



MSc in Business Administration

What International Business Really Needs To Know

**Analysing Information Seeking Behaviour of Companies Before
and During Internationalization**

June, 2017

Name of student: Kristján Helgi Bryde

Kennitala: 020591-2779

Supervisor: Dr. Gerhard Apfelthaler

ABSTRACT

The aim of this research is to understand what international business really needs to know when it comes to internationalization and taking a business to another market. A framework based on market research, platform, and personal connections was created based on the literature that was explored.

The results of this study indicate that conducting market research, with emphasis on cultural understanding, is the first step to a successful venture. It is also concluded that taking multiple approaches, exploring both the academic literature as well as the informal literature, when gathering data is important. Finally, the positive effects of cross-country relationships are confirmed.

Keywords: International Business, Internationalization, Information Seeking, Market Research, Information Sources, International Networks.

Declaration of Research Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

.....
Date and place

Kennitala

Signature

PREFACE

This thesis was written as a final assignment towards an M.Sc degree in Business Administration at Reykjavík University.

I would like to thank my instructor, Dr. Gerhard Apfelthaler for his support and guidance throughout the whole process of putting this project together. Somehow he always managed to find time in his busy schedule to help me out when I was having a crisis. Without his input and assistance, this thesis would not have been possible, and for that I am very grateful.

I would also like to thank my family for all the encouragement and support over these past few months.

TABLE OF CONTENTS

ABSTRACT	II
DECLARATION OF RESEARCH INTEGRITY	III
PREFACE	IV
TABLE OF CONTENTS.....	V
LIST OF FIGURES	VII
1 INTRODUCTION.....	1
1.1 REASON FOR THE STUDY	2
1.2 STRUCTURE OF THE STUDY	2
2 ISSUE STATEMENT AND RESEARCH QUESTIONS.....	5
3 LITERATURE REVIEW.....	7
3.1 INFORMATION DURING INTERNATIONALIZATION	7
3.2 MARKET RESEARCH	7
3.2.1 <i>Importance of market research.....</i>	<i>7</i>
3.2.2 <i>Academic literature</i>	<i>8</i>
3.2.3 <i>Informal sources</i>	<i>9</i>
3.2.4 <i>Differences and similarities between formal and informal sources</i>	<i>10</i>
3.2.5 <i>Analyses</i>	<i>11</i>
3.3 PLATFORM.....	12
3.3.1 <i>Where should managers look for information ahead of internationalization</i>	<i>12</i>
3.3.2 <i>Academic literature</i>	<i>12</i>
3.3.3 <i>Informal sources</i>	<i>13</i>
3.3.4 <i>Differences and similarities between formal and informal sources</i>	<i>15</i>
3.4 CONNECTIONS	15
3.4.1 <i>Importance of having connections in the target market</i>	<i>15</i>
3.4.2 <i>Academic literature</i>	<i>16</i>
3.4.3 <i>Informal sources</i>	<i>17</i>
3.4.4 <i>Differences and similarities between formal and informal sources</i>	<i>17</i>
3.5 STRATEGY/ADVICE	18
3.5.1 <i>Informal sources</i>	<i>18</i>

4	CONCEPTUAL FRAMEWORK	20
5	EMPIRICAL STUDY	21
5.1	METHODOLOGY.....	21
5.2	RESULTS.....	24
6	DISCUSSION	28
6.1	WHAT IS BEING DISCUSSED IN THE ACADEMIC LITERATURE?.....	28
6.2	WHAT IS BEING DISCUSSED IN THE INFORMAL LITERATURE?.....	30
6.3	SIMILARITIES BETWEEN THE ACADEMIC AND INFORMAL LITERATURE.....	32
6.4	DIFFERENCES BETWEEN THE ACADEMIC AND INFORMAL LITERATURE.....	34
6.5	LINKEDIN CONTENT	35
6.5.1	<i>International Trade & the Internet</i>	35
6.5.2	<i>International Business</i>	36
6.5.3	<i>International Business Managers</i>	37
6.5.4	<i>The Global Business Development Network</i>	38
6.5.5	<i>Global Sales & International Business Advisory</i>	39
6.6	UTILIZATION OF SOCIAL MEDIA	39
6.7	LIMITATIONS OF THE STUDY	40
7	CONCLUSION AND RECOMMENDATIONS	42
7.1	CONCLUSION	42
7.2	SUGGESTIONS FOR FURTHER RESEARCH	43
8	REFERENCES	44

List of figures

Figure 1: Conceptual Framework.....	20
Figure 2: Qualitative Data Analysis Process.....	22

1 INTRODUCTION

Information-seeking behaviour has become an important issue in the field of international business. As the age of globalization is rushing in, little attention has been paid to researching and understanding the information-seeking process ahead of internationalization. The type and quality of data available to decision makers, versus the type of data that decision makers are actually searching for requires further investigation. The aim of this paper is to analyse the data that academic research believes is important in the internationalization process and comparing that with what the informal literature believes is important when it comes to the pursuit of a new markets. The data available will be analysed through the scope of market research, platforms, and connections. By identifying the kind of information sought and shared through social media platforms and blogs, and comparing that with what academic research generally offers, it is possible to find gaps in the academic literature. The gaps identified in this study have a significant value as practitioners have proved their importance in the literature found through informal sources.

In order to properly understand this thesis, it is important to have a good understanding of a couple of definitions. Knowing the differences between the terms “academic literature” and “informal literature”, and their definitions is really important. “Academic literature” stands for the articles that are found in peer reviewed journals. Peer reviewed journals are well respected in the academic community and are always considered a great source of data. “Informal literature” stands for information found on blogs and social media platforms. The “informal literature” often involves industry related blogs and un-peer reviewed short articles, and interviews with managers who have successfully taken a business to a new market. These interviews often entail stories of unexpected problems and difficulties that managers have faced when they have taken on the challenge of going global. By having an understanding of the “academic literature” and “informal literature” concepts, the whole thesis will be much easier to read and much more understandable.

1.1 Reason for the study

The reason for this study is that throughout my academic studies, I have had the feeling that some of what I am learning is not applicable in the real world. While the textbooks and academic research believes that all of their theories can be translated into the real world, guest speakers from the industry have always given me the impression that learning as you go can often pay off, as timing can be more important than the utilization of theoretical theories and models. In the hopes of finding a suitable project in the fall of 2016, I contacted Dr. Gerhard Apfelthaler, who had taught me in an interesting course called “International Markets” the semester before. Together we crafted a project based on an area within the academic literature that I am very interested in, internationalization and data utilization.

The existing literature on international business is prescriptive in what it thinks that practitioners need to know. In order to find out what kind of information practitioners are actually looking for, as well as information on where to look for relevant information, it was important to dig into the informal literature. In this study, I want to highlight the differences between what the academic literature and the informal literature believe is important to decision makers when it comes to internationalization, and what kind of information the decision makers are actually looking for before taking on a foreign market.

The aim of the thesis is to understand what international business really needs to know, and to do that the framework for the study is three-fold. First, the aim is to find out whether the managers should be diving into the academic literature when they are entering new markets. Second, this thesis aims at finding out how the information found through informal sources differs from the information found in academic articles. Third, the goal is to find out the level of importance of cross-country relationships when it comes to internationalization.

1.2 Structure of the study

The body of the thesis consists of four main areas, these areas include *Introduction*, *Literature Review*, *Study*, and *Conclusion*. In the beginning, the project is introduced in general terms, and as the project advances, the topic will be discussed much more specifically and the scope of the viewpoint gets narrower. Towards the end of the thesis, the results will be presented and discussed, and finally, some suggestions for further research will be put forth.

The first part is the introduction, which is where the project is introduced with a wide perspective. Terms that are frequently used in the thesis are introduced and explained in order to make the thesis more easily readable. The reason for the study is justified, and the reason why this specific topic was chosen is explained. The aim of the thesis is put forth and the plan of how to answer the research questions is presented briefly.

The second part is the literature review, which adds depth to the study and provides a theoretical foundation for the rest of the paper to build on. The literature review is split into three categories that have a unique focus within the topic that is being researched, and are discussed by comparing academic literature to informal literature. At first, the focus is on market research, analysing what kind of information is important to decision makers before taking their business to another market. Then, the focus is on the platforms that managers are using, or should be using, in order to get the information they want to have before making the decision of whether to enter a new market or not. Finally, the focus is on the importance of business connections, the aim here is to analyse whether having a connection in the target market is important, and if so, finding out how important it is perceived to be.

In the third part, the methodical approach of the research is explained. This part covers the measures that were taken when it comes to data gathering, and also explains how the framework of the study. Here, the databases and the articles included in the study are introduced, and the approaches taken to select certain databases and platforms are explained.

In the fourth and final part of the thesis, the research findings are presented. In this part, results from the content analysis are introduced and discussed from a more personal

standpoint. The limitations of the study are presented, and the roadblocks that had to be overcome in order to complete this project are discussed. Finally, to guide fellow academic researchers, suggestions for further research in international business are put forth.

2 ISSUE STATEMENT AND RESEARCH QUESTIONS

Internationalization has been researched thoroughly, and there is an abundance of literature to look into in order to find best practice advice to guide you through the process of entering a new market. However, analysing the information-seeking behaviour of managers in the internationalization process has not been done. The literature always assumes that managers are following the guidelines available and doesn't take into account that each business is unique and there will be problems and issues in the way that the literature has not accounted for. To find answers in this underserved area, the first research question was created.

RQ1: Should managers be diving into the academic literature when they are faced with the opportunity of expanding to foreign markets?

An expected outcome for this question is that the academic literature provides a good foundation of knowledge for anyone thinking about taking their business to a foreign market. While the academic literature will most likely introduce theories, the expectation is that the academic literature is vague and does not provide specific advice on how to implement and take advantage of these theories. The hope is that this study will reveal the importance of the academic literature, as well as advice on where to find more specific information on where to look for information before expanding to a new market.

Informal sources often offer insights and advice from seasoned practitioners who have successfully taken companies to the global stage. The academic literature lacks this aspect, as researchers are often too focused on theories, and don't have the real world experience like those who have taken the theories to the test. This area is very interesting, and a comparison between the data provided in the academic literature, and informal literature brings us to the next research question.

RQ2: How does the content of the informal literature differ from what we find in the academic literature when it comes to internationalization?

The likely outcome of this research is that the informal literature agrees with the academic literature on many levels. However, these different types of sources do not agree on everything, and the differences will be highlighted in this research. The informal literature is expected to reveal more specific advice that only those who have successfully

taken a business abroad could account for. The anticipated result is also that the informal literature will put less emphasis on the importance of theories and more emphasis on the importance of utilizing connections.

When thinking of entering a foreign market, it can be valuable to have someone local, who has experience in the market and knows how to navigate the complex business environment. Nonetheless, the level of importance that this contact holds is debated in the literature, and the opinions of practitioners and academic researchers vary from unimportant to being a prerequisite of doing business in the country. This friction was the spark for the third and final research question of this thesis.

RQ3: How important are cross-country relationships when it comes to internationalization?

This thesis is expected to reveal that cross-country relationships are very important, and that having a connection in the target market is the first thing you need to acquire when you are taking your company to a new market. This study is also anticipated to show the areas where the connections are likely to have the biggest impact on the internationalization process.

3 LITERATURE REVIEW

3.1 Information during internationalization

The key to growing your business could lie in other markets than your home market. With the whole world becoming better connected, going global can be an excellent way to grow your business (Lamson, n.d.). It is important to make informed decisions when faced with the opportunity of taking your business to foreign markets. The quality of managers' decisions during the internationalization process depends heavily on the quality and availability of information. Moner-Colonques, Orts, & Sempere-Monerris (2008) found that a lack of information has a negative impact on the entry mode decision. Proper utilization of information enhances the quality of management decisions (Leonidou & Theodosiou, 2004), and also creates a feeling of confidence (Leonidou & Katsikeas, 1997). Going global reduces the dependence on your home market (Khwaja (n.d.)), making you less vulnerable to local economic fluctuations. However, finding the relevant information can be complex, as managers are often flooded with all kinds of information when they are collecting information on foreign markets (Wood & Goolsby, 1987). Developing a filter to pick the useful material from the sea of useless information saves time and also makes you think about the types of information you are looking for.

3.2 Market research

3.2.1 Importance of market research

By thinking about what kind of information you believe is valuable to your business, you gain a better understanding of both the industry you are operating in, as well as your own business. Figueira-de-Lemos, Johanson, & Vahlne (2010), used risk as a product of a combination of market commitment and the probability of failure due to uncertainty, and found that when thorough market research is conducted and managers have more information at their disposal, the risk level of the internationalization process is lower. This confirms the importance of doing you due diligence and knowing your own strengths and weaknesses (Taylor, 2015). By thinking about your business and analysing yourself critically, you will be better prepared to take on new challenges and the likelihood

of a successful internationalization journey increases.

3.2.2 Academic literature

The role of information is a well-recognized factor during internationalization. The success of the venture often depends on the decision-maker's abilities to process the information available as well as identifying the gaps in the available knowledge, and that is when the prior experience and knowledge of the managers play a crucial role (Peschken, Shukla, Lennon, & Rate, 2014). According to Costa, Soares, & Sousa (2015), choosing which market to pursue needs to be purely based on data as information and knowledge hold the key to improving your odds of success during the internationalization process. However, as mentioned before, there is a sea of information available and there is a need to develop a filter based on the information that is relevant for each business. Wood & Goolsby (1987) discovered that the need to know factors differ between markets and industries and provided a framework based on 23 variables for businesses to use in order to evaluate and compare different options when looking into the global marketplace.

Leonidou & Theodosiou (2004) found that managers should filter the information with an emphasis on the preferences of their potential customers, the size and strength of their competitors in the market, and the local pricing strategies. Their results are in line with the findings of Leonidou (1997) where he confirmed the importance of information on the customers' preferences, the international competitors, and the pricing, with special emphasis on the products and pricing in the foreign market as that is the most frequently used information. Leonidou & Katsikeas (1997) found that in order to create a feeling of security when going abroad, firms need to have a good understanding of the local environmental conditions, the market characteristics and the marketing mix elements, as well as understanding what drives the new market. Wood & Robertson (1999) found that the most valuable information on the target market is the market potential, while information related to culture is considered the least important. These findings collide with the more recent findings of Fournier, Solomon, and Englis (2008) where they found that cultural resonance, meaning how the values of your business fit to the culture and values found in the target market, holds the key to selecting the right opportunity and gives a good indication of your potential in the market. Musteen, Francis, & Datta (2010) also found

that information on cultural similarities are valuable, and that sharing a language can bridge the cultural gap and speed up the internationalization process.

No matter how good your information is, there is always a chance that your venture will not be successful and it is important to know when to cut your losses before you have poured more resources than you can afford into a lost case. Sousa & Tan (2015) found that the greater the cultural distance between the new market and the home market, managers are willing to risk more resources, but the more experienced the managers are, the earlier they pull out of a market. The reason why managers are more willing to gamble on a market with greater cultural distance is that if the bet pays off, the rewards can be substantial. Not only when looking into short-term profits, but also because establishing a second “home market” in a very different cultural environment can be extremely valuable for the long-term success of your business.

3.2.3 Informal sources

There is a myth among smaller companies that going global is a massive project that only big corporations can pull off successfully, but by listening to your customers through data analytics, smaller companies can gather information without spending a bunch of resources (Kelly, 2013). Expanding into foreign markets is always a risk, but by gathering and listening to data, you can manage the risk level by being knowledgeable about the target market, and being sensitive to cultural differences (Harrison, 2016). The target market can be very different from your home market and therefore, you can't just expect that you will be successful just because you are doing well in your home market, there can be all kinds of barriers in the way and according to Sarda (2013), the most significant one is the language barrier. Making sure that there is a customer base ready for your business is important, at first, you should look for markets that are similar to your home market by taking your own strengths and weaknesses into consideration as well as the local competition, trade barriers and the foreign culture (Taylor, 2015). The more similar the new market is, the more likely it is that your business will be successful in the new market. Having a way to vet potential markets is important, research multiple markets and narrow your selection down to one or two and then try to find a partner in these

countries, vetting based government rules and culture can be a good foundation (Field, 2010). Hendricks (2016) also recommends researching multiple markets and narrowing down based on culture and legal restrictions, but also brought market size and cost efficiency to the table, as well as highlighting the importance of understanding your customers and knowing how to communicate with them.

According to Pilon (2015), you should not go to new markets until you have reached some success in your home market, and even then you should just choose one market at first, preferably one that has already shown interest in your products, take baby steps, and experiment as you go along. Before you launch in the new market, you need to realize the requirements to be successful by gaining a deep understanding of the target market, the competitors in the market, and current market trends (Evans, 2015). Knowing whether the target market is familiar with your products or services provides a foundation to build on, and then you should dive into market research related to the culture and the infrastructure of the country, before preparing an international business plan assessing your own readiness and mode of entry (Khwaja, n.d.)

Although most of the informal sources agree that you need to understand the cultural differences and the various barriers that could stand in your way, Sarda (2013) recommends looking for signs such as a larger customer base, and a cheaper source of and raw material. This strategy is a simple one focusing on either increasing revenues or lowering your operating cost without taking into consideration whether there is a customer base for your products or services.

3.2.4 Differences and similarities between formal and informal sources

The academic sources and the informal sources both highlight the importance of research and listening to the data available rather than going with your gut or rushing somewhere just because you have a business connection. Both sources believe that going global is a great way to grow your business, but they do not agree when it comes to how easy or difficult it is to find new markets. The academic articles make it sound like a difficult and expensive task, while the informal sources are more relaxed and encouraging,

giving the impression that anyone can go global and the entry mode is the only way where resources are important, the more resources you have, the earlier you can have a full presence in the market.

Information on culture seems to be less important in the academic literature that was written over ten years ago when compared with the more recent studies. Recent studies agree with the informal sources on the importance of culture and believe that cultural understanding holds the key to successful internationalization.

3.2.5 Analyses

In order to understand the target market, Evans (2015) recommended a few analyses that can help managers to develop a localized strategy. These analyses provide a deep understanding of your own business, as well as the market by providing information based on the different segments of potential customers that make up the market, as well as analysing the products already in the market. By doing the groundwork and thinking critically managers can see where their product could fit in, and have realistic hopes and expectations before launching into a new market.

By doing a market segmentation analysis, you discover what kind of people make up the market you are about to enter. Looking into demographics such as age, gender, educational background, and location (Day, n.d.), gives you a better idea of how large your potential customer group is and how you should focus your marketing efforts in order to reach this group of people as efficiently as possible. Government websites (Central Intelligence Agency, 2016) can provide access to a wide range of information on your target market, and are a great place to start gathering information.

A product gap analysis is a process where trends in the market are, and the products of competitors already on the market are analysed with the goal of increasing performance of the business (Thornton, n.d.). By analysing how the market trends have been evolving it is possible to predict where the trends might be taking the market. When looking at the product offering already on the market, focusing on price and functionality. There is

always a possibility that a significant customer segment is settling for a product that is not perfectly in line with what they value. Finding out what these customers value and making a product that fits to their preferences is the essence of a product gap analysis.

A SWOT analysis is a method for strategy formulation based on the resources and capabilities of your business (Dyson, 2002). The SWOT method combines facts about the internal environment, which is your own strengths and weaknesses, with the external environment, opportunities and threats in the market. By looking at your potential through the scope of the SWOT method, you can see how your strengths and weaknesses can affect or be affected by the opportunities and threats in the market. This method is very useful if properly conducted, and can give a good indication of how well you could do in the new market.

3.3 Platform

3.3.1 Where should managers look for information ahead of internationalization

Since the age of the Internet started, the options for gathering information have increased significantly. Social media has been at the heart of the Internet revolution, and today, if you are not active on social media, you are not a part of the cyberspace (Kaplan & Haenlein, 2010). This revolution has not only changed the way businesses interact with their customers, but it has also broken down barriers when it comes to information gathering. Before the Internet revealed itself, going to the potential markets in order to find business partners and information was the only way besides reading physical newspapers. Now, going online and finding information on your target market or even finding business partners can take a fraction of the time and resources it used to take. The Internet has not always been considered a reliable source, but in recent years, online market research spending has skyrocketed due to the fact that the Internet is now considered an acceptable source of information (Aaker, Kumar, Leone, & Day, 2013)

3.3.2 Academic literature

Hamid, Bukhari, Ravana, Norman, and Ijab (2016) found that international students utilize social media to gather information, learn about the culture of their host country, and connect with local students, much like business managers can use social media to create and foster business relationships in foreign markets. Much like students, smaller companies need to look for ways to gather information without spending their scarce resources, and that is where social media is a great choice because of how cheap and easy to use it is (Fletcher & Harris, 2012).

In spite of significant advances in both primary and secondary information, managers prefer to rely more on informal, less costly, and timesaving ways of data collection (Leonidou & Katsikeas, 1997). Leonidou & Theodosiou (2004) reached a similar conclusion when they were exploring the integration of knowledge in marketing information systems, and found that information is mainly acquired on a person-to-person basis. According to Auster & Choo (1994) you shouldn't look for all information at the same place and recommend, getting information on customers and competitors through personal sources, while formal sources should be used when looking for information on the regulatory and economic environment. Moner-Colonques, Orts, & Sempere-Monerris (2008) however, found that managers should engage in direct investment in the foreign market in order to gain knowledge rather than exploiting personal sources. Their approach counters the views of Costa, Soares, & Sousa (2015), as they found that information could be drawn from the experience of people in your social and business networks.

3.3.3 Informal sources

Wood and Goolsby (1987) found that the need to know factors vary across industries, and that a foreign party is better equipped to tailor marketing activities for the foreign market. Using platforms such as Facebook or LinkedIn can lead to cross-country cooperation, and provides quality data that can often result in a more successful entry strategy into foreign markets (Vasilchenko & Morrish, 2013). Convenience and ease of access to information can be a critical factor when it comes to information seeking behavior (Connaway, Dickey, and Radford, 2011) and that is where the social media platforms outweigh the academic literature. LinkedIn groups focused on international

business (Field, 2010) are used to connect individuals in the same industry, as well as share knowledge on recent developments and keep you updated on what is going on in the industry. Another benefit of social media is that the challenges of seeking information that smaller companies often face when they venture out to foreign markets, has become less of an obstacle as they become more knowledge intensive (Child & Hsieh, 2013). Social networks can lead to business networks, and Vasilchenko & Morrish (2013) found that by using these business networks, the internationalization process speeds up. In the past, companies needed to waste resources on finding a good office space at a good location, while all you need nowadays is a website accessible from anywhere in the world (Kelly, 2013). Having an active Facebook page or a Youtube channel for example can be extremely profitable as you can reach your end consumer more efficiently and effectively than through traditional communication tools (Kaplan & Haenlein, 2010).

The Internet has a positive impact on information during the internationalization, and should be used during the research phase of your venture (Mathews, Healy, & Wickramasekera (2012). Although the Internet is an effective place for cheap and convenient research, putting all your eggs in one basket is never a good idea. Field (2010) discusses the importance of taking multiple approaches to information gathering, and recommends joining appropriate groups on LinkedIn, as well as physically attending local trade shows as an example. Even though a simple Google search can be beneficial, going to trade shows is good for meeting the local business people and can provide insights into the new market (Pilon, 2015).

Taylor (2015) advises traveling to your potential markets in order to experience cultural norms and do your homework first hand to get a good feel for how your business will fare. By going to the country and listening to what the prospective clients and business partners have to say, your business can learn a lot about how to approach the localization of products, pricing, and management styles, as the new market can be very different than your home market in these areas (Harrison, 2016). Leaning on local experts, especially for information on the cultural and legal environment steepens the learning curve, and can prevent simple mistakes (Sarda, 2013). Hendricks (2016) also recommends seeking advice and insights from local experts in order to speed up the learning process.

3.3.4 Differences and similarities between formal and informal sources

The academic, and the informal sources both mention that doing research and getting information from personal connections, but the informal sources outperform the academic sources when it comes to offering solutions. The academic sources offer no specific advice on where to look for the information, while the informal sources highlight the importance of doing the groundwork yourself and experience the market you are evaluating. By recommending going to trade shows and leaning on local experts, the informal literature proves more valuable than the academic literature.

The academic sources lack consistency while the informal sources are all on the same page, underlining the value of using social media and informal sources to gather information. There is however, an agreement across both sources that the entry mode should always be up to the decision-maker, and that his perception and understanding of the available data should ultimately control if and how to enter the new market.

3.4 Connections

3.4.1 Importance of having connections in the target market

Information flow has improved over the past decades, and today the whole world is better connected than it has ever been. The importance of having connections can vary between markets as each culture emphasizes different values and traditions. In China for example, the society relies on favours, and nothing happens without “Guanxi”, which stands for personal connections and contacts as a means for getting support in a turbulent society (Faure & Fang, 2008). Maintaining and fostering a business relationship is has become easier with the emergence of social media, as you can reach people from anywhere in the world within seconds through your smartphone. It has become easier to connect with potential business partners abroad, but it is still very important to meet those who you are going to do business with in person (Field, 2010). There can be con artists anywhere, which is why you should always research the background of the potential partner, and you

should not rush into business with someone just because they live in the right location. Even though relationships are important and you know someone in a potential market, you should not choose that market without a solid data foundation, there is a big difference between knowing someone, and knowing the right person that has the skills and connections that are useful to your business (Pilon, 2015).

3.4.2 Academic literature

Leonidou & Katsikeas (1997) confirmed the importance of personal and informal information sources in foreign business, and found a link between profitability and usage of personal contacts. Musteen, Francis, & Datta (2010) found that geographically diverse networks contribute to superior performance, while extensive reliance on personal contacts hinder the performance of the first international venture. Their findings confirm the importance of going where the data takes you, especially when you are going to a new market for the first time. Going abroad for the first time by doing your own research and data gathering will help you understand what kind of relationships you need to have in your target market in order to launch successfully. Johanson & Vahlne (2009) however, believe that having an insider in the relevant networks is a prerequisite for a successful internationalization. Their view is quite extreme when compared with other academic sources, and they do not take the importance of listening to the data into account.

Having connections in the target market can be beneficial beyond the point of gathering data and launching a product in another country. According to Costa, Soares, & Sousa (2015), having a strong partner in another market will encourage information and knowledge sharing, and such collaboration is considered to be an important factor in international business. Another benefit of having a strong local partner is that by association, your own business will be perceived as a local business and will be more easily accepted by the potential customers. Firms want to be perceived as local businesses and the level of insidership in networks will increase in order to accelerate that process (Alcácer, Cantwell, & Piscitello, 2016). Building local networks in each location encourages knowledge sharing between countries, and the benefits reaped by such collaboration show the importance of relationships.

3.4.3 Informal sources

The globe is becoming more connected, and nowadays, relationships are the holy grail of cross-border business (Field, 2010). Harrison (2016) discusses the importance of making friends in the target market, and suggests spending time on the ground, building up partnerships with local firms and people willing to share insights and help navigate the market. Pilon (2010) also suggests traveling to the potential market and meeting potential distributors and customers in person, and mentions that finding a local partner that can help managing local business relations can prove to be extremely valuable. Subbloie (n.d.) has similar results and believes that hiring a local executive is important to bridge the gap between your company culture, and the culture of the locals where you want to do business. The right partner is someone who has a passion for your business, understands the local market forces, and has experience in the industry (Taylor, 2015). The right partner can help overcome obstacles such as language and cultural barriers, as well as navigate the complex legal environment of the new market.

Much of the emphasis in the informal sources is on the fact that having a knowledgeable partner is important when moving in to new markets. Khwaja (n.d.) however, also discusses how to find partners, and mentions looking on trade groups, and hiring an international business consultant as examples. For finding trade groups, LinkedIn is the go to platform for business managers. LinkedIn has been established as a business network platform, and there are thousands of users in groups focused on international business for example. When it comes to hiring an international business consultant, there are many firms available to answer your call, but that kind of service might not necessarily be suitable for all businesses due to cost. Smaller businesses usually do not usually have the financial resources to hire business consultants as they can be rather expensive, while the larger companies might just go straight into talks with a consultant rather than looking into the new market themselves and going to the trade shows in order to find suitable partners.

3.4.4 Differences and similarities between formal and informal sources

The academic literature and the informal sources agree that having connections in the target market is important. Both sources also highlight the importance of having the right partner, and that you should not go to a new market just because you know a person there, the people you know need to be able to bring some value to the table. However, not all the academic sources see eye to eye when it comes to the degree of importance of having connections in the market. The academic literature and the informal sources differ when it comes to providing information on how to find a partner. While the academic literature highlights that you need to have connections, the informal literature gives advice on where to find the connections you need.

The different information sources are focusing on different goals. The informal sources are looking into succeeding in the target market by using your business connection network, their scope is narrow and mostly looking at short-term gains, while the academic sources look further into the future. The academic sources are thinking of how to use your business connections to engage in cross-border knowledge sharing and how to create more value for the long term. In other words, the informal sources are only looking at expanding to the next market, and the academic sources are exploring how to take the business to the next market, while also thinking about taking your business to the next level.

3.5 Strategy/Advice

3.5.1 Informal sources

The informal sources outweigh the academic sources when it comes to giving specific advice and mentioning small details, such as setting up a local bank account (Subbloie, n.d.), which you might not have thought about until it was too late. By looking into the informal sources, it is possible to create a blueprint of how to go global, what to think about and what to avoid. Being fearless, disruptive, and patient is at the heart of the informal sources, and starting out slowly is the key to long-term success (Harrison, 2016). The word international much scarier than the reality is, and even though there are some upfront costs, you should at least experiment with a new market, because if your gamble pays off, the rewards can be enormous (Kelly, 2013).

When first moving into the new market, you should bring your own interpreter with you, because if the other party provides the interpreter, you are risking that your interests will not have a seat at the table (Khwaja, n.d.). Even if you have someone with you who can understand the local language and can translate for you, that person might not necessarily fully understand the local culture and the legal environment. You need to be very careful when creating a contract, and having a lawyer on your side, that has negotiating experience in the country, can make a big difference (Field, 2010). Once the contracts have been created, you should hit the ground running rather than building up a local team from scratch, because that takes too much time (Evans, 2015).

4 CONCEPTUAL FRAMEWORK

The main attention of this research is to analyse the existing academic literature focused on internationalization, and compare that with the information found in the informal literature. To achieve that goal, the thesis is split into are three focus areas that help explain and narrow down this wide topic. These focus areas are looking at the importance of doing market research, what you need to know before launching in a new market, and where you should be looking for the information. Figure 1 below shows the conceptual framework used in this study in a simple way. This figure was developed in order to keep the focus of the research on the topic at hand, and to make sure that the information used in this study is relevant and contributing to the end goal.

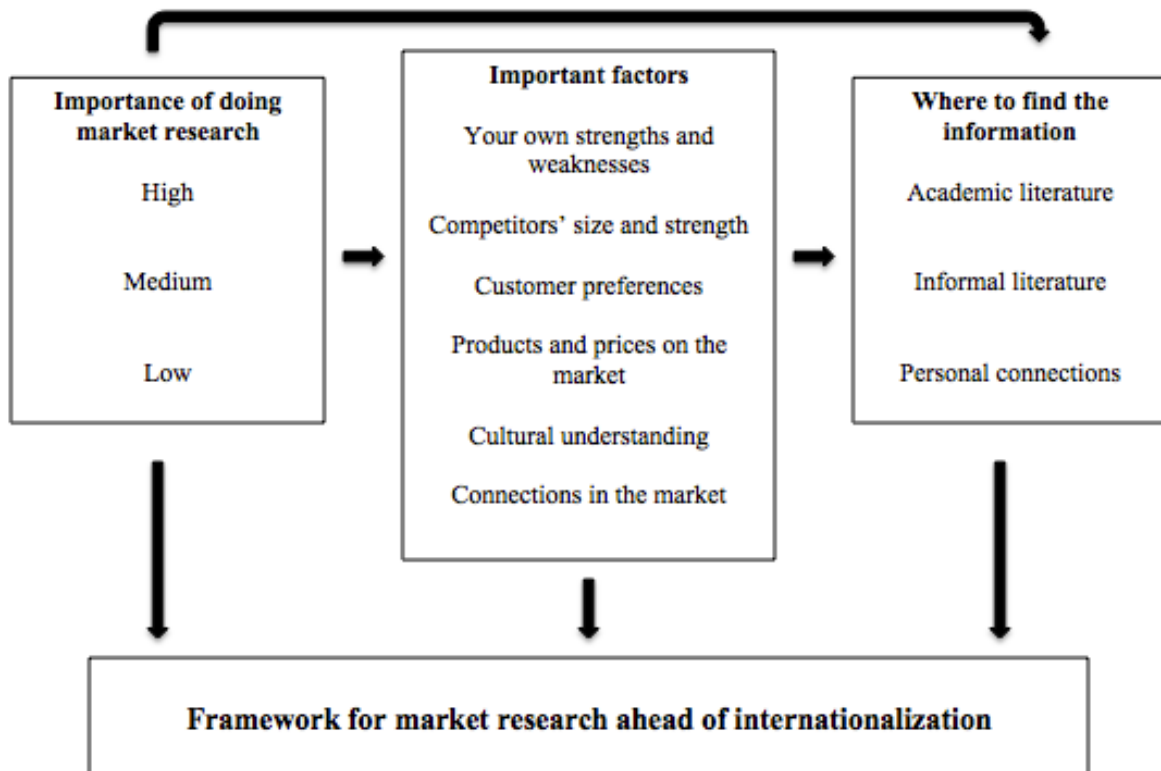


Figure 1: Conceptual Framework

5 EMPIRICAL STUDY

5.1 Methodology

This chapter shows what approaches were taken to answer the research questions, and the reasons for the direction of the research are supported. As the world is becoming better connected, market opportunities are opening up all across the globe. The aim is to understand what type of information practitioners are seeking and compare that with what the academic literature on the basis of the academic literature on information seeking in international business. The angle was to compare these sources by conducting a content analysis. In order to understand what it is that international business managers really need to know, the following research questions were put forth.

RQ1: Should managers be diving into the academic literature when they are faced with the opportunity of expanding to foreign markets?

RQ2: How does the content of the informal literature differ from what we find in the academic literature when it comes to internationalization?

RQ3: How important are cross-country relationships when it comes to internationalization?

The goal is to answer these questions systematically by working with pre-existing data from academic literature, informal literature, as well as information available on social media platforms. There is an abundance of quality data in social media that can be easily accessed, and the focus of this research was mainly on LinkedIn because it has been established as the preferred platform in business. To be able to understand and explain the information found through these different types of sources, this research is based on qualitative data analyses of every individual category of information. Qualitative data analyses requires more than just discovering the themes available in the text, it requires that the researcher builds an argument by drawing conclusions from a wide range of available text (Bazeley, 2009). In order to maximize the quality of the results the author

looked at the data analysis process through the principles of Seidel (1998). Figure 2 below shows the thought process during the data analysis phase. As figure 2 shows, the qualitative data analysis process is a repetitive cycle in which the thoughts and ideas about the collected literature is constantly questioned (Seidel, 1998). As a result of this critical questioning, further literature was gathered and then evaluated using the same technique. This repetitive process ensures that the data analysis will be comprehensive and that the data is accurately analysed.

Qualitative Data Analysis

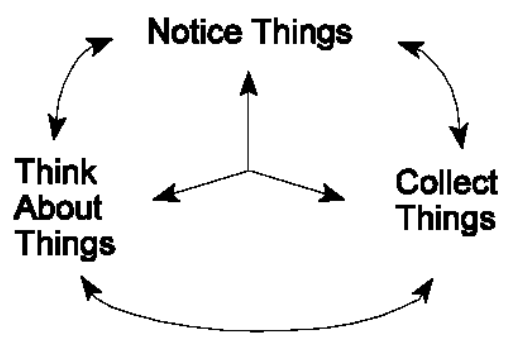


Figure 2: Qualitative Data Analysis Process

The framework of the thesis was created based on the academic literature, and the pattern that was identified by the analysis. The framework focuses on the importance of market research and what kind of information you should have, the places to look for the necessary information, and finally the importance of having connections in the market and how to use them. At first, the importance of connections was not supposed to be included in the research, but as there was a strong emphasis on the importance of connections throughout both the academic literature as well as the informal literature, the author felt compelled to include it.

First, the academic literature was explored based on key word search using the words “Internationalization”, “International business”, and “Data utilization”. In order to be categorized as academic literature, the qualifications are that the content of the sources is

peer-reviewed. The journals reviewed in this study include “*Journal of International Marketing*”, “*Journal of World Business*”, “*Journal of Strategic Marketing*”, “*International Marketing Review*”, and “*International Business Review*”. This research is based on a comparison of the academic literature and informal literature, on the basis of the information found in the academic literature. When the qualitative analysis of the academic literature was completed, the next step of the research could begin.

The second step of this study was to analyse the information found in the informal literature. To keep the research consistent, the same key words were used as in the academic literature. In order to be categorized as informal literature, the literature is not found in peer-reviewed business journals, but through online sources such as “*Business News Daily*”, “*Forbes*”, and “*Business Insider*”. When the content analysis of the informal literature was finished, the next step was to look at what information is available through social media platforms. LinkedIn was the obvious choice of social media platforms because, as mentioned before, it has been established as the preferred platform in the business industry.

Finally, a content analysis of several LinkedIn groups was conducted. Searching for groups using the key word “International Business” identified the groups that were used in this study. However, to make sure the results of this study are reliable, currently inactive groups, as well as groups with less than 10.000 members were excluded from the research. The groups that were used in this study are “*International Business*”, “*International Business Managers*”, “*International Trade & The Internet*”, “*Global Sales & International Business Advisory*”, and “*The Global Business Development Network*”. One of the best ways to find information on social media is by looking directly on the blogs and groups (Mazur, n.d.), and that is how this part of the research was conducted. The information shared through these groups is mostly from informal sources, but can contain a very wide variety of information. The information in these groups ranges from time management advice and advice on all aspects of how to run a business, including information such as how to use Google analytics to the benefit of your business, to information about culture and policy changes of governments all around the globe. The information flows very rapidly in these groups, which is why the search function is a

great tool to weed through the sea of information that you might not be looking for at a given time.

5.2 Results

The content analysis of the academic literature revealed that a lack of knowledge about the foreign markets' business environment is the biggest obstacle. The academic literature points out that knowing whether or not there is a good cultural and strategic fit between your company and the target market is a great indicator for potential success or failure of the venture. A thorough evaluation of the target market is considered the most important research that you should do before entering a foreign market. Thorough market evaluation entails gathering extensive data on everything from the local competition, to the market potential, and the country's infrastructure. Trade barriers and local politics can have a big effect on the market, especially on the foreign companies that want to make a name for them.

The content analysis of the informal literature revealed that the biggest obstacle in international business is the cultural barrier. However, it is acknowledged that conducting a thorough market research is a very important aspect of taking your business to a new market. The informal literature analysis also revealed a theme in the literature, that asking for help and relying on other people is acceptable and might even be necessary in some cases. Hiring a lawyer, who has experience in the foreign market, repeatedly came up and the reason for that is that a strong local lawyer will help you get the best deals available at each time. The lawyer will be more effective when it comes to getting the best contract possible because he knows how things work, and he has knowledge on how to deal with the locals. Knowing how to deal with the locals is extremely important as mentioned before, and the local lawyer can also help navigate the tax codes and those smaller issues that would generally be overlooked initially.

RQ1: Should managers be diving into the academic literature when they are faced with the opportunity of expanding to foreign markets?

The academic literature provides a vast range of theories and instructions on how to expand your operations into foreign markets. The literature covers everything that managers need to know, including everything from how to choose and narrow your choices down to a certain market, to how you should enter that market. By diving into the academic literature, you will get a solid knowledge foundation and you will be able to make better decisions for your business when it comes to exploring and experimenting with an unknown market.

To answer RQ1, it is important that both the academic literature and the informal literature are taken into account. While the views discussed in these different sources can be very different from one another, they agree on the fact that doing research is important, and you will always benefit from having knowledge on the foreign market you are expanding into. Managers should have knowledge of the methods and theories presented in the academic literature, and use the academic literature to guide the data gathering process. However, timing is important, and getting held up because of a lack of available information can hurt your chances of success given that your window of opportunity could close while you are gathering information. Ultimately, managers should not focus too much on following the principles of the academic literature, but they should familiarize themselves with the theories explained in the literature, and then focus on building relationships in the new market.

RQ2: How does the content of the informal literature differ from what we find in the academic literature when it comes to internationalization?

Although the academic literature provides useful theories and concepts that are good to have in your corner when you are thinking of taking your business global, the informal literature should also be considered. Academic literature is most commonly found in industry related journals while informal literature tends to be found more easily. Informal literature is more frequently shared through social media platforms such as LinkedIn. Since LinkedIn is the preferred platform for communicating within business, it can be a good starting point to search for information.

While there are many areas where the academic literature and the informal literature offer similar content, there are some areas where the informal literature stands out from the academic literature. To answer RQ2, it is important to look at the sources of information, while the academic literature consists of theoretical research from researchers, the informal literature can involve input from experienced managers. Therefore, the answer to RQ2 is that the informal literature differs from the academic literature when it comes to addressing how to overcome barriers that you might encounter in the new market that the academic literature has not accounted for. It can also be drawn from this research that the answer to this question will reflect a more casual, learn as you go, attitude in the informal literature as opposed to the academic literature. The academic literature might over-emphasize the value and importance of being heavily armed with data before approaching the new market, while the informal literature is more casual and open to experimenting in the new market.

RQ3: How important are cross-country relationships when it comes to internationalization?

When you are thinking about going to a new market, you should always have a solid data foundation to defend your decisions. Data gathering is at the heart of internationalization, but in order to make good use of the information you have, it can be good to have a local connection that can help navigate the market. However important it may be to know someone in your target market, you should not choose a market based solely on your personal connections.

To answer RQ3, it is important to know that not all connections are good and relevant connections. It could be better to take the leap unsupported, rather than leaning on someone who doesn't have the relevant experience and connections. Getting to know the people you do business with, and knowing their background is extremely important. Having the right connections will benefit you greatly, as the right partner can help navigate the local business environment, and speed up the learning process. The importance of having a connection in the market is highly debated, but the author of this paper interprets the data available in a way that the answer to RQ3 is as follows. Having the right

connection in the market will be very beneficial, but it should not be considered a prerequisite to entering the market. It can be more secure to enter a market with a good partner, but if that is not the case, then taking more time and starting out with smaller product offerings at first, and experimenting with the market, before entering the market with your entire product line, might provide similar end results.

6 DISCUSSION

6.1 What is being discussed in the academic literature?

The academic literature highlights the importance of data during internationalization, and knowing the elements that drive your industry, as well as knowing the market drivers. It discusses the importance of gathering a lot of data and ranking it by relevance, seeing what is truly valuable to you. There is a sea of information available, and while much of it can be useful, there is much more that is of no use to your business. This filter that is discussed should be focused on elements that will influence your decision-making. It is generally believed that there are a few factors, such as information related to consumer preferences, the competitors, and culture, which are more significant than others. Consumer preferences vary between countries and while you might be successful in your home market, the same tactics might not prove to be successful in another country. The competitors in the market can be different from the competitors in your home market, and realizing what kind of players are on the market can influence the entry mode. If there is a tough competition on the market and the players already on the market are bigger and stronger than you are, it will be very difficult and expensive to break through this barrier. The importance of the cultural aspect has been increasing recently, while the older literature states that information on the culture is not very important, recent research points to the opposite. The culture of the target market is under the microscope of the more recent academic research, and it is now considered among the most important aspect of internationalization. The biggest obstacles that businesses need to overcome can often be linked to language difficulties and cultural distance. When you share a language with the target market, the cultural distance seems shorter, and the internationalization process speeds up, but when there is a big cultural distance, the internationalization process can take more time and the learning period requires more resources. This is why learning the basics of the local language or having strong local partner is extremely valuable when it comes to entering a new market.

Business journals are a good place to find information, however according to the academic literature, managers are more likely to search for information through informal

sources. The academic literature discusses the use of personal connections, as well as social media. Knowing the right person can make a big difference, and it is important to be able to distinguish between a useful source and a source that lacks the capability to add value to your business. Personal connections can be very valuable, and knowing someone in the target market can make the transition into the new market much easier. A local connection can help navigate complexities in the business environment of the new market, and shorten the cultural distance between your company culture and the culture of the country you are entering. As mentioned before, information on consumer preferences and the competitors in the market are considered very valuable, and information on those areas is often acquired through a personal connection. The emergence of social media has made life much easier for businesses in the international arena. In a time when the world is slowly becoming a single market, social media has changed the landscape for the better. Social media has made it easier to create and manage business relationships far away in a simple and effective manner. Because of how cheap and simple it is to use social media, it has become the preferred way to gather information. LinkedIn has become an established business platform, and is now the go to social media when it comes to gathering information on the new market, as well as searching for suitable business partners in the market.

The importance of personal connections is a debated in the academic literature. While it is common sense, and a general opinion among researchers that having a connection in the target market is valuable, the level of importance has not yet been established. Although personal connections are considered important, utilization of data still outweighs the connections. Data will provide more accurate guidance than personal connections, but having the data confirmed by someone with knowledge and experience in the foreign market will create a strong sense of security and lowers the perceived risk of attempting to penetrate the market. Although personal connections are not as important as having solid data before launching in a new market, they might benefit you more once you have already entered the market. Businesses that have geographically diverse networks have been known to perform better than those who are experimenting without guidance from a local expert. Usage of personal contacts has been linked with higher overall profitability of businesses in the long term. Having a good personal contact in another

market will not only benefit the performance of your venture in the new market, but also encourage sharing of information and knowledge, and therefore contribute to further development of your business.

The pattern that shines through the academic literature is that you should be very methodical and organized when you are deciding which market to explore further. You should gather information from multiple sources, but primarily listen to data that you have gathered yourself, as that is the most reliable data you can obtain. However, personal connections are valuable and you should lean on the experience available in your business connections, for example by having your data checked by someone who has experience in the market you are pursuing. The academic literature provides a solid foundation of knowledge to build on when it comes to internationalization, and having a good understanding of the theories discussed will prepare managers well before going into new markets.

6.2 What is being discussed in the informal literature?

The opportunity of going global is not only open to large companies with deep pockets, it is possible to enter a foreign market without spending a massive amount, and therefore the opportunity is also open for smaller companies with limited resources. By utilizing data analytics, it is possible to see from where your business is getting attention, and with that information in your corner, you can see where you already have a customer base waiting for you. However, the situation is not always this straightforward and simple, and that is where data gathering comes in. The informal literature discusses the importance of gathering and using data to make better decisions. Managers should start by researching multiple markets and have a way to assess them in order to narrow the possibilities down to a couple of markets that will then be thoroughly inspected. A good start would be to focus on finding similarities to the home market where they are already successful. It is extremely important to understand what drives the target market, and know that what made you successful at home, might not bring success in the new market. The most important information is related to culture, and diving into cultural research will provide valuable information. The ability to think critically about your own business, and understand your

strengths and weaknesses will make you better prepared for whatever curveball might be thrown your way. Language barriers are often considered more difficult to overcome than managers have expected and that is usually the most significant barrier during internationalization. Before launching in a foreign market, you should have an understanding of what needs to be done to be successful, and have a game plan ready before you take the leap.

The convenience and ease of access to information are an important factor of information seeking. Managers want to find information as fast as possible as acting quickly can often be the deciding factor of whether your venture will be successful. The informal literature discusses two types of ways to gather information, on one hand, there is a very hands-on approach where you gather your own data, and on the other hand, there is the more convenient approach of using the Internet. The best way would be to use a combination of both of these methods, and see if the same pattern emerges in both of these methods. The hands-on approach means that you should gather your own data by traveling to the foreign market and experience the culture yourself. Understanding the culture you are about to join is at the heart of a successful venture, which is why it is so important to experience the culture. Going to local trade shows can also be beneficial as that kind of venues are a great place to meet and get to know local business people and possibly create a valuable business relationship. Even though traveling to the new market will take up a lot of time, the connections made by having a physical presence in the country can lead to a much better long-term performance of your venture. The other approach, using the Internet, takes up much fewer resources and will provide information much faster. The Internet has a positive impact on information during internationalization and should be used to gather information. By using platforms such as LinkedIn, you can establish a better cross-country cooperation that will often lead to a more successful market entry. LinkedIn groups focused on international business and internationalization can make the search for information, and some times business partners very convenient. The Internet is not only a great source of information for you, but it can also help you generate revenues. By being active on platforms such as Facebook, Twitter, or Youtube, you can make it easier for your customers to reach you in a simple and effective way, which can be very valuable for your business.

Having connections in the market is considered very important, and having a good connection will improve your chances of success significantly. By traveling to the new market and spending time on the ground experiencing the culture, you are more likely to create a good contact than if you are surfing the Internet for suitable partners. A good contact has the skills and experience required to help you navigate the market. It is very important to meet everyone in person that you will be doing business with. There are frauds everywhere, which is why you should never create a contract with someone you haven't met in person. There are a couple of ways mentioned that can be used to create a contact. Going to trade shows, as mentioned before, and then there is social media. LinkedIn has been established as a business platform, and is a good place to look for partners and make initial contact with potential partners in the market. In order to bridge the cultural gap between your company and the new market, hiring a local executive can be useful. Employing a local expert will reduce the language and cultural barriers, and can provide guidance when it comes to the legal and regulatory environment. Having someone in your corner who knows the market and is willing to share insights on the culture and the market in general will steepen the learning curve, and can prevent you from making simple mistakes.

The pattern in the informal literature shows that you should conduct market research and gather data on multiple markets at first, and this is the part where getting information as cheap as possible is valued the most by managers. The data is what will guide you towards the right market and help you narrow your selection down to a couple of markets that you need to research further. The informal literature is more casual and believes in using your business network to make the most of the data you have. Creating and maintaining relationships is very important, but you should be careful when it comes to creating contracts and trusting a foreign partner. You should not be afraid of experimenting in a new market, starting out with only a small product offering for example can be the start of something much bigger.

6.3 Similarities between the academic and informal literature

There are many areas where the academic literature and the informal literature agree

with each other when it comes to internationalization. Going global is generally thought to be a great way to expand your business, but it can be difficult to select a target market. These different sources of information both emphasize the importance of conducting market research before going to a new market. Market research and data collection was identified among the most important features of internationalization, this came as no surprise as it is always better to have a good picture of the foreign market before making an entry. Conducting research and listening to the data that is generated is very important as the data can often lead you into markets that had never been seriously considered. Businesses that are low on financial capabilities, but still want to expand, need to find cheap sources of data, and that is where a strong company website comes in handy. Cheap tools such as Google analytics can show the origin of the users that click on the web page, and by following the online traffic it is possible to locate a market where your products are already being used, and therefore there is a higher chance of success. While the selection of a target market is mostly based on market research and data, the entry mode should ultimately be up to the decision maker. The quality of the decision is based on a combination of the utilization of data, and the judgement and experience of the decision maker.

Taking multiple approaches when it comes to data gathering is valuable as the risk of inaccurate data is lowered. Managers want the data to be conveniently available, as they do not want to go through much trouble when they are gathering data. This convenience factor can probably explain why personal connections are frequently used at this stage, and since the age of the Internet came rushing in, keeping touch with your overseas contacts has become much easier. Having a good personal contact in the market can be a big help as that person can verify the results of the data analysis and even give advice on how to deal with various barriers that can be encountered. According to the literature, cultural issues have become the biggest entry barrier, and that is why the importance of having the right local partner has increased. The right partner can help overcome cultural barriers by preventing simple mistakes, and can also help your business being perceived as a local business by association.

6.4 Differences between the academic and informal literature

In order to make the most of your international venture, getting to know both the academic literature and the informal literature would prove valuable. While these sources agree with each other on many levels, they also have their differences. As mentioned before, these sources agree on the fact that market research is important, but they differ when it comes to recommending how to gather information. The informal sources recommend doing the groundwork yourself by moving to the market and immersing yourself with the cultural norms of the new market, while the academic sources talk theoretically and avoid providing specific advice. An example of this specific advice aspect can be that the informal literature recommends having a lawyer, with negotiating experience in the foreign market, by your side when creating contracts in the new market. This pattern of the informal sources being more specific was consistent throughout the research and perhaps that is where the informal sources prove to be more valuable than the academic sources. These sources also disagree when it comes to the difficulty level of launching in a new market. The academic sources make it sound like going global is a huge and expensive commitment where the assumption seems to be that your business would have a full presence immediately, offering the full range of products and services right away, while the informal literature is more relaxed. The informal literature is encouraging and believes that anyone can go global, and the level of commitment is completely open, as you could choose to start small, offering only a fraction of the products and services to begin with.

It is not only the informal literature that has its benefits over the academic literature, the academic literature also has areas where it surpasses the benefits of the informal literature. The academic literature is more long term oriented, and focuses on knowledge sharing, while the informal literature is more short term oriented. The academic literature has a wider perspective and aims at building a business network and a successful long-term strategy, while the informal literature focuses on making a connection to take on a single market. Because of these different strengths and weaknesses, having a deep knowledge of both types of sources is what will ultimately make improve the odds of a successful globalization strategy, which is why embracing the differences and utilize the best of both

worlds is the best way to go.

6.5 LinkedIn content

LinkedIn is a great platform for international business people to find information and seek advice from more experienced managers, as well as getting recognition for your business. There are many groups focusing on international business, and the topics discussed in these groups cover everything from getting a business idea to specific advice on how to expand your business on a global scale. The following sub-chapters discuss the content found in the groups that were used in the qualitative data analysis of the content found through LinkedIn. To give an idea of the content found in various groups, a few articles within the LinkedIn groups that were explored in this research were selected to demonstrate the wide range of concepts that are being discussed in these groups.

6.5.1 International Trade & the Internet

Harvey (2017) discusses the opportunities when it comes to starting a business in Peru, and introduces very specifically the processes that business people can take if they want to exploit this market. This article is only one of many similar articles where specific advice is offered to managers that are looking around for new markets to operate in. These articles usually introduce the strengths of the new country as well as presenting the industries where the opportunities are the most feasible, as well as discussing the local politics. The reasons why this market would be a feasible choice are explained, for example by introducing recently signed free trade agreements or a new government that is looking into ways to bring in foreign investment to grow the domestic market. By searching for information on LinkedIn when thinking of going to a new market, there is a big chance that new opportunities, you would have never thought of on your own, will be opened up. The authors of these articles generally have a great understanding of the cultural environment, and can help prevent simple mistakes that one might accidentally make when going into a foreign market, which is why it is always good to see what they have to offer.

Vena (2014) discusses the effects that globalization has had on the need for cultural understanding, and makes the case that as the world is becoming better connected, the need for cultural understanding has never been greater. As the issue of culture has been a very hot topic in recent years, there are several articles that are focusing on the importance of knowing how to communicate and conduct business in a way that you will not be considered a common tourist. Each country is unique in some ways, and knowing the cultural norms and even a little bit of the language can go a long way. By learning how to greet and make simple introductions, you will be looked at in a different way than those who have not put any effort into learning the ways of the local people. It is generally considered a sign of respect when foreign businesses come into a new market looking for partners and have already made an effort of understanding the ways things work in the new market.

6.5.2 International Business

Heber (2017) discusses ways to execute marketing plans on a low budget, focusing on making the most of your current customers, and using social media such as Facebook to advertise your business. In order to make the most of your current customers, prompting related products somewhere in the buying process can often tempt the customers into buying more at your website. This idea is similar to what we can see at the local supermarkets, where people go through the whole store picking out what they need, and then they are exposed to products that they might want but not need. These products are generally the equivalent of chewing gum or a chocolate bar for example. Studies have shown that this approach is likely to increase the spending of the customers. The other strategies mentioned include email marketing, and social media advertising. While email marketing is the cheapest way to reach customers, both Facebook and LinkedIn offer relatively cheap options to advertise your products. The flaw with email marketing is that you might not have access to a large list of email addresses right away, so building a database could take some time. Facebook however holds the keys to a large database where you can reach people that you would otherwise never be able to reach, and the only thing you need to know are some key demographics of your target market, such as income level, age, and gender for example. Low cost strategies are extremely important for small

companies, and those who do not have a lot of resources on hand, to experiment with in the market.

Giordano (2017) discusses the customer loyalty aspect in four different levels: meeting customer expectations, exceeding their expectations, making them smile, and being unforgettable. By having a strong core of loyal customers, you can ensure that your business can thrive for a long time with relatively little or no investment in marketing strategies. In order to make someone a loyal customer, it is simply not enough to provide acceptable services that people are expecting of you. It is important to make the customer feel well and welcomed every time they come into the store, and consistently making an effort to create a positive atmosphere and an unforgettable experience. While this article does not necessarily fall under the international business category, it is used to demonstrate the wide range of useful categories that are discussed within the LinkedIn groups that were explored for this research.

6.5.3 International Business Managers

Ariño (2017) discusses that in order to become successful in Africa, you need to have a long-term strategy, a local partner, and facilitate social engagement. Since most of Africa does not have a great infrastructure for business, it is important to be patient. By being patient and investing early on in the social aspect of development, you could end up getting a great return on investment. The cultural distance from the western countries is very large, which is why having a local partner in Africa is extremely important. A local partner will help you navigate the cultural environment, and provide information on the market in general as there is currently not much data readily available for many sections of Africa. Although the need for a local partner might be higher in Africa than in the western countries, the same principals still apply and the benefits of having a local partner will be fundamentally the same.

Exporting your goods in cooperation with a local partner will reduce the competition you will face, and provide a regular distribution of your products (Lavor, 2017). Exporting your products can be a good choice as it is a cheap way to enter a new

market and open up opportunities. While exporting is not as profitable as expanding your operations on your own, it can increase cash flow in the short-term, allowing a small business to invest in itself and quickly being able to expand their production capacity and possibly move forward to more markets. However, it is important to find a suitable partner, who will operate and market your product according to your guidelines. Exporting might be a short-term solution while the company is in a cash deprived early stage, which is why it is important to have someone represent your products according to your long-term strategy.

6.5.4 The Global Business Development Network

Olga (2017) discusses the customer service trends of 2017, covering the evolution of artificial intelligence, and how people feel that a human aspect is important at the same time they are leaning towards self-service. Although artificial intelligence has taken a big leap recently, people do not seem to be ready to rely completely on artificial intelligence. The trend towards self-service indicates that people are becoming increasingly independent and want to rely on themselves whenever they can. However, when people are in a position that they cannot take care of their issues by themselves, a human hand is what they want. The human aspect of customer service is still considered very important, but this aspect might be changing in the near future. The trend towards self-service, and the constant improvements in artificial intelligence might make the human aspect of customer service obsolete.

Hollom (2017) discusses how to take advantage of the opportunities that search engine optimization can have on your marketing strategy, with the emphasis on the landing pages and key phrase positioning. Having a successful search engine optimisation strategy can generate a great turnover of clients through search engines such as Google. In order to generate traffic through search engine optimisation, it is important to have a deep understanding of your target customers. As the purchasing decision is constantly moving away from the stores and towards the Internet, knowing the phrases that people use to search for products similar to what you are offering is an absolute minimum requirement. However, it is not only important to get people to land on your website, but having a good

landing site is what will ultimately turn these clicks into purchases.

6.5.5 Global Sales & International Business Advisory

Hasthak (2017) briefly discusses advice on hiring a salesperson based on certain characteristics, energy level and the ability to connect with people and make decisions under pressure, rather than looking at the education level. When it comes to being a good salesperson, the personality is something that is not easily changed while sale technique can be taught rather easily. If the person you hire is book smart and has a fancy university degree, but has a hard time communicating clearly to prospective customers, someone uneducated could most likely do a better job at representing your products. An energetic salesman with a passion for your products is a lethal combination, and is ultimately what should be the main focus point of managers when they are interviewing people to add to their sales force.

Prozument (2017) discusses the cultural understanding from a point of personal conduct, showcasing the different aspects that are considered either customary or perhaps insulting. While some cultures are extremely stiff and formal, others can be very relaxed and value the informal aspect of making a business agreement. It is inevitable to think about the different aspects of the Icelandic culture, which has shaped the author of this research. Icelandic people never use the last name of the people they do business with, and the business environment is very casual, while at the same time they can be rude and relentless in getting their way. Knowing how to behave can be a make or break situation in many cultures, which is why doing thorough cultural research, or having a knowledgeable local partner help you out is extremely important.

6.6 Utilization of social media

The way social media is used is constantly changing as the whole world is becoming increasingly connected. Technological advances are persistently pushing the limits of what can be done through social media. Currently, social media is being used to manage connections abroad, but there seems to be a trend towards using social media to create

contacts. The popularity of social media in business can be traced back to the convenience factor, social media provides the quickest and most convenient way to interact and stay up to date with what is happening to those in your network. Social media such as LinkedIn provides a platform where managers can interact and get to know each other. Even though social media offers a wide range of benefits, it is not without its flaws. Creating a contract purely through social media is not yet being recommended, before entering a contract with someone, it is still considered a basic requirement to meet them in person. However, if the technological advances and popularity of social media keep increasing, it is likely that in the not so distant future, it will become acceptable to create a contract with someone who you have never actually met.

6.7 Limitations of the study

No research is completely without flaws, and this one is no exception to that rule. During the course of this study there were a couple of roadblocks and limitations that were encountered. Because this research has a deadline, the fact that it took a couple of months for me to get accepted into a couple of the LinkedIn groups can be considered as a limitation, as I was not able to see the content until the research was well under way. My application was pending for months and it was not until I spoke with someone from my network, who is in the group, that I was accepted into the group. However, I was able to include all the data from these groups in the study, and therefore this limitation did not cause significant problems.

Perhaps the biggest limitation that the study revealed is based on the finding that managers are likely to rely on personal sources. It is hard to factor this fact into the research since I didn't have access to anyone who was in the process of taking a business to another market. If I would have had access to managers that were in the process of taking their business abroad, I could have interviewed them myself and gathered my own data rather than relying on previously conducted research. In the best case scenario, I would have had access to someone who is in the internationalization process, and possibly been involved in the process and witnessed the market research phase as well as seeing

first hand what kind of unexpected problems can occur along the way. Another limitation that it is very difficult to avoid completely is the issue of author bias. Going into the research, the author had certain expectations, and expected to get certain results from this research. By being aware of this threat during the course of the research and focusing on being objective, the level of subjectivity was lowered. However, there is always a certain level of bias in every study, which is why further precautions were taken. In order to reduce this author bias further, a qualified colleague read through objective notes that were subtracted from the articles that I used in this study, and provide feedback on whether the research was consistent with these notes. I believe that this phase proved to be valuable when it comes to the validation of this research. Because the results of this study were close to the expectations that I had going into this project, getting that second validation adds more meaning to the results of this study. These limitations were not significant ones, and therefore I believe that even though there were some obstacles in the way, the validity of this research should not be doubted.

7 CONCLUSION AND RECOMMENDATIONS

7.1 Conclusion

Since the Internet has become an acceptable source to get information, information seeking behaviour has evolved. It is considered good practice when conducting market research to take more than one approach, using both a hands on approach, as well as the Internet. By listening to the data that has been gathered, the decision-maker will be able to make better decisions, and the likelihood of a successful venture increases. By getting hands on experience in the foreign market, and mixing that with the knowledge obtained through both the academic as well as the informal literature, managers will be well prepared for their international venture. Traveling to the market, as well as utilizing social media platforms, such as LinkedIn, will provide all the information necessary to start experimenting in a new market and potentially launching in that country with full force. Social media is not only good for collecting data, but can also be useful when it comes to making new business connections, and managing the connections you have all around the globe.

The purpose of this research is three-fold, the first objective was finding out whether managers should be diving into the academic literature when they are thinking of taking their business global. In short, the conclusions to this question is that managers should have an understanding of the theories discussed in the academic literature, and know how to use these theories to their advantage. The second objective of this thesis was to research the difference between the information found through informal sources and the information found in the academic literature. A brief answer to this question is that the information in the informal literature is much more casual and specific than the information found in the academic literature. Finally, the third objective of this project was to find out the level of importance that cross-country relationships have when it comes to internationalization. The answer to this question is not as clear as the answer to the previous questions as the level of importance is not perceived the same across the literature. However, it is generally believed that having connections will be very beneficial, and proper utilization of good contacts will inevitably increase the performance of your business.

7.2 Suggestions for further research

By digging into the literature searching for answers to specific questions, one is bound to discover new and interesting questions. Some of the questions that surfaced during the course of this research are related to the evolution of information behaviour. Since this study relies mostly on recent research, it would be interesting to see a research that digs further into the past and shows how information seeking ahead of internationalization has evolved. The angle could be to look at least 30 years into the past, and compare that with the modern Internet era, and potentially provide ideas on how this field is likely to develop over the next 30 years.

As mentioned before, this study relies on pre-existing data, and therefore it would be interesting to see a similar study that is more quantitative, and collected data through first hand interviews. By conducting interviews with managers who have been in the position of a decision maker, and question them based on the framework of market research, platform, and connections, provided in this thesis, a best practice internationalization guide could be created. This study would be difficult to implement, as gaining access to an abundance of international managers to make the results meaningful is a big challenge.

8 REFERENCES

- Aaker, D. A., Kumar, V., Leone, R. P., & Day, G. S. (2013). Marketing research on the Internet. In *Marketing research* (pp. 124-146). Hoboken, NJ: Wiley.
- Alcácer, J., Cantwell, J., & Piscitello, L. (2016). Internationalization in the information age: A new era for places, firms, and international business networks? *Journal of International Business Studies*, 47(5), 499-512. doi:10.1057/jibs.2016.22
- Ariño, Á. (2017, May 04). Advice to invest in Africa. Retrieved May 10, 2017, from <http://blog.iese.edu/africa/2017/05/04/advice-to-invest-in-africa/>
- Auster, E., & Choo, C. W. (1994). How senior managers acquire and use information in environmental scanning. *Information Processing & Management*, 30(5), 607-618. doi:10.1016/0306-4573(94)90073-6b
- Bazeley, P. (2009). Analysing qualitative data: More than 'identifying themes'. *Malaysian Journal of Qualitative Research*, 2(2), 6-22.
- Central Intelligence Agency. (2016, April 01). Retrieved February 20, 2017, from <https://www.cia.gov/library/publications/the-world-factbook/>
- Child, J., & Hsieh, L. H. (2014). Decision mode, information and network attachment in the internationalization of SMEs: A configurational and contingency analysis. *Journal of World Business*, 49(4), 598-610. doi:10.1016/j.jwb.2013.12.012
- Connaway, L. S., Dickey, T. J., & Radford, M. L. (2011). "If it is too inconvenient I'm not going after it:" Convenience as a critical factor in information-seeking behaviors. *Library & Information Science Research*, 33(3), 179-190. doi:10.1016/j.lisr.2010.12.002
- Costa, E., Soares, A. L., & Sousa, J. P. (2016). Information, knowledge and collaboration

management in the internationalisation of SMEs: A systematic literature review. *International Journal of Information Management*, 36(4), 557-569. doi:10.1016/j.ijinfomgt.2016.03.007

Day, L. (2016, October 26). How to Do a Market Segment Analysis. Retrieved February 20, 2017, from <http://smallbusiness.chron.com/market-segment-analysis-58771.html>

Dyson, R. G. (2004). Strategic development and SWOT analysis at the University of Warwick. *European Journal of Operational Research*, 152(3), 631-640. doi:10.1016/s0377-2217(03)00062-6

Evans, M. (2015, March 04). 10 Key Steps To Expanding Your Business Globally. Retrieved February 20, 2017, from <https://www.forbes.com/sites/allbusiness/2015/03/04/10-key-steps-to-expanding-your-business-globally/#6b082aca3803>

Faure, G. O., & Fang, T. (2008). Changing Chinese values: Keeping up with paradoxes. *International Business Review*. 17(2), 194-207. doi:10.1016/j.ibusrev.2008.02.011

Field, A. (2010). 7 Tips For Taking Your Business International. Retrieved December 28, 2016, from <http://www.businessinsider.com/7-tips-to-help-your-business-take-on-the-world-2010-11?r=US&%3BIR=T>

Figueira-De-Lemos, F., Johanson, J., & Vahlne, J. (2011). Risk management in the internationalization process of the firm: A note on the Uppsala model. *Journal of World Business*, 46(2), 143-153. doi:10.1016/j.jwb.2010.05.008

Fletcher, M., & Harris, S. (2012). Knowledge acquisition for the internationalization of the smaller firm: Content and sources. *International Business Review*, 21(4), 631-647. doi:10.1016/j.ibusrev.2011.07.008

- Fournier, S., Solomon, M. R., & Englis, B. G. (2008). When Brands Resonate. *Handbook on Brand and Experience Management*. doi:10.4337/9781848446151.00009
- Giordano, C. (2017, May 07). The Secret to Building Customer Loyalty. Retrieved May 10, 2017, from <http://celestegiordano.com/the-secret-to-building-customer-loyalty/>
- Hamid, S., Bukhari, S., Ravana, S. D., Norman, A. A., & Ijab, M. T. (2016). Role of social media in information-seeking behaviour of international students. *Aslib Journal of Information Management*, 68(5), 643-666. doi:10.1108/ajim-03-2016-0031
- Harrison, K. (2016, August 12). 5 Tips For Taking Your Business International. Retrieved December 28, 2016, from <http://www.forbes.com/sites/kateharrison/2016/08/12/5-tips-for-taking-your-business-international/#430225042cd4>
- Harvey, C. (2017, February 14). How to Start a Business in Peru and to How to get Permanent Residency. Retrieved May 10, 2017, from <http://www.bizlatinhub.com/start-business-permanent-residency-peru/>
- Hasthak, S. (2017, April 4). Hiring for Sales - First Steps. Retrieved May 10, 2017, from <https://www.linkedin.com/pulse/hiring-sales-first-steps-sanjaya-hasthak>
- Heber, Y. (2017, April). The Latest Trends & Projections on Digital, Mobile, Social & Web for Your Business. Retrieved May 10, 2017, from <http://myemail.constantcontact.com/5-Marketing-Tricks-on-a-Low-Budget---Yosi-Heber-s-Digital-Trends-Newsletter-34.html?soid=1112530303525&aid=XKU5G2vn1IY>
- Hendricks, D. (n.d.). How to Take Your Company Global in 7 Steps. Retrieved March 03, 2017, from <https://www.startupgrind.com/blog/how-to-take-your-company-global-in-7-steps/>
- Hollom, B. (2017, May 10). 3 Ways To Spruce Up Your SEO Strategy - M2 Bespoke

Blog. Retrieved May 10, 2017, from <https://www.m2bespoke.co.uk/blog/3-ways-spruce-seo-strategy/>

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, 53(1), 59-68.
doi:10.1016/j.bushor.2009.09.003

Kelly, N. (2014, August 07). Taking Your Brand Global Is Easier Than You Think. Retrieved March 03, 2017, from <https://hbr.org/2013/08/taking-your-brand-global-is-ea>

Khwaja, A. (2005, December 04). How to Take Your Company Global. Retrieved February 20, 2017, from <https://www.entrepreneur.com/article/66014>

Lamson, M. (n.d.). How to expand your business internationally and take it global. Retrieved December 28, 2016, from <https://expertbeacon.com/how-expand-your-business-internationally-and-take-it-global/#.WDyofqIrKR>

Lavor, A. K. (2017, February 06). Why export? 16 reasons to consider. Retrieved May 10, 2017, from <http://blog.intradebook.com/en/why-export/#.WRCr62MjOcc.linkedin>

Leonidou, L. C. (1997). Finding the right information mix for the export manager. *Long Range Planning*, 30(4), 479-584. doi:10.1016/s0024-6301(97)00036-8

Leonidou, L. C., & Katsikeas, C. S. (1997). Export information sources: The role of organizational and internationalization influences. *Journal of Strategic Marketing*, 5(2), 65-87. doi:10.1080/096525497346802

Leonidou, L. C., & Theodosiou, M. (2004). The export marketing information system: An integration of the extant knowledge. *Journal of World Business*, 39(1), 12-36.
doi:10.1016/j.jwb.2003.08.005

- Mathews, S., Healy, M., & Wickramasekera, R. (2012). The Internetalisation of information, knowledge, and interaction components of the firm's internationalisation process. *Journal of Marketing Management*, 28(5-6), 733-754. doi:10.1080/0267257x.2011.560887
- Mazur, E. (n.d.). Collecting data from social networking Web sites and blogs. *Advanced methods for conducting online behavioral research.*, 77-90. doi:10.1037/12076-006
- Moner-Colonques, R., Orts, V., & Sempere-Monerris, J. J. (2008). Entry in foreign markets under asymmetric information and demand uncertainty. *Southern Economic Journal*, 74(4), 1105-1122.
- Musteen, M., Francis, J., & Datta, D. K. (2010). The influence of international networks on internationalization speed and performance: A study of Czech SMEs. *Journal of World Business*, 45(3), 197-205. doi:10.1016/j.jwb.2009.12.003
- Olga. (2017, May 9). New Customer Service Trends to Look out for in 2017 and Beyond. Retrieved May 10, 2017, from <http://www.providesupport.com/blog/new-customer-service-trends/>
- Peschken, T., Shukla, P., Lennon, J., & Rate, S. (2016). The role of information alignment and entrepreneurial traits on SME internationalization. *Management Research Review*, 39(2), 196-214. doi:10.1108/mrr-11-2015-0271
- Pilon, A. (2015, October 22). 19 Tips to Take Your Small Business Global. Retrieved March 03, 2017, from <https://smallbiztrends.com/2015/10/taking-your-small-business-global.html>
- Prozument, L. (2017, May 1). International Business Customs. Retrieved May 10, 2017, from <https://www.linkedin.com/pulse/international-business-customs-leo-prozument>

- Sarda, K. (2013, November 12). The Secrets To Taking Your Small Business Global. Retrieved February 20, 2017, from <https://www.forbes.com/sites/groupthink/2013/11/12/the-secrets-to-taking-your-small-business-global/#298a33d42acf>
- Seidel, J. (1998). Qualitative data analysis: The ethnograph v5 manual. Retrieved from <http://wtgrantmixedmethods.com/content/seidel-john-v-1998>
- Sousa, C. M., & Tan, Q. (2015). Exit from a Foreign Market: Do Poor Performance, Strategic Fit, Cultural Distance, and International Experience Matter? *Journal of International Marketing*, 23(4), 84-104. doi:10.1509/1069-0031x-23.4.84
- Subbloie, A. (2014, September 03). 3 Tips to Keep in Mind When Taking Your Company Global. Retrieved February 20, 2017, from <https://www.entrepreneur.com/article/236854>
- Taylor, N. F. (2015, July 21). Going Global: How to Expand Your Business Internationally. Retrieved December 28, 2016, from <http://www.businessnewsdaily.com/8211-expand-business-internationally.html>
- Thornton, S. (2016, October 26). About Gap Analysis. Retrieved February 20, 2017, from <http://smallbusiness.chron.com/gap-analysis-43345.html>
- Vasilchenko, E., & Morrish, S. (2011). The Role of Entrepreneurial Networks in the Exploration and Exploitation of Internationalization Opportunities by Information and Communication Technology Firms. *Journal of International Marketing*, 19(4), 88-105. doi:10.1509/jimk.19.4.88
- Vena, J. (2014, June 10). Has Globalization Increased Your Need for Cultural Understanding? Retrieved May 10, 2017, from <https://www.linkedin.com/pulse/20140610192334-46649041-globalization-is-creating-cultural-understandings-and-hope>

Wood, V. R., & Goolsby, J. R. (1987). Foreign Market Information Preferences Of Established U.s. Exporters. *International Marketing Review*, 4(4), 43-52.
doi:10.1108/eb008341

Wood, V. R., & Robertson, K. R. (2000). Evaluating international markets. *International Marketing Review*, 17(1), 34-55. doi:10.1108/02651330010314704