</td>
<td>Crowdfunding platform</td>
<td>Email</td>
<td>11-50 employees; Swedish cofounder arno smith handle: @<em>entrepreneur</em></td>
</tr>
<tr>
<td>Hailo</td>
<td>2011</td>
<td>5</td>
<td>UK</td>
<td>Car sharing</td>
<td>Twitter</td>
<td>51-200 employees;</td>
</tr>
<tr>
<td>Handiscover</td>
<td>2014</td>
<td>2</td>
<td>Sweden</td>
<td>Home rental</td>
<td>Email</td>
<td>Size: small ; Links people to homes around the world</td>
</tr>
<tr>
<td>Hassle.com</td>
<td>2011</td>
<td>5</td>
<td>UK</td>
<td>Cleaning marketplace</td>
<td>Email &amp; Linkedin</td>
<td>201-500 employees; German with offices in Singapore, Australia and UK (seems like a merger with hassle)</td>
</tr>
<tr>
<td>Helpling</td>
<td>2014</td>
<td>2</td>
<td>Germany</td>
<td>Cleaning marketplace</td>
<td>Email &amp; Linkedin</td>
<td>201-500 employees; German with offices in Singapore, Australia and UK (seems like a merger with hassle)</td>
</tr>
<tr>
<td>Hinnerdu</td>
<td>2010</td>
<td>6</td>
<td>Sweden</td>
<td></td>
<td></td>
<td>Established in Denmark and in Sweden, can try contacting via LinkedIn (out of my network)</td>
</tr>
<tr>
<td>Hoffice</td>
<td>2013</td>
<td>3</td>
<td>Sweden/UK</td>
<td>Co work space</td>
<td>Email</td>
<td>Swedish, the founder was said to be doing studies in Kalmar</td>
</tr>
<tr>
<td>Housetrip</td>
<td>2010</td>
<td>6</td>
<td>Switzerland</td>
<td>Holiday rentals</td>
<td>Linkedin</td>
<td>11-50 employees;International: U.K., Ireland,</td>
</tr>
<tr>
<td>Jay ride</td>
<td>2012</td>
<td>4</td>
<td>Australia</td>
<td>Ride sharing</td>
<td>Linkedin</td>
<td></td>
</tr>
<tr>
<td>Sharecom</td>
<td>Date established</td>
<td>Current age</td>
<td>Location</td>
<td>Industry</td>
<td>Mode of contact</td>
<td>Information</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-----------</td>
<td>------------------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Just park</td>
<td>2016</td>
<td>2016 UK</td>
<td>Pre-bookable parking</td>
<td>Email</td>
<td>New Zealand, US. No contact info</td>
<td></td>
</tr>
<tr>
<td>Justpark.com</td>
<td>2006</td>
<td>10 UK</td>
<td>House sharing</td>
<td>Email &amp; Linkedin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Love Home Swap</td>
<td>2011</td>
<td>5 UK</td>
<td>House sharing</td>
<td>Twitter</td>
<td>11-50 employees, Allows people to swap homes around the world/founder: Debbie Wosskow handle @DebbieWossk Translate to English</td>
<td></td>
</tr>
<tr>
<td>Movellas</td>
<td>2009</td>
<td>7 Denmark</td>
<td>Creative content sharing</td>
<td>Email</td>
<td>UK, US, Canada &amp; Australia; 1-10 employees</td>
<td></td>
</tr>
<tr>
<td>Nimber.com</td>
<td>2010</td>
<td>6 UK</td>
<td>Delivery services</td>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onefinestay</td>
<td>2009</td>
<td>7 UK</td>
<td>Luxury home rentals</td>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ouishare</td>
<td>2012</td>
<td>4 France</td>
<td>Think and do tank</td>
<td>Email &amp; Linkedin</td>
<td>51-200 employees; Located in Europe, Latin America and the Middle East</td>
<td></td>
</tr>
<tr>
<td>Ratesetter</td>
<td>2010</td>
<td>6 UK</td>
<td>Parking spaces</td>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent a local friend</td>
<td>2012</td>
<td>4 Brazil</td>
<td>Internet</td>
<td>Email &amp; Linkedin</td>
<td>11-50 employees</td>
<td></td>
</tr>
<tr>
<td>Sciety - crowdfunding</td>
<td></td>
<td>Sweden</td>
<td></td>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seedrs.com</td>
<td>2009</td>
<td>7 UK</td>
<td>Crowdfunding platform</td>
<td>Email</td>
<td>Not internationalized</td>
<td></td>
</tr>
<tr>
<td>Ship wallet</td>
<td>2015</td>
<td>1 Sweden</td>
<td>Logistics &amp; Supply chain</td>
<td>Email &amp; Linkedin</td>
<td>1 -10 employees</td>
<td></td>
</tr>
<tr>
<td>Shipwallet</td>
<td>2016</td>
<td>Sweden</td>
<td></td>
<td>Email</td>
<td>2 - 10 employees</td>
<td></td>
</tr>
<tr>
<td>Swopshop</td>
<td>2012</td>
<td>4 Sweden</td>
<td>Clothing sharing</td>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TheRoomlink</td>
<td>2016</td>
<td></td>
<td></td>
<td>Email &amp; Linkedin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferwise</td>
<td>2011</td>
<td>5 UK</td>
<td>Financial services</td>
<td>Email &amp; Linkedin</td>
<td>201-500 employees</td>
<td></td>
</tr>
<tr>
<td>United spaces</td>
<td>2000</td>
<td>16</td>
<td>Shared office space; coworking</td>
<td>Email</td>
<td>2-10 employees; Submit my details online; are</td>
<td></td>
</tr>
</tbody>
</table>

Authors: Ava J. Campbell and Heidi C. Thornton
Masters level: Business Administration with specialization in International Business Strategy
<table>
<thead>
<tr>
<th>Sharecom</th>
<th>Date established</th>
<th>Current age</th>
<th>Location</th>
<th>Industry</th>
<th>Mode of contact</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wework</td>
<td>2010</td>
<td>6</td>
<td>USA</td>
<td>Second-hand clothes</td>
<td>Email</td>
<td>abroad through partnerships</td>
</tr>
<tr>
<td>Vint</td>
<td>2013</td>
<td>3</td>
<td>Sweden</td>
<td>Health, wellness &amp; fitness</td>
<td>Email</td>
<td>NA: 1-10 employees; originally Swedish with branch in San Francisco</td>
</tr>
<tr>
<td>Vinted.com</td>
<td>2008</td>
<td>8</td>
<td>Lithuania</td>
<td>Money lending</td>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Workaround</td>
<td>2014</td>
<td>2</td>
<td>Stockholm, Sweden (2014)</td>
<td>Rents out office space</td>
<td>Email</td>
<td>NA</td>
</tr>
<tr>
<td>Website with some list of sharecoms categorized</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="http://www.web-strategist.com/blog/2013/02/24/the-master-list-of-the-collaborative-economy-rent-and-trade-everything/">http://www.web-strategist.com/blog/2013/02/24/the-master-list-of-the-collaborative-economy-rent-and-trade-everything/</a></td>
</tr>
</tbody>
</table>