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Internationalization and SMEs choice of direct export strategies and firm performance - Case study approach

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Summary

In this research, we have, through the case study method, looked at differences in social mechanisms, including relationships, networks, trust, commitment, learning, and knowledge, in addition to firm performance. The differences are looked up against the direct export strategies our case firm Drytech uses, distributor, and direct to-retailer. Further, we have examined the advantages and disadvantages of the social mechanisms and firm performance within the strategies.

Our findings found several differences within each variable when comparing the export strategies, which created the foundation to discuss each variable. Our discussion examined the advantages and disadvantages of all the variables within the social mechanisms and regarding firm performance. Our findings and discussion highlight the importance of relationships and networks when using both strategies. The degree of strength in the relationship and networks, we found to determine the achievability for information sharing and knowledge, trust, and commitment, especially when using a direct-to-retailer strategy, due to fewer expectations within the relationships. Using a direct-to-retailer strategy was more resource demanding due to the many contact points compared to a distributor in a given market with one contact point. For firm performance, we found profit and margins, in addition to sales growth, to be the main factors influencing firm performance when using the different export strategies.

This thesis used qualitative methods as the research strategy and a single case study as a research design. Semi-structured interviews were conducted with four subjects from Drytech who have worked with their internationalization since the start using appropriate samples based on the information power model. The semi-structured interviews were formed with the help of an extensive literature review resulting in a theoretical framework. The four subjects included two subjects from sales and marketing, one business developer, and the CEO. Furthermore, we conducted observation both direct and by participating in meetings and at an exhibition in Germany. The empirical evidence was strengthened with secondary sources like websites, meeting notes, and strategy documents resulting in a chain of evidence.

Keywords: Internationalization, SME, export strategy, social mechanisms, firm performance

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1 Introduction - internationalization of the firm

The ongoing globalization and intense competition stimulate businesses to look for new ways to maintain competitiveness. Internationalization is one of the main components regarding the survival of the modern business landscape both for small and medium-sized businesses (SME) and multinational enterprises (MNE). International competition is inevitable even in domestic markets because government protectionism is diminishing (Kubíčková et al., 2014). The international market has been primarily reserved for MNEs for an extended period. SMEs have traditionally been focused on the domestic or regional markets as their competitive landscape (OECD, 2018). Even though SMEs stand for most enterprises, it is only recently that SMEs can more easily access international markets than before. This change has several reasons, but ongoing globalization and increased competitiveness are the main contributors. Rapid technology changes have also made an impact making internationalization strategies more accessible. Technology changes have further made information more accessible for SMEs, positively impacting the information needed regarding general market information, contractors, users, and potential customers. Globalization and rapid technology development lays the foundation for minimizing barriers for SMEs in the global competitive landscape and is the leading accelerator for internationalization in recent times. The increasing entrance of SMEs into international markets is vital for the global economy and could increase economic growth and further innovations in the global market (Dabić et al., 2020).

SMEs play a vital role and stand for the majority of the global economy. Furthermore, they are essential for job creation and economic development. They stand for 90% of businesses and over 50% of employment worldwide (*World Bank SME Finance: Development News, Research, Data | World Bank*, n.d.) In Europe, SMEs are the backbone of the economy. We have 23,1 million SMEs employing 84,6 million and creating value for 3,9t euros. Wholesale and retail are the most prominent sectors with the most SMEs (Statista, 2023). “SMEs are being considered as major role players in economies and therefore became an attractive area to explore by researchers” - Kunday & Şengüler, 2015, p. 1.

Why do SMEs internationalize? Mainly it is due to foreign demand for products, the lack of demand in the domestic market, the enlargement of the customer portfolio, and the increase in sales (Kubíčková et al., 2014). There is also empirical evidence that SMEs are impacted by both external and internal motives for internationalization. External motives like small domestic market, competitive pressure, proximity to customers and suppliers, psychological distance, and unstable domestic market influence SMEs to internationalize. The same with internal motives: profit goals, availability of skilled labor, availability of unique technology/product, the desire to reduce risk, and foreign ownership decisions (Korsakienė & Tvaronavičienė, 2012). Albaum (2008) created a distinction between proactive factors (pull) and reactive factors (push). Further, Daszkiewicz & Wach (2014) created a 4-element typology: (1) entrepreneurial factors, (2) chance factors, (3) pull factors and (4) push factors. The four elements can influence single-handedly to a firm's internationalization, but often there is a nuanced interplay. Entrepreneurial factors see internationalization as a natural process of the firm's growth. Here the firm makes successive steps towards, in many ways, predetermined steps of growth. Chance factors could be a random order from abroad where the organization takes advantage of the situation and explores the market. Pull factors are internally motivated, where the firm constantly seeks profit and growth improvement. Push factors could stimulate internationalization in the form of overproduction, and the home market could be saturated, or increased competition in the sector or product category could also influence.

Regarding barriers to internationalization, empirical findings suggest that knowledge of the foreign market is the main barrier. It is reported that SMEs experience a lack of market knowledge regarding competitors and pricing, capabilities in the form of lacking contact with potential clients abroad, market access in the form of identifying opportunities in foreign markets and conducting operations, reliable relations with distributors, and access to possible distribution channels. The financial impact is also mentioned in the high cost connected with transport and insurance (Figueira-de-Lemos et al., 2011; Pietrasieńsk & Ślusarczyk, 2015).

For most businesses, internationalization is an ongoing strategic process. However, for SMEs, it can be more of an intuition rather than a rationalized step-by-step planned strategy (Andersen, 1997). According to Welch & Welch (1996), internationalization can be seen as an unknown domain where learning and network developments are outcomes of the day-today operations in the internationalization process. Learning and networking are sudden and unexpected and develop through daily operations. Rigid strategic planning can limit the opportunities that arise, laying the foundation and need for strategic flexibility in international operations. Therefore, the organization needs to have flexibility built within its international strategy to identify and exploit opportunities in its internationalization as they go.

The International marketing field is highly characterized by intellectual diversity (Melin, 1992). Generally, internationalization means business involvement in the international environment (Kubíčková et al., 2014) and the processes businesses develop to engage in international markets (Welch & Welch, 1996). Several researchers have described internationalization as an outward definition of a firm's international operations. There is, however, no unified definition of the concept and its definition (Andersen, 1997). Wind et al. (1973) defines the concept as specific attitudes and orientations associated with successive steps and stages in the evolution of internationalization. Another direction is claiming that internationalization is an inward-oriented and incremental sequential orderly process, which again influences the development of organizational forms (Johansson & Vahlne, 1977; Bilkey & Tesar, 1977: Cavusgil, 1980). In their original model, Johansson & Vahlne (1977) explained internationalization as an incremental, gradual learning process supporting cumulative market commitments starting with markets close to the domestic markets. The cumulative market commitment is a very firm-specific orientation, but after 1990 and 2009, they shifted to a more network-orientated approach to internationalization. The latter and revised model explained internationalization as a process pursued in a network and that network relationships offer the firm an opportunity for learning, trust building, and commitment (Johanson & Vahlne, 2009).

For managers in SMEs, the choices for exporting are not trivial. They could lose control over their operations, and brand, make smaller margins when engaging an intermediary, or need to hire employees with particular experience and knowledge. Much of the discussion regarding export strategies has been about integrated versus independent strategies (Dunning, 1977; Anderson & Gatignon, 1987; Erramilli & Rao, 1993). The choice regarding intermediates or not, may be the most crucial decision an SME could make in its internationalization process.

To examine export strategies for SMEs, our single case study choice fell on Drytech AS. Drytech is a family-based SME from Northern Norway. The company is a production company that produces freeze-dried food primarily for outdoor activities such as mountain climbing, biking, and camping. The company delivers different stews with tastes varying from traditional Norwegian stews to more internationally known stews such as Tikka Masala and Asian Curry. The products are usually sold at sports- and outdoor retailers both in domestic and international markets. Drytech's internationalization history started around 2004 with sporadic export to nearby countries such as Sweden. Through actively participating in fairs and exhibitions, Drytech has, over the years, built an extensive network and relations within the outdoor industry, helping them to get to where they are today. In 2023 they are in seventeen international markets, such as Sweden, Germany, Finland, Netherlands, Switzerland, Belgium, France, Spain, Italy, and Poland.

The company uses two export strategies when selling to foreign markets. They either sell directly to the retailer or use a distributor. Both strategies have shown financial success through yearly increased growth in the different markets. In the structure of handling the seventeen markets, Drytech has organized it with a Key Account Manager (KAM) responsibility role for each market, which means that one person can, for example, be KAM for Norway, Sweden, Finland, and one be KAM for Switzerland, France, and the UK. Further, Drytech has also established a B2B webshop to handle most orders from different customers. With the strategy of direct to retailer, it can entail handling a lot of different customers, smaller to bigger ones, in the given market and a web shop, therefore, helping the KAM to minimize the manual handling of orders. The distributor can also use the webshop to place orders.

Working with different export strategies can influence social mechanisms such as relationships, networks, learning, market knowledge, trust, and commitment, found significant by Johanson & Vhalne (2009). Drytech's internationalization has been dependent on information from distributors, agents, and other companies in their network in the domestic market and general networks from daily operations built up over several years resulting in a web of relations (networks). The information from their social relations has enhanced their understanding of regions and countries in foreign markets, and the potential product market fit for their brand and products. This supports Musteen et al., (2014) idea that social networks and attributes are the assumptions of idiosyncrasies that further contribute to the difference in market knowledge across firms regarding opportunity identification in foreign markets. Furthermore, they need access to resources that can pre-screen countries and regions ex-ante before entering the country. This makes Drytech AS heavily dependent on the information accumulated in their social relations and networks.

When working with a distributor, the distributor has responsibility and control of the whole given market, influencing the need for trust and commitment. With responsibility, we mean control over marketing and communication, distribution of goods to retailers and chains, and storage of goods. With a direct-to-foreign retailer, the retailer's responsibility is to sell the products to their customers, and in general, nothing more. The main difference is that the retailers have not the same responsibility or control compared to a distributor. With direct to retailer strategy, Drytech does the marketing, communication, storage, and branding.

The lower degree of responsibility and control will affect the need for trust and commitment, how Drytech needs to work on relationships and networks in the markets, and how they learn and build market knowledge. For Drytech, it is essential to know what the advantages and disadvantages there are when using the two different export strategies. This would give them detailed information about the two export strategies and what they option out of in choosing one over the other. This will be done by examining important social mechanisms like trust and commitment, information sharing and market knowledge, and relationships and networks. How do they differ with the use of direct-to-retailer and distributor. At last, we discuss how it influences growth and sales (firm performance). By looking into these variables against the different export strategies, Drytech can make better decisions in the future and be more aware of the advantages and disadvantages in already existing markets.

Our research question is therefore: ***Differences in social mechanisms on use of export strategies direct to retailer and distributor, and their relation to sales and growth (firm performance).***

The characteristics offered by the case study approach let us go in-depth on the case giving us detailed information about the phenomena of the two export strategies. Drytech AS allows us to research phenomena from earlier stages to recent years and the present time. Furthermore, it allows us to go into detail about the strategies and hopefully add insight to the literature on

SMEs and exporting to foreign markets. For Drytech, this study can help evaluate the different strategies and influence future strategic decisions in their internationalization. The firm wishes for a nuanced picture of the strategies it can incorporate in its internationalization for the future. Should they only go for distributors or retailers? Which factors are important to evaluate when choosing an export strategy, and what are the trade-offs when choosing one over the other? The nuances will primarily focus on the differences, as well as the advantages and disadvantages, among the two export strategies used by the company.

As mentioned earlier, the two export strategies are direct to retailers and the use of distributors. When Drytech, as the exporter, uses direct-to-retailer, they use export direct to the retailer and distribution themself—the retailer then sells the products directly to the end user in their store. When using a distributor, Drytech distributes to the distributor's storage, and then the distributor sells the products to retailers, who again sell them to the end user. The distributor then controls the market through distribution, marketing, communication, and branding (see Figure 1). Marketing, communication, and branding are activities Drytech controls when exporting directly to the retailer. The straight lines indicate the part of export Drytech has control over. The stripped lines indicate the part of the export Drytech does not have any control over.

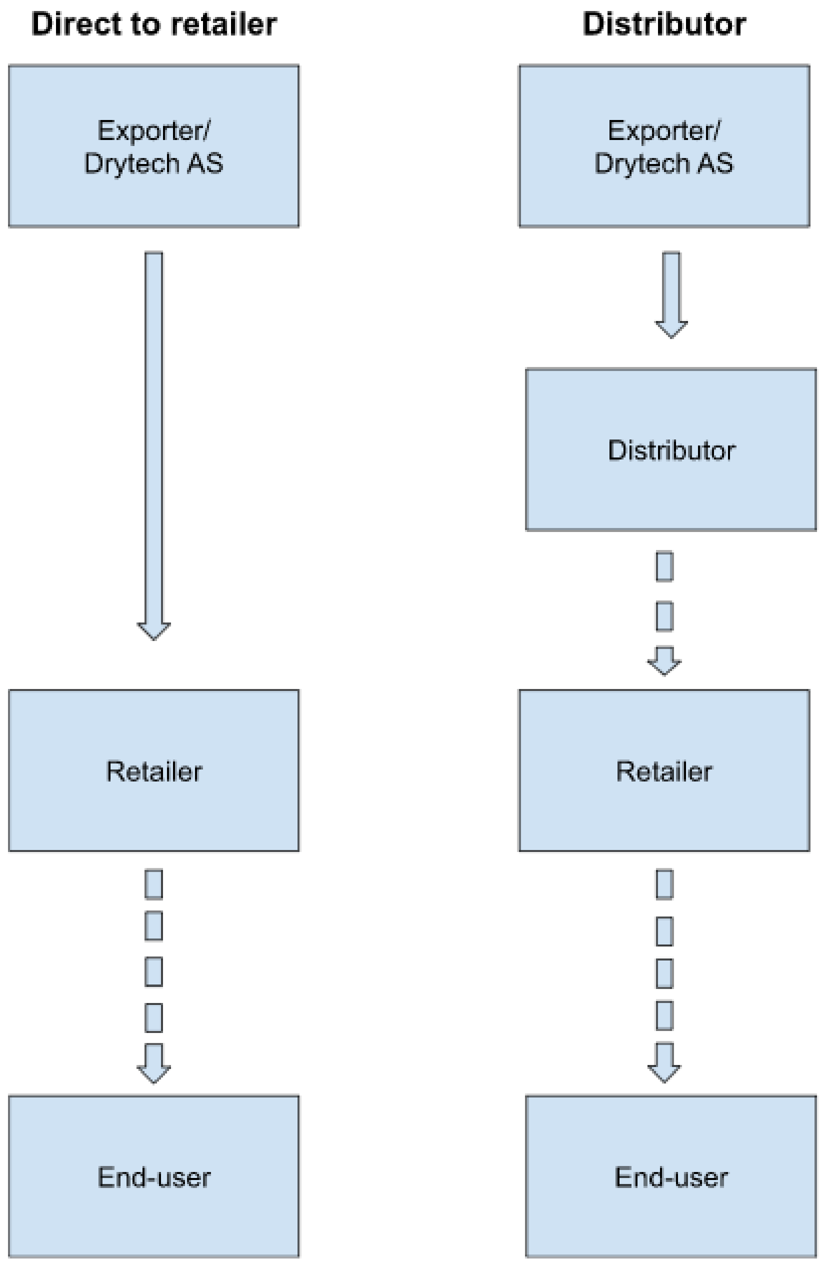

Figure 1: Illustration of the two main export strategies used in Drytech internationalization (Solberg & Nes, 2002).

Drytech is a part of the outdoor sports segment, primarily sold in European retail stores. The retail sector includes some of the world's largest companies (Nordås, 2008), and the bigger ones are getting even more prominent with an increased market share within the retail sector. 250 of the world's biggest retail chains have a market share of 33,2 percent among all retailers (Deloitte, 2023). They are expanding and growing globally and importing directly from the manufacturer instead of using intermediates (Tajoli & Tomas, 2015). For manufacturers like Drytech, this opens up opportunities to internationalize in other ways than using intermediates but instead going directly to the retailers and retail chains.

There are several studies on direct export strategies (Bernard et al., 2011; Hessels & Terjesen, 2008; Solberg & Nes, 2002), but we need more research on Drytech's most used export strategy, direct to foreign retailers. In addition, there were some limitations in studies comparing the different direct export strategies, including distributor, which is the second used export strategy by Drytech, and how the different strategies influence firm performance. Solberg & Nes (2002) is the closest one discussing "differences between three entry modes - sales subsidiaries, agents and distributors - along three dimensions - trust, commitment, and marketing control. It is posited that trust, commitment, and marketing control are highest in integrated modes (like sales subsidiaries) and lowest in distributor relationships; the agency solution is situated somewhere in between" - Solberg & Nes, 2002, p. 4. They found that the dividing line went between integrated and independent channels (owned sales subsidiaries or agent and distributor) regarding trust and commitments. The company had more trust and commitment to wholly owned subsidiaries than distributors or agents.

Furthermore, they found no significant difference in firm performance with the export strategies but significant differences in achieving company goals (Solberg & Ness, 2022). Based on a search in several research databases, we could not find research investigating an direct to retailer and chains, as an export strategy. This is surprising because evidence shows that retailers play an essential role in the internationalization of many sectors because of their expansion into foreign markets and consolidation of market power worldwide reported by Deloitte in Global Powers of Retailing (2023). Most of the research on SMEs and export strategies is also done with quantitative methods, which are limited to conformity (Bell et al., 2019; Cooper & Kleinschmidt, 1985; Julien & Ramangalahy, 2003; Solberg & Nes, 2002; Wang & Ma, 2018). The research's weakness is that it needs to implement a direct sales strategy to retailers and how this affects firm performance in foreign markets for SMEs. Since the empirical evidence is limited, we concluded that the thesis needs to use a qualitative method to get nuanced and rich data about the phenomena (Yin, 2014). The research has not yet been done and can be considered vital for SMEs when navigating the "black box" of internationalization for SMEs. In the worst case, a wrong export strategy can contribute to the internationalization process failing and could hurt the company's financial health (Naidu & Prasad, 1994). Furthermore, by investigating retailers' use as an alternative export strategy, this study expands our knowledge of alternative export strategies yet to be done in academia. By doing so, we can contribute more information on how to succeed in exports for SMEs, which could cause increased competition in international markets with the use of correct export strategy, further contributing to more innovation in technology developments and access to products and services for people worldwide.

The rest of the paper is organized as follows: literature review, information about the case firm, and its history in foreign markets since its beginning. After that, we review the chosen methodology and how we incorporate quality criteria in our thesis and finalize with data analysis, discussions, and implications. We investigate two alternative export strategies: the use of distributors and the use of retailers as importers. Do trust and commitment, relationships and networks, and information sharing, and knowledge express themself differently comparing the two export strategies, and ultimately, how does this influence firm performance? Since the academic work has focused on using agents, distributors, and sales offices, we could add to the academic literature how SMEs, with their limited resources, could make the best of what they have in their internationalization. At a general level, we want to add more knowledge on how these companies can maximize their resources in their internationalization journey and how to drive firm performance. With the research question and our findings, we would look into:

1. What are the similarities and what are differences between using distributor and retailers when it comes to:
    a. Relationship(-building), networks, trust, commitment, learning, knowledge, and information sharing.
2. How does performance develop for the two types of export strategies, direct to retailer and distributor, in terms of growth and margins.

Based on the findings above:

3. What are the advantages and disadvantages of using distributors vs. direct retailers?

2 Literature review

2.1 Uppsala

In this study, our literature base is inspired by the prominent research done by Jan Johanson and Jan-Erik Vahlne in their research on internationalization between 1990 and 2019, from their original Uppsala model to their revisited focusing on relations, networks, trust, commitment, learning, and commitment. Therefore, we will start the literature review by going through the development of the model.

In the original Uppsala internationalization model from 1977, Johanson and Vahlne (1977) described the process of internationalization as a gradual- and learning-based process, where commitment first started in markets close by. The original Uppsala internationalization model focused on the aspects of the state and the aspects of change. The state aspects consist of market commitment and market knowledge, and the change aspects are the current activities and commitment decisions. The model further implied that the market commitments are assumed to affect how much commitment a business should allocate to foreign markets and how current activities are performed. Further, market knowledge and commitment in the state are affected by the current activities and commitment decisions. In that way, the Uppsala internationalization model is seen as a causal cycle (Johanson & Vahlne, 1990).

Thru research contributions over many years, Johanson and Vahlne (1990, 2003, 2009), in their research on the internationalization process, went from a firm-centric perspective to focus more and more on relationships and networks (Yamin & Kurt, 2018) and to the latest article from Johanson and Vahlne (2019) where they describe that the macro business environment consists of networks of relationships between firms. With more and more research and contributions, the model and the aspects described in the first paragraph above, with a causal effect, is now less applicable.

Johanson & Vahlne (2009), in their 2009 paper, concluded that the original model needed to be further developed when looking at previous research finding networks to be necessary. In previous studies, Coviello and Munro (1995) found that network relationships impact entry mode and foreign market selection. Chetty & Holm (2000) found how SMEs interact with their network partners to extend, penetrate and integrate into their international markets.

In light of the change and new focus from the original Uppsala model in 1997, Johanson and Vhalne (2009) created the revised model - The business network internationalization process model. In this process, internationalization is viewed as the outcome of firm actions to strengthen network positions, and the process of internationalization is pursued within a network. Since networks are borderless, the previous focus on entry and expansion in a given market must be more relevant in the revised model. With the newer focus, it is more critical in internationalization to strengthen the firm's position in the network (Johanson & Vhalne, 2009).

Same as in the 1977 model, the business network model consists of two sets of variables with state- and change variables. Both variables affect each other where the current state affects change, and the change affects the current state. On the left side in the state, the model has knowledge opportunities affecting trust and commitment, either positively or negatively. Learning, creating, and trust-building in change affect the position in the network.

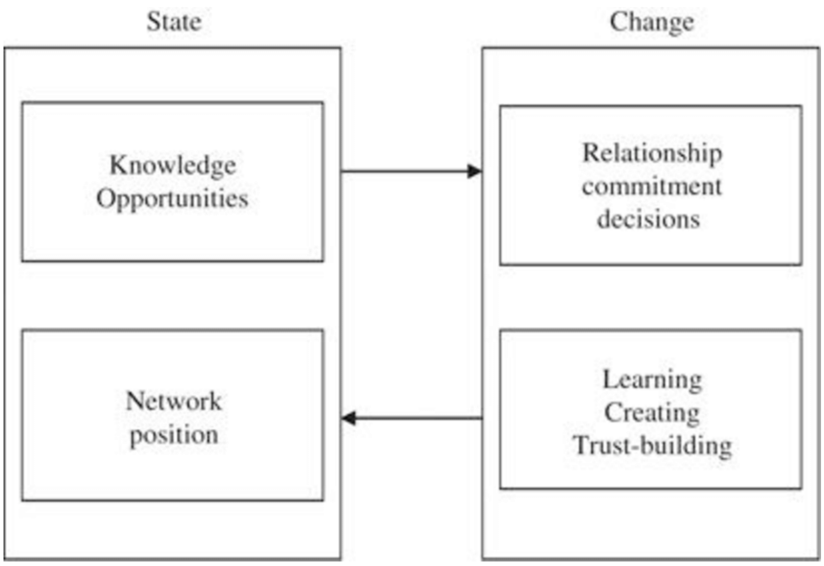

Figure 1: The business network internationalization process model (Johanson & Vhalne, 2009, p. 1424).

The model has some changes to the original, where market network position has replaced market commitment in the state variable due to the new focus on the internationalization process being pursued within a network rather than as a commitment to the market. Further, learning, creating, and trust-building have replaced current activities.

We will not use the model as our literature model but are inspired by the research and findings on the importance of the variables within the business network internationalization model. We will therefore go forward with the variables of relationships, networks, trust, commitment, learning, and knowledge.

2.2 Relationships

In the description of relationships, relationships develop through experiential learning, where firms learn about their counterpart's resources and capabilities, and commitment strengthens over time. Critical in relationship- and commitment development is that the development is a bilateral process involving two parties who learn interactively and mutually commit to the relationship (Johanson & Vhalne, 2009). Further, Johanson and Vhalne (2009) describe developing relationships as an informal process where intentions, expectations, and interpretations are essential. In an article about dyadic business relationships, Anderson, Håkansson, and Johanson (1994) highlighted that the dyadic relationships between firms are of paramount interest and that firms frequently are involved in different and close relationships with important customers and suppliers. Due to relationship informality, it is hard for people outside of the relationship to judge the scope of needed investment building, and therefore hard for outsiders to say the actual value of it (Johanson & Vhalne, 2009).

Looking at the importance of relationships, Piercy et al., (1998), in their research on sources of competitive advantage in high-performing exporting companies, found that customer relationships have the highest gap between low-performing- and high-performing export companies. Among the three other skills, which were informational, product development, and supply chain, customer relationships had an average mean score of 5,85 and were significantly higher than the others. This skill included the development and maintenance of good relationships, in addition to understanding the customer's requirements. To summarize, they found that customer relationships are associated with superior export performance (Piercy et al., 1998).

2.3 Networks

A network is a “set of nodes and the set of ties representing some relationship, or lack of relationship, between nodes”- Brass et al., 2004, p. 795, and known to be a significant factor and determinant in the early internationalization of SMEs. It mainly works as a substitute for their lack of other resources compared to more prominent firms (Coviello & Cox, 2006). Networks can, for instance, give access to their first foreign markets, help companies overcome resource deficits, and help them accumulate knowledge of foreign markets. How SMEs use networks, how they give access to resources, and the changing need for different kinds of resources for different stages is an influential research agenda. The internationalization process and its path affect resource requirements (Bembom & Schwens, 2018).

When firms are engaged in several business relationships, firms operate in networks of connected business relationships. In this context, connected refers to that exchange in one relationship, is linked to exchange in another, and these webs of connected relationships are business networks (Johanson & Vahlne, 2009). When describing a business network, Jin & Jung (2016) refer to them as close and lasting relationships with the firm's essential suppliers and customers. These relationships are formed through established interdependencies between different firms doing business together. These partner firms can be suppliers, dealers, buyers, etc. Businesses often attend trade fairs and exhibitions to obtain and develop relationships (Jin & Jung, 2016).

In the study of SMEs, networks have previously been described as very important due to the lack of foreign assets in the internationalization process. This is often because SMEs do not own assets themselves. For businesses entering foreign markets, networks can help obtain resources such as knowledge, financials, and new capabilities. Further, networks can also help coordinate and build cooperative relationships (Galkina & Chetty, 2015). Dolfsma and Eijk (2017) describe that networks can allow firms to gain information about market opportunities for their products, competitors' products, and strategies. In addition, information and market knowledge obtained from networks can help strategically negotiate with other firms and use the information to use internal resources better to improve financial performance. Dolfsma and Eijk (2017) also highlight that networks can help identify problems and opportunities and also help in identifying potentially valuable innovative technologies and solutions.

Yamin and Kurt (2017) use social network theory to describe business networks and that actors in a social network analysis can represent different levels of any unit, individual, and firm. Social network theory also has two fundamental axioms, one is structure, and the other is the position in the network. The structure includes the pattern of relationships between the members of the network and their importance for the members of the network. The business position matters because of its role in the set of opportunities and constraints a network member faces and is partly determined by the member's location in the network. The distinctiveness of social network theory is the focus on network relationships as the key performance outcomes instead of attributes to the network members. This means the interest to analyze is how actors with similar attributes perform differently by looking at their influence on the network they belong to or their position in their network (Yamin & Kurt, 2017).

The social network theory is critical to the early internationalization of resource-restricted firms. MNEs, in contrast to SMEs, have the resources to conduct advanced market research regarding market selection in their search for expansion. This knowledge and the production, identification, and accumulation of opportunities come from networks and relationships for SMEs. The foundation of social network networks and attributes is the assumption of idiosyncrasies that further contribute to the difference in market knowledge across firms regarding opportunity identification. The different attributes of networks that contribute to the identification of opportunities in foreign markets are (1) network density and (2) tie strength. These attributes of networks should, in turn, motivate and facilitate internationalization efforts and positively influence internationalization outcomes regarding knowledge development and, therefore, the acknowledgment of opportunities (Musteen et al., 2014).

(1) Network density

Different social networks can differ from each other in terms of density. *Density* is the ratio of existing relationships among network members to the total number of possible relationships (Marsden, 1990). A high network density means that the network members are directly connected. In contrast, low network density means that the relationships with the actors in the network are “sparse” and indirect. Det density attribute at its characteristics results in what we call structural holes, which are present in the relevant network (Musteen et al., 2014).

“Structural holes refer to the areas sparse in the number of linkages” - Musteen et al., 2014, p. 753.

Burt (1995) stresses the importance of structural holes in networks concerning learning and knowledge. If structural holes exist in the network, third parties provide informational benefits to the intermediate who connects them. The contrast will be networks with high density, and therefore, few structural holes will be more homogenous, which will affect the knowledge acquisition in a negative direction. Based on significant redundancy in the knowledge possessed by the network members. It is arguably easier to access valuable information in networks with low density and structural holes versus networks with high density and few structural holes.

(2) Tie strength

Tie strength and relational embeddedness refer to the strength of ties based on relationship intensity and the frequency of the social interaction between network members (Marsden, 1990). Granovetter (1973) states that strong network ties include reciprocal obligations and emotional intensity. Therefore, the basis and characteristics of strong ties are trust and relationships that develop between the parties over time through repeated interactions. On the other hand, weak ties denote the absence of trust in relationships and entail limited emotional commitments between the parties (Musteen et al., 2014).

2.3.1 Networks - Insidership and liability of outsidership

Johanson and Vahlne's (2009) paper brought up the liability of outsidership and insidership. Firstly, they mentioned that the larger the psychic distance was, the more difficult it was to build new relationships. Hollensen (2012) defines *psychic distance* as "the individual's perception of the difference between two markets, in terms of the difference in country and people characteristics, which disturbs the flow of information, goods, and services between the firm and the market" - Hollensen, 2012, p. 55. The term is used in the previous study with the Uppsala model, where they found that in the internationalization process, firms often started with foreign markets with a low psychic distance before entering markets with a higher psychic distance. With the more significant psychic distance and increased difficulty in building new relationships, the effect is the liability of foreignness. Liability of foreignness also amplifies the position of being an outsider, which means not having a position in a relevant network (Johanson & Vhalne, 2009).

To learn and build commitment and trust through relationships, businesses must become insiders to the networks in their internationalization process. This is because business information and entrepreneurial opportunities happen within the context of business relationships. To build networks and relationships, it is crucial to be an insider. Insidership happens when businesses build relationships and are included in relevant networks (Johanson & Vhalne, 2009). In their study, Yamin and Kurt (2017) highlight the importance of structure in networks affecting insidership. They conclude that firms should seek networks displaying structural holes to reduce resources and time to become an insider in relevant networks. Further, the position of the actor that the firm links to become a part of the network, the actor's position in the network also implies the speed at which insidership and hence internationalization can be obtained (Yamin & Kurt, 2017).

Being an insider to a network could also allow the firm to work more effectively by discovering and creating opportunities. Especially for SMEs entering foreign markets, the liability of smallness, foreignness, newness, and overstretched resources, positive effects of being an insider is potentially high (Martin et al., 2022). Martin et al. (2022) also highlight the importance of finding the right network to become an insider. Being locked into a poorly performing relationship, or committing to a poorly performing network, can cause the liability of other new opportunities and poor information sharing.

Johansson and Vahlne (2009) describe internationalization as a by-product of the company's effort to improve its position in a network. Internationalization involves taking steps from network outsider to insider. A firm that suffers from liability of foreignness - the cost of doing business abroad (Zaheer & Bell, 2005) also will suffer from the liability of outsiders due to a lack of market-specific knowledge and network position relevant to the company (Johanson & Vahlne, 2009). To overcome this liability, the company must use activities and operations to create learning, trust-building, and knowledge to identify and create network opportunities. Network engagement also allows firms to develop the critical antecedent for internationalization like learning, trust-building, and commitment (Schweizer, 2012).

Johansson and Vahlne (2009) understand markets as networks where firms are linked in various, complex invisible patterns. Based on this view, businesses need to become an insider in internationalization. In order to do so, they need to develop trust and gain contact with members of relevant networks in foreign markets. Networks and relationships allow firms to learn, building trust and commitment. Firms, therefore, use networks to learn about new markets, and much of this interaction is focused on developing and exploiting new opportunities. The learning comes from experiences of the relationships the company develops through its network—the development and maintenance of networks in the ongoing internationalization process in the firm's growth in foreign markets (Johansson & Vahlne, 2009).

2.4 Trust

Trust plays a key factor when understanding relationships, especially in the early phases of relationships and situations of uncertainty. Trust persuades people to share information and is essential when building joint expectations of involved parties. Interaction is crucial to building trust, and through a relationship-centered approach, a positive social atmosphere helps evolve interaction (Madhok, 1995). Morgan & Hunt (1994) conceptualize trust as existing when "one party has confidence in an exchange partner's reliability and integrity" - Morgan & Hunt, 1994, p. 23. Morgan & Hunt (1994) conceptualize focus confidence and that confidence results from the firm's belief that the trustworthy party is reliable and has high integrity. To accomplish these factors, the parties must have consistency, competence, honesty, fairness, and responsibility built within it.

When two parties achieve trust, it will create a common interest and shared expectations, facilitating tolerance of the party's goal and temporary periods of inequity within the relationship. With a high degree of trust, periods with unbalanced benefits do not significantly impact the relationship as long as the main goal is achieved. This creates flexibility. When trust is in place, trust can induce reciprocity and coordinate actions (Madhok, 1995). When reciprocity is in place, and parties work together against a common goal, it can be viewed as a determinant of commitment (Johanson & Vahlne, 2009).

When discussing trust in the light of firms using entry strategies direct to retailers and distributors, trust will be with a foreign organization. Going more profound in the relationship, inter-organizational relationships are essentially managed by individuals in each organization. Trust in these relationships will regard expectations of the other parties' behavior and fulfillment of the perceived obligations. With trust being something built in interpersonal relationships, SMEs can have the advantage of being manageable. The reason is that SMEs are relatively small compared with MNEs and that the SMEs typically have a lower turnover and more centralized task handling compared to MNEs, who often have a higher turnover and more specialized task management with several different persons (Holtgrave & Onay, 2017).

Further, Holtgrave & Onay (2017) mention that SMEs with fewer resources entering foreign markets have a higher risk due to using the few available resources on something that may fail. Relationships with a foreign party can be divided into relational and performance risks. Relational risk comes from the risk that the foreign party does not behave as expected. Performance risk comes from the risk that the foreign party needs to deliver results to be achieved in the foreign markets. For SMEs, trust can give the structure and stability of the relationship to each other's perception of a situation. When obtained, trust can lower the perception of unsatisfactory behavior and result in the foreign market (Holtgrave & Onay, 2017). To hedge against the risk-based view of trust, partners can hedge themselves against uncertainties through formal contractual means, for example, guarantees, insurance, law, etc. (Ring & Van de Ven, 1994).

To build trust, previous literature from Ring and Van de Ven (1994) on trust development suggests that trust is being built between the partners as they assess their ongoing exchange experience, where the experience over time has resulted in efficiency and equity between the partners. It includes that parties build trust through repeated interactions where they get to know each other and build a shared understanding and mutual commitments. This kind of trust is the kind where faith in the moral integrity and goodwill of each other. Interpersonal interactions lead to social-psychological bonds with experience in exchanges, which include building trust. However, relying on trust can also be limited by contracts or legal systems where the partners need the ability to rely on trust as the first preference. If trust is achieved and the more wondrous it becomes, the lower the transaction costs, including time and effort used on achieving and agreeing with each other during, for example, negotiation and reaching agreements (Ring & Van de Ven, 1994).

2.5 Commitment

Cook and Emerson (1978), in their article, wrote commitment as "a variable we believe to be central in distinguishing social from economic exchange" - Cook & Emerson, 1978, p. 728. Morgan and Hunt (1994) define commitment to relationships as "commitment to the relationship is defined as an enduring desire to maintain a valued relationship" - Morgan & Hunt, 1994, p. 23. International commitment is the extent to which a firm's management has a favorable attitude toward and is willing to deploy necessary resources to internationalization efforts (Cadogan et al., 2005; Leonidou et al., 1998). The most important thing here is that the relationship needs to be of value and importance, and the involved parties must be willing to work to maintain it. Trust is also a fundamental part of commitment. The two factors are viewed to have a causal effect since commitment entails vulnerability that they will only seek trustworthy partners. Furthermore, trust is so valued that when parties find a trustworthy partner, they seek to commit to them (Morgan & Hunt, 1994).

A significant development in the Uppsala 1997 model and the 2009 model is that in the 1997 model, it was assumed that reducing uncertainty has to do with the differences between culture and institutions between home- and foreign countries, while in the 2009 model, it was highlighted that learning and commitment are strongly related to identifying and exploiting opportunities. To accomplish learning and knowledge from people inside a network, it is vital to show a strong commitment to the network to acquire knowledge and discover opportunities. Another change from the original model is that relationship is added to commitment to specify its commitment through the meant relationships. With relationship commitment being under the model change, it is also important to highlight that commitment in relationships can change to be increased or decreased, both to single relationships and to the whole network (Johanson & Vhalne, 2009).

According to the process view, internationalization is increasing commitments to foreign operations. Therefore, when a business operates in foreign markets, they learn from the operations that may be of value in the future. In the operations in the foreign market, they build market-specific assets and are connected to the context they operate in. Doing business in the market will increase their commitment to the market. This means that an organization doing business abroad will, over time, increase commitment to foreign operations, especially to the markets they already do operate within. Therefore, the internationalization process is a distinct step followed by commitment decisions. Actual examples of commitment decisions could be investments in manufacturing abroad, signing deals with new distributors, traveling, cooperating with other firms or acquisitions of firms, meetings, etc. The commitment decisions give the firm new experiences and will foster net commitments. There is, therefore, a complex and nuanced interplay between operations abroad, commitment decisions, actions, and learning. For example, when a firm operates in an expanding market, it will not only deploy resources as before, but increase its commitments and devote resources to further growth (Johansson & Vahlne, 2003).

From the network perspective, we can still expect a nuanced interplay between experiential knowledge development and commitments. Here the focus is shifted to potential business partners rather than specific countries. The thing about relationships is that they develop gradually as people learn from each other and therefore commit more to each other. Businesses learn from each other regarding strategy, needs, and resources, and it is a time-consuming process regarding resources. The commitments are made to specific businesses (suppliers, customers, intermediates, or cooperating firms) and, after a while, develop close interdependence with partners. In this view, the internationalization process develops through strategic partnerships and networks (Johansson & Vahlne, 2003).

2.5.1 **Commitment at different levels to foreign markets**

Dominguez and Mayrhofer (2017), in their study on the internationalization of SMEs looking at commitment to foreign markets, found that patterns of SMEs' internationalization consisted of increasing, decreasing, and re-increasing commitment. Increasing includes increasing the commitment to the internationalization process, decreasing involves de-internationalization by reducing commitment to foreign markets, and re-increasing was done after a period of stagnation in their internationalization process before re-entering markets. What they found in their study is that companies' part of the study was often within the different stages of increasing, decreasing, and re-increasing commitment during their internationalization process. The commitment was a primary factor when increasing, decreasing, and re-increasing their internationalization. One example in the case comparison was that de-internationalization impacted the level of commitment to the foreign market and the integration and positions of SMEs in business networks. Dominguez and Mayrhofer (2017), therefore, concluded that strategic choices and networks do not only affect stages of increased internationalization, as concluded by Johanson and Vhalne (2009), but also periods of de-internationalization. Further, they found that the speed of internationalization can vary according to the different stages rather than to international experience, networks, and market knowledge. For the stage of de-internationalization, not only the level of commitment to foreign markets is the factor to be in focus, but also the need to consider business networks established by SMEs during the previous stage.

2.6 Learning and knowledge

Learning and networks have been emphasized in the literature to drive market expansion but are also recognized as outcomes of the internationalization process. Both learning and networking are internal processes linked to the company's strategic planning. Learning is a part of the overall internationalization process and is closely linked to knowledge development and networks. Both organizational and individual learning is essential in developing practical and competitive international operations (Welch & Welch, 1996). A firm's existing foreign market knowledge determines what kind of commitment decisions they make. Commitment will change current business activities, again, enhancing market commitment and knowledge (Lei Li et al., 2004).

The idea of heterogeneity is critical in understanding the existence and importance of idiosyncratic relationships and learning. According to Penrose (2009) and Wernerfelt (2013), resource combinations, firms, knowledge, and products are not homogeneous but rather heterogeneously distributed. Therefore, knowledge of business opportunities arises in networks and idiosyncratic relationships among firms (Johansson & Vahlne, 2017). According to Johansson & Vahlne (1977), interactive learning fosters knowledge jointly created or discovered by the parties. The relationships will therefore give the partners entrepreneurial opportunities and extended knowledge base only existing in the relationship sphere and is by no means public good. Penrose (2009) says that the knowledge produced and developed is often tacit and, therefore, difficult to transfer and, therefore, difficult to imitate.

Learning is the base for the conceptualization of knowledge (Johansson & Vahlne, 2017), and the lack of knowledge about international markets impedes the internationalization and expansion of a firm (De Clercq et al., 2012). Penrose (2009) distinguishes between experimental knowledge and objective knowledge. The main difference between det two is that objective knowledge can be taught while experiential knowledge can only be acquired through actual and personal experience (Johansson & Vahlne, 1990). Market knowledge is primarily gained from their current market activities (operations). Experimental knowledge is especially important because it is the main driver behind business opportunities and, therefore, the internationalization process. It is also essential because it reduces the perceived risk and therefore perceived market uncertainty (Johansson & Vahlne, 2017). Johansson & Vahlne (2017) says that experiential knowledge is a critical kind of knowledge. That is because, in domestic markets, businesses often can rely on assumptions, but in foreign markets, this kind of knowledge needs to be gained through actual operations. Furthermore, experiential knowledge lays the foundation for perceiving and formulating business opportunities in internationalization.

Learning needs to result in observable changes in behavior. A behavioral perspective definition of this is, "an entity learns if, through its processing of information, the range of its potential behaviors is changed" - Huber, 1991, p. 89. Information processing involves acquiring, distributing, and interpreting information (Huber, 1991). In the case of the organization, "an organization learns if any of its units acquire knowledge that it recognizes as potentially useful to the organization" - Huber, 1991, p. 89. As mentioned above, learning is the antecedent to knowledge, and regarding internationalization, the lack of knowledge will impede the internationalization process and, therefore, the firm's expansion (Huber, 1991).

Regarding knowledge acquisition, there are many activities in which organizations try to acquire information. This could be direct involvement with the market and activities, customer surveys, analyses of the competitors, performance reviews, etc. (Huber, 1991). "Knowledge acquisition is the process by which knowledge is obtained" - Huber, 1991, p. 90.

2.6.1 Experiential learning and knowledge

One way for organizations to acquire knowledge is through experiential learning (Huber, 1991). Johansson & Vahlne (2017) emphasized this learning as the most crucial learning in internationalization. Experiential learning will reduce the perceived risk and perceived uncertainty in the market. Organizations acquire most of their knowledge through direct experiences. This comes in the form of intentional and systematic efforts, but most of the time, it is acquired unintentionally and unsystematically (Huber, 1991). The experiential learning perspective has its grounds concerning gathering information about markets. More specifically, its resurrection stems from the availability of information. Experiential learning reflects the difficulty of obtaining information in international markets. Experiential learning will be viable for SMEs if they lack international knowledge and competencies or are operating in markets with a high degree of uncertainty; for MNEs, this does not apply mainly because they inhabit more resources and can take more significant risks and, at the same time, making them less risk averse (Lei Li et al., 2004). "Firms learn through the accumulation of international experience and try to minimize uncertainty through a gradual process of acquisition of experiential knowledge" - Casillas & Moreno-Menèndes, 2014, p. 86.

Eriksson et al., (1997) mentions in their study that increasing experiential knowledge will, in turn, trigger resource commitments in the specific market, but first, they must engage in foreign operations. This, of course, implicitly means that a physical presence is needed and interaction with customers, intermediates, and other firms, and the situation as its whole is the base. In internationalization, it is critical to have knowledge about the compatibility between a firm's and existing resources and what is needed in a specific foreign market, also called internationalization knowledge. The knowledge will be about the company's capabilities and resources for international operations and how they could be used in international operations. Furthermore, experimental market knowledge contains two aspects: (1) foreign business and (2) institutional knowledge. Foreign business knowledge refers to an experiential knowledge of clients, the market, and the competitors. The firm needs first-hand experience in how a client works, the organization's decision-making, and their particular needs. Foreign institutional knowledge is about government, the institutional surroundings, rules, norms, and values (Eriksson et al., 1997).

Foreign business knowledge from operations abroad allows firms to accumulate the information they need for their internationalization and interpret it in the context of the firm. When foreign business knowledge increases (clients, market, demand values, and norms), the firm enhances its capability to perceive opportunities in the market. With the increase in foreign business knowledge, their commitment and engagement in the market increases because it reduces the perceived risk (Eriksson et al., 1997).

As earlier noted, foreign institutional knowledge refers to the institutions in the foreign market. Foreign governments and bureaucracies and how they create barriers or opportunities for the firm. The technical and commercial laws in the market and the firm's knowledge of these are, in many ways, essential. This will affect their export to the market, tariffs, local taxes, and general conditions in the market that the firms operate. Adequate understanding of the institutional surroundings in the market could be a source of advantage (Eriksson et al., 1997)

2.7 Internationalization performance

Shoham (1988) conceptualized performance in light of export in five shared themes. First, the focus is on internationalization strategy and how performance is an essential result of construction when studying international strategy. Secondly, the performance of the internationalization process should be measured in the same way as the firm measure’s performance in other markets, for example, domestic markets. If the firm uses sales growth to measure firm performance, the same should it be to export performance. Thirdly, outside stakeholders are only relevant for the exporter if it affects the firm's performance. Fourth, any conceptualization of performance depends on the research context of a given study. Fifth and last, the definition can both be problem- and theory-driven. Summarized, Shoham (1998) defines performance in light of export as "the composite outcome of a firm's international sales" - Shoham, 1998, p. 61.

Zout and Stan (1998) categorize export performance into seven categories: sales, profit, growth, success, satisfaction, goal achievement, and composite scales. Sales refer to the total sales to foreign markets. Profit consists of measures of overall export profitability and relative measures, for example, export profit divided by total profit. Growth relates to changes in sales or profits over time. Success compromises measures and could be managers' belief in export contributions to the firm's profitability and reputation. Satisfaction refers to managers' satisfaction with export performance. Goal achievement refers to managers' assessment of performance compared with objectives. Composite scales refer to several different measures and the overall scores the different performance measures give. Further, Zout and Stan (1998) mention that sales, profits, and composite scales are the most frequently used performance measures. These seven categories represent financial, non-financial, and composite scales.

In this thesis we will mainly focus on the most used measurements within the financial categories: sales, profit, and growth. Further, we will narrow it down to overall profit and growth which is also used by Drytech in their internationalization and sales.

2.8 Export strategy

Before discussing the theory of export strategy, we will clarify the term customers. Drytech, as a manufacturer, does business-to-business sales (B2B). Their end-user is the user eating the food (consumer), but their customer in this context, from a sales and business perspective, is their retailer. In foreign markets, they do not sell to end consumers, only directly to retailers or a distributor.

When a firm has decided to export to a foreign market, they generally have two options on channels to use. One is to export directly, and one is to export indirectly to the customers. Indirectly means the company is using intermediates in the domestic country, who, on their behalf, handle the transaction, sale, and service to the foreign markets. The intermediates may help businesses identify customers, finance, and distribute the infrastructure providers, help firms' knowledge gaps, and reduce risk and uncertainties operating in foreign markets. Companies using intermediaries often use them since they can perform some of the functions at a lower cost due to country-specific knowledge, such as marketing research, negotiations, and already existing networks. Some disadvantages are extraordinary rent appropriation, lack of awareness in the market, and access to ideas (Hessels & Terjesen, 2008; Elango & Pangarkar, 2020).

Exporting directly means exporting directly to the customer, distributor, or agent abroad located in the foreign market (Hollensen, 2012). When choosing direct export modes, the manufacturer undertakes their exporting tasks, including building up a network of contacts, handling documentation and transportation, and designing marketing mix strategies. Direct export includes going directly to the consumer or using independent intermediates such as distributors or agents (Hollensen, 2012). Relevant to this study, we will further describe distributor and direct-to-retailer.

Distributors are used by 50 percent of Norwegian exporters in one or more markets and therefore, a well-used method. When using a distributor, the distributor buys and sells the products further. In this case, the distributor is both a buyer and the exporter's representative in the foreign market, giving the exporter only indirect control over the market. In addition, in most Western countries, the exporter is prevented from dictating and deciding all the sales conditions. Further, when working with a distributor, the distributor will be responsible for the local marketing in the given area of responsibility and often exclusivity; the exporter will not have control over the marketing done, and the distributor stands free to act without interfaces from the exporter. In contrast to using integrated modes such as sales subsidiaries, distributors have been shown to have the lowest level of trust, commitment, and marketing control, while agents are somewhere in between (Solberg & Nes, 2002). Direct export, in general, have lower variable costs but higher fixed costs since they do not use any intermediates and involve higher risk and uncertainties, in addition to needing more internal knowledge and resources to find customers (Elango & Pangarkar, 2020).

Thanks to intermediates, SMEs have had lower barriers to export to foreign markets with the possibility to outsource some of the tasks when exporting. Especially when there are obstacles regarding exporting, this offers SMEs the possibility to participate in economies of scale and increase trade flows among countries. In recent times, more retail chains have become multinational and have increased market shares and, therefore, better bargaining power towards the manufacturers in the context of importing goods from other countries and regions. This is because multinational enterprises in retail have often done importing themselves instead of using intermediates like agents or distributors. This causes causal effects on the value chain regarding exporting for exporting companies (Tajoli & Tomas, 2015).

Retail comprises some of the world's largest companies (Nordås, 2008). Deloitte, in their report on Global Powers of Retailing (2023), shows that for Europe, the 90 biggest companies among the world's 250 biggest retailers have a market share of 33,2 percent among all retailers. Year-on-year percentage growth is 6,9 percent. The report further shows that among the 90 most prominent retailers in Europe, 40,4 percent of their revenue is from foreign operations, and a more specific example with Germany, where 17 of the biggest retailers have 53,2 percent of their revenue from foreign operations (Deloitte, 2023).

We have not found papers in academic literature during our search for export directly to retailers. However, the International Trade Administration (ITA), the U.S. government resource for competing in the global marketplace, mentions selling directly to foreign retailers as an alternative to direct export. They mention that this type of export is primarily limited to consumer goods and that the growth of major retail chains has made this strategy possible. The approach relies on traveling sales representatives directly contacting foreign retailers (export.gov., n.d.).

3 Theoretical framework

Based on the literature review above, we have developed the theoretical framework for this thesis. First are the social mechanisms, including variable trust and commitment, information sharing and market knowledge, and relationships and networks inspired by the literature on essential variables in the theory of Johanson & Vhalne (2009). In our model, we have placed them at the top as independent variables, believing they will have different relations to the export strategies direct to retailers or distributors. Direct-to-retailer and distributor are in the middle and both direct export strategies are chosen by looking into which export strategies Drytech uses. In the end, as a dependent variable, we have firm performance measured by growth and sales inspired by the literature from Shoham (1998) and Zout and Stan (1998).

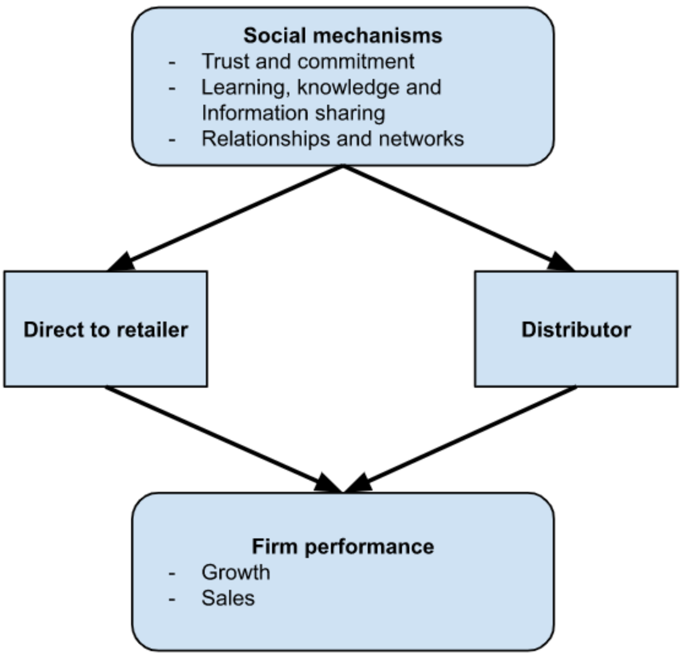

Figure 2: Theoretical framework of social mechanisms, export strategy and firm performance.

4 Case - Drytech

In the description of the case, we use information from informants, internal documents and public available information.

Our case company is Drytech AS. Drytech is a family-owned company in Tromsø, Norway, established in 1989. The company has around 60 employees with 142 million Norwegian kroner turnover in 2021. Since its establishment, Drytech has produced food using its developed freeze-drying technology. The business idea of Drytech is "Drytech should be based on the Drytech' technology, develop, produce and sell meals and ingredients that taste homemade.” Drytech should also be able to develop and facilitate the storage and logistics of the products. The markets should be private and government.

Further from their strategy documents, we can read that their vision is to give people time and energy based on development, producing, and selling energetic meals with bases in the Drytech technology. Drytech has two overall markets: civilian- and military markets. We will in this assignment focus on the civilian outdoor market. The reason is that the market for the military is typically tender based.

The products Drytech produce are freeze-dried meals and field rations. The unique attributes of freeze-dried meals are lightweight, easy to prepare by just adding hot water. The products are, therefore, very convenient to bring while you are outdoors, for example, hiking or soldiers out in the field. Drytech holds the technology hidden but says on their websites, “First, we make the perfect meal. Then, we freeze the stew and ingredients to a very low temperature - ultra fast. Then, we slowly and gently add heat so neither taste, color, energy, nor vital vitamins can escape. Until all the water has disappeared.” (Drytech, n.d.)

At the start of the Drytech establishment, the Norwegian military was an essential partner. They were looking for a replacement for the canned food they used, which was heavy. After years of collaboration with the Norwegian Army, polar explorers such as Vegard Ulvang were an essential inspiration for the possibilities in the civilian market for outdoor people (Drytech, n.d.). With some design changes, Drytech also started selling its products in sports- and outdoor stores in Norway. With Drytech's focus on its domestic market, Real Turmat is today found in most of Norway's outdoor stores and has become a well-known brand for outdoor enthusiasts in Norway. This is because of the product's characteristics as an outdoor convenient, tasteful, and nutritious meal.

4.1 Brands and products

Drytech produces two brands: Real Turmat and Real Field Meal. Real Turmat and Real Field Meal are both freeze-dried meals where you only need to add hot water, let it stay for 8 minutes, and the dinner is ready. Real Turmat is the civilian outdoor version sold typically with other sport and outdoor products at retailers. Real Field Meal also has the same attributes as Real Turmat. However, it is primarily sold to the Norwegian Army. The main difference is the pouch's design and the meal's size with more calories.

The product's several characteristics make it popular in domestic and international markets. The first attribute of the product that makes them popular among consumers is the taste dimension. Because of Drytech's own freeze-dried technology, they can preserve most of the natural taste of the ingredients they take into production. This gives a sense of homemade and natural taste stew, making them known as one of the most elegant alternatives among outdoor enthusiasts. The product has a rich flavor with a pleasing aroma compared to its competitors, positioning them as a quality brand alternative among consumers. The second most influential product attribute regarding Drytech and their brand Real Turmat is the convenience dimension. As earlier noted, it takes only 8 minutes before the stew is ready to consume and is light in weight taking little space.

Regarding price, the company is the most expensive alternative on the market, both domestically and internationally. Real Turmat is usually the most expensive alternative and is an essential extrinsic attribute of the brand. Higher prices often mean higher quality in essential product attributes like taste, weight, and overall convenience. The price is also based on input factors like natural ingredients and expensive production costs. However, it is also a quality indicator for consumers to differentiate them from other brands in their category. Overall, the position Drytech has established in domestic and international markets is mainly due to its excellent taste, convenience, and highly nutritious meals—all essential attributes for its target market group regarding their experience in nature.

To summarize, we have compared the four main attributes on a scale from 1-10 towards their competitive strength. The numbers are based on our interpretation of the interviews and research on the competitors.

Table 1: Attributes and competitive strength

Attribute	Competitive strength (1-10)
Taste	9
Convenience	4
Design	7
Price	3

As seen, taste comes a nine due to the information about their feedback from customers and why they choose Real Turmat. Convenience is at a four because they do not stand out among the competitors since several other products on the market have similar convenience attributes. That said, Real Turmat is vacuum-packed, which only a few others are. For design, the informants mentioned that the feedback from consumers, retailers, and distributors is that the design is immaculate and stands out among the competitors. They also have, for example, extra tear marks for eating, so you do not need a very long spoon. On price, they are at the highest range among competitors, and with high production costs, it is an attribute Drytech cannot compete on.

Communication and advertising have been used to build knowledge and awareness about the brand and its attributes in foreign markets. In foreign markets, they communicate to educate the consumer that they are from Norway and use many Norwegian ingredients as a sign of quality. They also emphasize taste as their competitive advantage because that is their most important product attribute relative to their competitors regarding the product category. Slogans like" We make it easier to enjoy tasty food outdoors" are heavily used in their communication.

4.2 Competition

4.2.1 Domestic market

As previously described, Drytech was early in the Norwegian market with their freeze-dried meals when replacing the Norwegian Army's canned food. After entering the civilian outdoor market, there were no alternatives for freeze-dried outdoor products. This was the case for several years until foreign competitors entered their domestic market. Today's domestic market shows Norwegian and foreign brands competing against Drytech in Norway. The biggest competitor is the Norwegian brand Gilde Turmat which entered the market in 2021. Even though being a newborn brand, its owner Gilde is a significant and well-known company and brand in Norway. It has easy access to a vast distribution network through the grocery market. When Gilde launched, they were almost overnight available in most of the grocery stores to NorgesGruppen and Coop. In addition, they entered the market with several advertising campaigns on social media and TV. Compared to Real Turmat, their most significant advantage is the distribution network through the grocery stores.

Other competitors in Norway are foreign brands. The most well-known are Tactical Foodpack, made in Estonia; Firepot, made in the United Kingdom; Adventure Food, made in The Netherlands; and Trekn Eat, made in the United Kingdom. Norwegian or Scandinavian distributors handle most brands and are primarily found in typical outdoor and sports stores in Norway. In contrast to foreign markets where Real Turmat is the most expensive brand, in Norway, the price range is about the same between the brands. The reason may be that the foreign brands must be imported to Norway, outside the EU. Besides the price difference, Real Turmat has some typical Norwegian meals such as Beef and Potato stew, salmon- and cod stews, and reindeer stew. Comparing market share is complicated with the need for more information on meals sold in total and by brands.

4.2.2 Foreign markets

Looking at the foreign markets, the competition is more challenging—both the number of competitors, price range, and brand awareness. Visiting one of France's biggest freeze-dried food retailers (but shipping all over Europe), they have 20 freeze-dried meal brands in their assortment. Among all the brands, the customer will find the cheapest meal down to 4,69 euros from Voyager, up to 14,69 euros from MX3, which has big meals with 1000 kcal. Real Turmat is among the highest-priced brands in Europe.

Brand awareness is difficult to say who places the best. However, the informants mention that when they visit fairs with people from all over Europe, they hear differences in which country people are coming from and the product's availability in their home country. For East Europe, Tactical Foodpack, and Lyofood are very popular due to their production in that region. Central-Europe, brands such as Adventure Food and Trek'n Eat, and Summit to Eat are more popular. However, they also mention both by speaking to end-consumers and retailers that Real Turmat is getting more and more known, mainly due to the quality of the product.

The informants further mention that they do not have any customer surveys measuring why people choose Real Turmat instead of other brands. However, based on their dialog with retailers selling Real Turmat and other brands, in addition to the feedback from European consumers, the feedback is the product's taste and perceived quality. People enjoy the sensory attributes of Real Turmat, including taste and texture. In addition, the design is also mentioned as one of the attributes receiving good feedback as clean and modern.

4.3 Drytech internationalization process

Before starting on Drytech's internationalization process, we will explain the fairs they have used throughout history due to their importance for their internationalization process. Fairs and events have always been an essential part of Drytech's way of building relations and networks. We can generally divide the fairs they have attended into three categories. First, retailer chains arrange their own fairs for all their suppliers. Here the possibility lies primarily within building further relations with their existing partner (chain stores). However, it is also an arena for talking to other suppliers and building other relationships. Secondly is the consumer fairs, where consumers attend to meet brands and retailers to see what they can offer and talk to those working with the brand or the retailers. These are typical business-to-consumer (B2C) fairs where the main point is either selling or building brand awareness of a brand. Third is the most important in the internationalization process, business-to-business (B2B) fairs. Fair organizations invite producers, distributors, retailers, chain stores, logistics players, etc., to one event. Overall, the main point is to build relations and networks with other actors in the industry.

4.3.1 Early stage - domestic markets

In the outdoor industry in general, fairs have been a joint meeting arena for the relevant actors in the industry and were also an essential arena for Drytech in the early stage. Firstly, they started attending B2C fairs around Norway to spread the word about their products. After meeting people and creating relations with retailers, they started getting retailers who wanted their products. After connecting with people in the industry, the bigger chain stores started getting in contact and first was Norway's most significant outdoor chain store at the time, G-sport. Due to the distribution possibilities, the deal with G-sport can be considered a breakthrough in the outdoor market for their domestic market. Over time attending both B2C fairs and B2B chain store fairs in Norway, the brand started growing, with more and more retailers adding Real Turmat to their assortment.

Meanwhile, the domestic market grew, and fairs in foreign markets became more interesting. During this early period of history, Drytech's main focus and income came from contracts with the Norwegian military but also contracted with European militaries such as Sweden, Denmark, Finland, and the UK. As mentioned in the limitation, we will not go further with the internationalization process to the military market. However, it is essential to mention that activities in these markets also have a transfer value to the outdoor market. The Reason is both the establishment of relations in those markets and the acquisition of knowledge about food preferences in those markets and inputs to product development.

4.3.2 Early stage - foreign markets

After establishing Real Turmat in Norway, Drytech started relatively early sporadic exporting to retailers outside of Norway, especially Sweden. Looking into Drytech's database, we found some of the first orders to Sweden at the beginning of 2004 to retailers such as Sportskompaniet Tip Top AB and Get Out AB.

The first record of a B2B fair we found in Drytech's internal documents is already in 2005 when it is mentioned from a marketing meeting "Report ISPO - many retailers all over Europe, prepare a proposal to short-term action plan". ISPO is today the No.1 meeting point for all sports, outdoor, and lifestyle enthusiasts. It is held in Germany and is a B2B fair (ISPO, n.d.). We can see from internal reports from the fair that relations and networks are the main activity. By this, we can already see the tendency of a pivot point to look outside of their domestic market and build the brand in Europe. Further, we also see they attended "speiderbevegelsen" in Finland in 2006 and had a demo in Denmark in 2005 at Speidersport, their distributor in Denmark, today.

Looking further through reports from marketing meetings, we found documents from 2006 that mention, "Real Turmat is to be introduced in Sweden, Denmark, and Finland when we are ready to deliver." Later in the same document, "All new, as well as existing customers outside of the Nordic countries need to be advised to next year." Looking at these reports and considering the attendance of ISPO in Germany in 2005, it seems like Drytech focused primarily on the Nordic countries after the start of the internationalization process going wide all over Europe. This is also substantiated by a meeting report in 2009, which mentions the "main focus on Nordic countries." Reasons can be many, but as a relatively small production company, it is most likely to be production capacity, internal resources in the sales department, or both.

From a strategy report in 2011, it is mentioned that Nordic countries are still a priority. The sales split is 72% Norway and 16% Sweden, in addition to 12 % in total sales to all countries outside of Norway and Sweden. Other countries are mentioned to be handled with limited resources, and maintenance is the main focus until the company is ready to expand further to other markets. Finland and Denmark are mentioned at the period as still tiny but are further mentioned as the high-potential market in addition to France. The main challenges mentioned are costs and hassle related to shipping and customs, and higher competition than in Norway and Sweden. Feedback from customers is that better distribution solutions are highly desirable because shipping costs and customs are taking the margins away when selling Real Turmat.

In the strategy document, they conclude that to succeed as an exporter to foreign markets, Drytech AS depends on reasonable transport solutions. The suggestion is a warehouse inside the European Union (EU) - Drytech AB.

4.3.3 Drytech AB

After years of exporting to primarily Nordic countries but also countries further south in Europe, such as the UK, France, Germany, The Netherlands, Belgium, and Switzerland, Drytech AB was established in 2015. Drytech AB is a logistical arm's length for Drytech AS due to Drytech AS being located inside of Norway and, therefore, outside of the (EU). The company is established in Sweden (inside the EU) and uses a warehouse company called EU-terminal in Stromstad to handle the logistics for Drytech's customers inside the EU. Drytech AB was established to make it easier for customers inside the EU to buy Drytech products. When established within the EU's internal market, goods can circulate freely if they meet the proper standards (European Union, n.d.). Buying products from a supplier outside of the EU, the buying company will be an importer, which includes more responsibility regarding the import of the products and the need for handling documents for customs declaration and customs clearance (European Union, n.d.)

4.3.4 Recent and current state - foreign markets

When establishing Drytech AB, the focus on expanding in Europe became a high priority. Europe should become a solid market where Drytech could increase its business growth and be one more leg to stand on in addition to its domestic outdoor market and the military market. With the increased focus, Drytech attended more B2B fairs with the main focus to strengthen the relationships they already have established and build new relationships.

Today, Dryetch exports to seventeen countries all over Europe. In 2022 their sales in the civilian market were close to 60/40 comparing domestic and export. After the establishment of Drytech AB, the sales in foreign markets within Europe increased drastically in the coming years. In the seven years before the establishment of Drytech AB, from 2008 to 2014, the percentage growth in export was 116 percent. From 2014 to 2015, when Drytech established Drytech AB, the percentage growth alone was 51 percent. The eight years from 2014 to 2021, the growth was 310 percent.

Sweden is their most significant market outside of Norway today, followed by Finland. Scandinavia is, therefore, their biggest market, followed by countries such as Germany, France, the UK, Belgium, and Switzerland. The export strategy in the different markets is different, and we will further look into which strategy Drytech has for export.

4.3.5 Drytech mode of exporting

Before looking into the mode of exporting Drytech has been using since establishing Drytech AB and today, we will give some further information about the products Drytech is selling since it plays a role in their decision on the mode of exporting. REAL Turmat is a niche product in the food segment with its attributes. Food products are in the category of fast-moving consumer goods (FMCG). FMCG is products or goods with a relatively fast turnover and lower purchase costs (Mafini & Loury-Okoumba, 2016). Compared to milk, it does not have the same consumption and turnover, but in the outdoor industry, it can be categorized as an FMCG compared to boots, jackets, tents, etc. Relevance to the export mode comes when looking at the margins of the products in this category. FMCG products have, in general, a margin between 4% to 25% (Indifi, n.d.) which is way lower compared to most of the other products in the industry.

When going through more channels before the product reaches the end consumer, each part of the chain demands a margin for the products they distribute. This means that the more channels the product must go through between the manufacturer and the end consumer, the less the manufacturer has of the sales margins to the end consumer.

As previously mentioned, Drytech has two modes of exporting where one is selling directly to the retailers, and the other is selling to a distributor who is selling to retailers. When going through distributors, the distributors buy the products and resell them to retailers. Often the distributor carries an inventory and handles customer service. For them to gain more earnings, they need to find more retailers who will want to buy the manufactured products, increasing their sales, and the manufacturer increases the sales to the distributor (Export.gov, n.d.). Drytech uses distributors in France, the United Kingdom, and Switzerland. Going directly to retailer strategy is used in all the other markets Drytech exports to. This model has become more relevant after retail chains have become bigger and bigger and can therefore handle more significant parts of the market. An example is one of Drytech's retail chain customers A.S.Adventure in Belgium, with over 50 outdoor stores. One of the informants mentions that Drytech with Real Turmat in their assortment makes it a maximum of 30 minutes driving for a Belgium consumer anywhere in Belgium to find Real Turmat.

If Drytech used a distributor for Belgium, they would be in between this transaction and would also need their cut of the transaction, leaving less to Drytech. Going directly to the retailers and retail chains requires sales personnel handling the market and existing retailers, in addition to the outreach approach to get more retailers and build distribution in the market

(Export.gov, n.d.). In Drytech, these sales personnel are employees in the marketing and sales department of Drytech AS and are located in Norway.

Summarized, the distribution is Drytech AS gets their products into the EU thru using their sister company Drytech AB. From there, the sales and marketing with their retailers and distributors are handled directly by the employees in Drytech AS in the EU market. Logistics such as warehousing and shipping are outsourced to the logistics company EU-terminalen hired by Drytech AB.

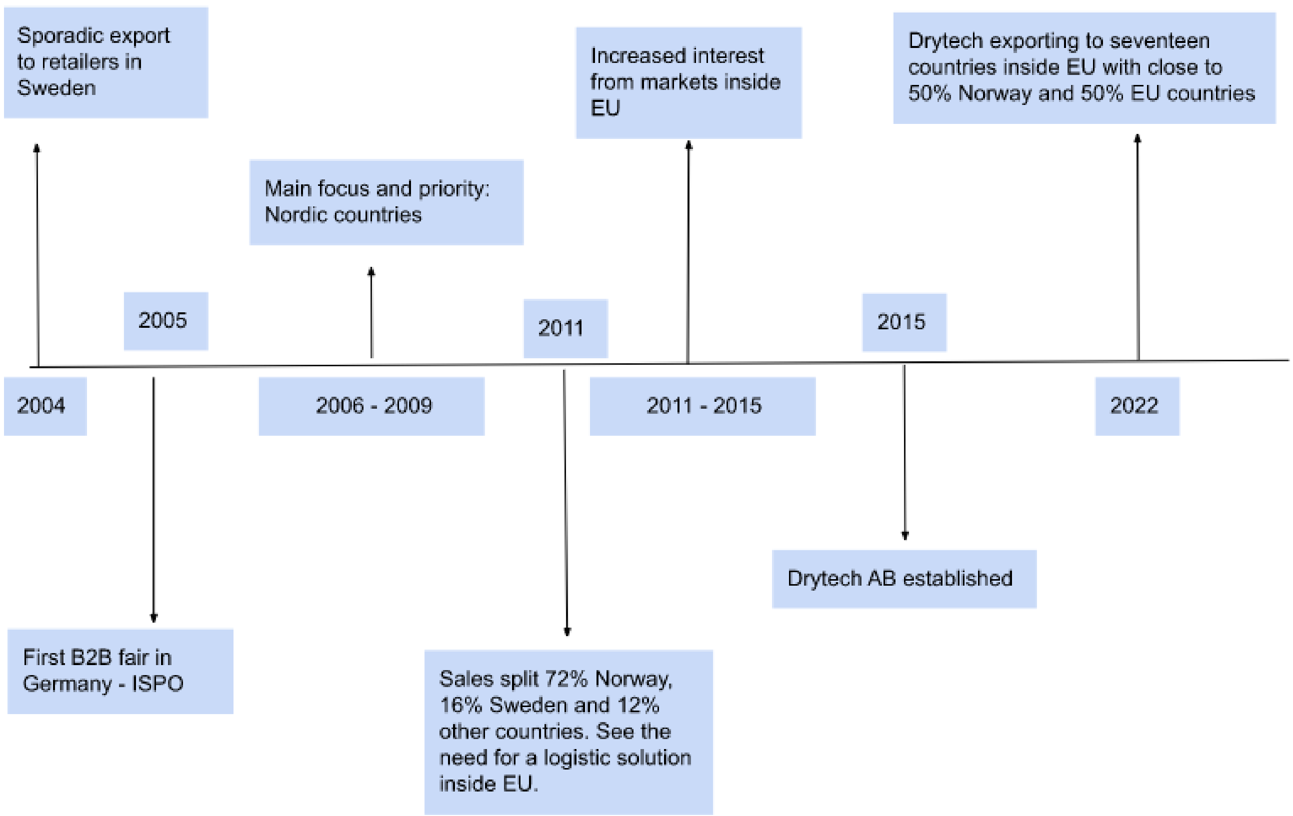

Figure 3: Main activities in Drytech internationalization history 2004-2022

5 Methodology

When we conduct research, we collect data to generate knowledge, which means that in research, we use data to develop and inform theoretical understandings of the world. The relationship between theory and research is crucial in developing reliable and trustworthy assumptions about the world (Bell et al., 2019). The theory is "a way of explaining observed patterns of associations between phenomena" - Bell et al. 2019, p. 19.

The process of this thesis is developing the theoretical framework after an extensive literature review on internationalization, networks, learning, knowledge, and firm performance. Furthermore, we collected primary data from interviews and observation and secondary data from articles, websites, internal documents and meeting notes from the sales and marketing department at Drytech AS. We were given permission to read internal documents from before 2015. These are confidential, but we were granted access to be able to look into the history and development of the internationalization process. Documents included some strategy documents from strategy meetings, and several documents from marketing meetings. In the text we have referred to them in the beginning of the sentences.

We conducted an exploratory semi-structured interview to develop our understanding further and add new insight from the empirical evidence outside our theoretical framework. At last we conducted direct observation and participating observations technique to create a chain of evidence and triangulate our empirical evidence (Yin, 2014). Throughout our research we continuously iterated between empirical evidence and theory to enhance our understanding of the relationship between the empirical evidence and established theory. The last step is to review and analyze the empirical findings and see if we could add some insight to the theory regarding SMEs and their export strategies.

5.1 Research Strategy

Research strategy can be conducted by qualitative or quantitative methods. To gain further insights regarding the research question, we concluded that an inductive approach was needed to generate new insights. This is based on the literature gap existing in the internationalization literature regarding SMEs use of direct to retailer as an export strategy.

The reason for choosing a qualitative method is its unique properties to develop new insight and see the world from the philosophical constructivism standpoint. Constructivism is an ontological view that asserts that social actors are continuously forming social phenomena and their meaning and are constantly changing and, therefore, not static (Bell et al., 2019). The basic assumption is that the corporate world is socially constructed and lays the foundation for the constructivism assumption. “people constructing their organizational realities are ‘knowledgeable agents,’’ namely, that people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions" - Gioia et al., 2013, p. 17. The method and its properties allow us to generate further insights into trust and commitment, information sharing and market knowledge and relationships and network play out for the two export methods, and how growth and sales express themself by investigating Drytech's use of export strategies.

The qualitative method lets us examine the internationalization of Drytech. Simultaneously we can investigate how learning, knowledge, and networks express themself differently regarding their export strategies. And ultimately, how it drives firm performance. Strauss & Corbin (1990) describe qualitative research as that produces findings and is about meaning and taking a holistic approach, rather than measuring numbers, and is therefore not restricted to confirmation of the expected. Furthermore, qualitative methods let us discover concepts and relationships in raw data and organize them into theoretical schemes. Finally, qualitative research is approaching and interpreting reality with descriptive data interpreting the world from interpretations of people relevant to the subject that are relevant to the case studied.

5.2 Research design: A case study approach

The research design provides a framework for collecting and analyzing the data, and it guides the execution of the research method and the following analysis of the data (Bell et al., 2019). For the research design, we choose the case study approach. This research design approach allows us to examine Drytech AS extensively. The characteristics offered by the case study approach let us go in-depth on one case giving us detailed information about the phenomena. This allows us to narrow our focus regarding the data collection and explain in-depth in the form of, why and how, Drytech has used direct to retailers and to distributors and differences in firm performance (Johannesen et al., 2011). The single case study approach will further allow us to examine and potentially add new insight for SMEs and export strategies in their internationalization.

We will follow the Gioia methodology, developed from the criticism of the inductive research method. Its criticism is that inductive research methods do not meet high standards that need to be held to demonstrate scientific advancement. It is being stated that, in general, the inductive method lacks "scholarly rigor" and that the statements proposed are, therefore, unclear (Gioia et al., 2013). Gioia's methodology helps us demonstrate the connection between the first-order categories (the source/informants) and the second-order themes (network, learning, knowledge, and market development). The first-order data will lay the foundation for the evidence base on how the internationalization process has progressed through the years at Drytech. We considered multiple cases to incorporate into our case study for a long while. There are two main reasons for choosing a single case for our case study: (1) It is difficult to argue that all the cases are in the "same universe." There are too many variables affecting the internationalization process, and choosing some companies like Drytech to examine empirically would have taken many resources. This leads us to reason number two: (2) Time and resources available when conducting the thesis. Concerning time and resources at our disposal, we could not manage such a large thesis (Yin, 2014)

This thesis will mainly follow an explanatory case study design. With the empirical evidence, we will research how the social mechanisms (trust and commitment, learning, knowledge, information sharing, and relationships and networks) differ regarding export strategies and how this relates to sales and growth. We will have a theoretical causal framework proposed by our review literature and conduct semi-structured interviews with respondents from Drytech, observation from meetings and fairs, and secondary data to capture empirical evidence.

5.3 Case selection

Drytech AS is a local industrial company that started developing foreign markets relatively early. The most straightforward reason for explaining Drytech as our choice is because they are in the middle of developing foreign markets and the internationalization process. This will give us a unique insight into how a company previously has worked with, and will continue work with further development. They have, over time, developed a strong know-how regarding internationalization, and many of the employees that started this journey still work at the company. That allows us to get a deep and detailed insight into how they have worked in the past and how they work now. Getting insight into the processes and their experience will allow us to add literature to the theory of internationalization and enhance the understanding of how SMEs could use their resources to gain market shares and enhance their competitiveness.

5.4 Data collection method

When we go forward in regard to collecting the necessary data (empirical evidence), we follow Yin's (2012) three characteristics regarding collection in case studies:

1. Multiple sources of evidence (interviews, documentation including strategy documents, website, etc., and direct and participant observation).
2. Case study database.
3. Resulting in a chain of evidence.

When collecting data for our research, we used both primary and secondary data. The primary data is collected from interviewing informants and participants and direct observation of Drytech. The secondary data is used because it is time and cost-efficient and gives us a broader historical and behavioral background. The secondary data is primarily collected through articles online, the company's website, and strategy documents. The secondary and primary data were stored in an online database (Google Drive). This helps us present all the evidence from the data collection with sufficient clarity, allowing for judgment and the ability to search and find data easily and find patterns (Yin, 2009). The reason for collecting several empirical evidence was because it would strengthen our data and empirical evidence. If multiple data sources claim or indicate the same the evidence are strengthened. This data collecting method is called triangulation and is used to create a comprehensive understanding of the phenomena (Yin, 2014).

First, we collected as much secondary data as possible regarding Drytech internationalization to get a holistic view: strategy documents, meeting notes in the marketing department from the beginning of their internationalization, websites and news articles. After getting as much data as possible from secondary sources we began the literature review and exploration around theory and variables from relevant databases. The theory and variables were used in the semi-structured interview to collect empirical evidence regarding their internationalization journey and if there is any other information or variables relevant in the choice of export strategies and firm performance for SMEs. After the interviews we moved on to active and passive observation on a fair in Germany, marketing and sales meetings and strategy meetings.

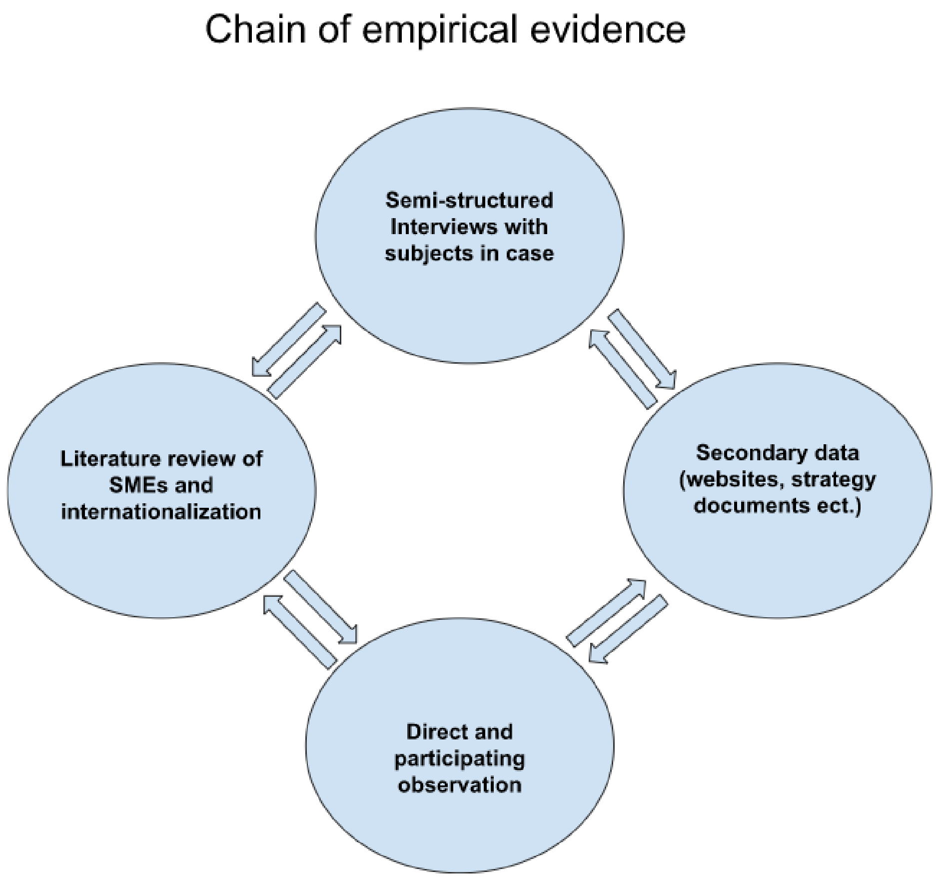

Figure 4: illustration of empirical evidence and triangulation used in thesis (Yin, 2014).

5.4.1 Interviews

In qualitative studies, interviews are the most commonly used data collection method (Kallio et al., 2016). Warren (2002) describes qualitative interviewing as a form based on a conversation emphasizing researchers asking questions and listening to the respondent's answers. In contrast to standardized survey interviewing, the epistemology of the qualitative interview tends to be more constructionist, and the participants are more likely to be viewed as meaning-makers. Further, Warren (2002) describes the purpose of deriving the respondent's interpretations, not facts or laws. Qualitative interviews can therefore be framed as substantively and interactionally, aiming to understand the meaning of respondents' experiences and lifeworld’s (Warren, 2002).

Kvale and Brinkmann (2009) describe qualitative research interviews as “a dialog with a structure and a purpose; it involves careful questioning and listening with the purpose of obtaining thoroughly tested knowledge” - Kvale & Brinkmann, 2009, p. 329. The structure of the interview is related to the distribution of roles between the participants in the interview. The interviewers ask questions and follow up on answers from the respondent. An essential difference between the roles is the balance of power in the interview. Since the interviewers are the ones asking questions and controlling the situation, the interviewers and the respondent are not equal (Johannessen et al., 2011). We didn't personally experience any uneven power between us and the subjects. We had an extensive focus in the introduction part of the interview creating an informal atmosphere talking about being more holistic in regards to Drytech. Furthermore, we made sure that the theme and the research in the thesis was something that interested us and showed, extensively, our appreciation for them showing up. Furthermore, the purpose of the interview is to understand and describe something. The interviews are often more of a dialog than pure questions and answers Johannesen et al. (2011).

There are several reasons why the interview is a data-collecting method, and Johannesen et al. (2011) mention some of them, which are also relevant to why we have chosen the interview as a method. Firstly, a qualitative interview allows the respondent to participate in what is talked about during the interview, enabling the respondent to talk about experiences and their perceptions. Secondly, the respondent can reconstruct events and answer questions by telling a story. Thirdly, social phenomena are complex, and structured questionnaires limit the possibility of discussing information outside what is asked. So, with a qualitative interview, the researcher can bring out the complexity and nuances of the studied phenomena (Johannessen et al., 2011).

5.4.2 Semi structured interviews

Within the field of interviewing techniques, semi-structured interviews are the most frequently used interview technique. The reason being it is both versatile and flexible, and it can be used in both individual and group interviews. In addition, it can be varied depending on the study purpose and research question (Kallio et al., 2016). Semi-structured interviews have a comprehensive interview guide as a starting point, while questions, themes, and the order of the questions can vary. This gave us the possibility to go back and forth during the interview. An interview guide is vital for semi-structured interviews and is a list of themes and general questions the researchers intend to go through during an interview. The themes originate from the research question and what the study should elucidate (Johannessen et al., 2011). Semi-structured interviews require a certain level of previous study on the research topic since the questions are based on previous literature. The interview guide is formulated based on our literature review above and ensures that the main topics within this literature are covered during the interview. In that way, the interview guide gives the interview structure and flexibility to explore the research area during our interview. (Kallio et al., 2016).

The advantage of semi-structured interviews is that they successfully enable reciprocity between the interviewer and respondent, which gives the interviewer flexibility and the ability to improvise with follow-up questions to the respondent's answers. In addition, semi-structured interviews give the respondent space for individual verbal expressions (Kallio et al., 2016). The semi-structured interview guide included preliminary questions to explore the differences between direct to retailer and using distributor as export strategies. The interviews were recorded and then transcribed by the author before being sent to the respondents for confirmation of accuracy (Chetty & Agndal, 2007). The data are supplemented by other sources like websites, newspapers, strategy documents, and observations to get a broader view of the data (Piekkari et al., 2010). Our interviews lasted for a minimum of two hours each. In total we interviewed four subjects contributing to over 120 000 words in transcription. The subjects reported that the interview was well designed for them to lead them to important subjects, but at the same time had the freedom to add insight outside the interview guide.

5.4.3 Selection strategy

In contrast to quantitative research, where the goal is to make statistical generalizations, we want to get as much information as possible regarding a phenomenon in qualitative research. Therefore, the selection of informants in qualitative research is more selective, and the recruitment needs to have a clear goal. Therefore, the basis of the selection strategy is not to find a representative sample but an appropriate one (Johannessen et al., 2011).

Johannessen et al. (2011) focus on several different strategies, but we will focus on two of them: extreme and deviant samples and homogeneous samples. Extreme or deviant samples consist of people who hold much information because they are either extreme, unique, or deviant compared to others. The homogeneous sample is people with very low variation based on central characteristics. The purpose of choosing this selection strategy is to uncover common and different experiences within a relatively homogeneous group (Johannessen et al., 2011).

The reason we find these strategies most fitting to our case study is that the sales and marketing department is a sample of people who hold much specific information about a very narrow theme and can therefore be characterized as unique compared to other people in the firm. We include homogeneity because the sample will consist of a homogenous group with relatively slight variation in their experiences. Two of the respondents are from sales, one is a business developer, and one is the director of the company. Because there are some fundamental facts about the Drytech internationalization process, there will likely be some difference in their personal experiences.

Recruitment of informants includes how the researchers will connect with the informants (Johannessen et al., 2011). There are many different ways to do this, but since we have a case study with a firm and have connections to them, we will recruit by personally asking them directly. First, call them and ask when we can meet for the interview and later confirm by email.

Deciding how many informants are needed to collect the necessary data to answer the research question is often hard to determine in advance (Johannessen et al., 2011). Malterud et al., (2016) in their study of sample size in qualitative interviews, focus on information power as a guideline for how big the sample size should be. Information power indicates that the more information the sample holds, and the relevance this information has to the study, the lower amount of informants needed. Further, they have developed a model looking at the sample size with sufficient information power depending on the aim of the study, sample specificity, use of established theory, quality of dialogue, and analysis strategy.

We are taking the model step by step and starting with the aim, which relates to how narrow or broad our study aim is. We have a limited study aim in contrast to, for example, want to look into the satisfaction of Real Turmat involving many different users and situations the product is used. We, therefore, characterize the study aims as narrow. Looking at specificity, which relates to how dense or sparse the informants are, we would characterize them as dense. The reason is that the best people to answer our questions at Drytech are the ones who have worked in sales and marketing to the outdoor market in relation to their internationalization. The sales and marketing department working with the outdoor market at Drytech are small, with four people, and therefore characterized as dense. Looking at solid or weak dialogue is hard to say before we have done the interviews. However, related to the theory part, we will have an excellent foundation to make a good interview guide and ensure a robust dialogue. At last, with analysis, we will do a single case study and not a cross-case analysis, which supports a smaller sample size. Based on the information power model, we conclude that the information power is high, which is adequate for a smaller sample size (Malterud et al., 2016). The subjects reported that the interview was well designed for them to lead them to important subjects, but at the same time, had the freedom to add insight outside the interview guide. The reasons for selecting the informants were based on their internationalization experience in Drytech, different roles regarding sales and marketing and trying to collect information from both the strategic and operative parts of the organization:

Table 2: Roles and characteristics of informants for the thesis.

Role	Characteristics	Experience internationalization
CEO	• Strategic view of Drytech internationalization • Initiative taker of the internationalization	Since 2000
Sales manager & KAM	• In depth experience from the early phase of Drytech internationalization • interaction with distributors and retailers • in depth experience with both export strategies at every touchpoint of the relationship.	Since 2008
Business developer & KAM	• Holistic strategic view of the internationalization journey. • Mostly interacting with distributors.	Since 2012
Former marketing employee & KAM	• In depth experience from the early phase of Dytechs internationalization • interaction with distributors and retailers. • in depth experience with both export strategies at every touchpoint of the relationship.	Since 2010. Resigned in 2022.

5.4.4 Observation

According to Yin (2014) direct observation should be a part of the empirical evidence since case studies take place in the real world. One of the researchers participated in the marketing and sales meeting, strategy meeting and a business trip to attend fairs in Germany. This was made possible since the researcher works for the company. This made it possible to make the social and environmental conditioning constant and not affected by his presence because the researcher already is a natural part of the social setting (Yin, 2014). The data was collected through field notes and made it possible for us to add additional data before analyzing the empirical evidence. The observations were made after literature review and the development of the theoretical framework. This made it possible to collect information with a research centric focus. We could not afford sending both researchers so the data could be compared and analyzed separately before comparing the data affecting the reliability of the observation conducted. After operating as a direct observer, the researcher took a further step and participated in the socialization and interaction with distributors and retailers at the fair making it possible for us to have an "inside" view of the case observed (Yin, 2014).

5.5 Quality of research - reliability and validity

When conducting research, researchers must follow some quality criteria to ensure their work is conducted with sufficient academic standards and quality. A research design is supposed to represent a logical set of statements. Based on these statements, it is possible to evaluate the quality of the work and research through logical steps (Yin, 1994). Therefore, the four tests concerning quality assessment in social science in case-study: construct validity, external validity, internal validity, and reliability.

5.5.1 Reliability

The main objective for reliability is that "if a later researcher followed the same procedures as described by an earlier researcher and conducts the same case study all over again, the later investigator should arrive at the same findings and conclusions" - Yin, 2014, p. 48. Selltiz et al. (1976) describe reliability as concerned about the informants' repeatability, stability, and consistency and investigators' ability to collect and record information with minimal errors and biases. Reliability aims to exclude biases and, therefore, errors in research. The way of approaching reliability is like if someone is looking over your shoulder, including operationalizing as many steps as possible and being as transparent as possible (Yin, 1994). Zikmund et al., (2013) says that reliability implies that despite time, situation, and researchers, the empirical evidence's results correspond. Low reliability may therefore result from misinterpretations of the empirical evidence collected.

To improve the reliability of this study, we will, in our research, be transparent about our findings and the empirical evidence listed and the operationalization of the steps is explained in the findings. This makes the process transparent so that we or others can conduct the case study all over again the same way we did. Furthermore, much of our time and resources were allocated to developing open-ended questions and an interview guide. The employees interviewed were also collected based on in-depth knowledge of the internationalization and marketing development of the foreign markets at Drytech.

5.5.2 Validity

Within validity we will further look into (1) construct validity, (2) internal validity, and (3) external validity.

(1) Construct validity

Construct validity refers to how the correct and optimal measures are identified and used for the studied concept. To enhance construct validity through research, various sources for gathering empirical evidence have been used and utilized to strengthen the construct validity. Empirical evidence such as interviews, observation and internal documentation to ensure multiple sources of evidence. We also conducted an extensive literature review identifying variables that have a causal effect in internationalization and export strategy for SMEs (see literature review).

(2) Internal validity

Internal validity is "the strength of a cause-effect link made by a case study, partly determined by showing the absence of spurious relationships and the rejection of rival hypotheses' ' - Yin, 2009, p. 239. Internal validity is only a concern for explanatory such as this one. We are trying to explain how and why an event y led to event x. In this case, which factors in internationalization literature can explain higher revenue and profits for Drytech? Can it be a moderating or mediating factor affecting the x → y relationship? In our interview guide we started out with the social mechanisms (trust & commitment, networks and relationships and market knowledge/informational exchange) at a general level. In the middle we tried to explore the interplay between the two export strategies and at the end how these differences influenced firm performance (sales and growth). The distinction of the two export methodes was defined at the start and repeated throughout the interview so the informants had a clear perception of what the interview was about. These questions and processes are highly relevant when it comes to internal validity. Internal validity as a quality judgment criterion is about ensuring you do not make a spurious conclusion regarding the causal relationships between the variables in our model (Yin, 2009).

It is also a problem regarding the researcher's interference—every time, an event cannot be directly observed and therefore requires interference by the researchers. An investigator (researcher) can "infer" that an incident (y) caused a result (x) but is this airtight? Have rivalry theories been considered? Is the evidence convergent, and does it appear to be airtight? A research design in explanatory case studies needs to consider these questions to conduct research. To establish high levels of internal validity we conducted observations and asked about the causality in the interviews. An example is the interplay between trust and commitment. Regarding the variable we used time to discuss with the subjects how they perceive the interplay and how this plays out regarding distributor and direct to retailer. After having the discussion around trust and commitment we then asked about how this, in the end, affects firm performance. We also need to adopt some tactics in data analysis. These tactics include pattern matching, explanation building, and using logical models. Pattern-making emphasizes the procedure, which includes analyzing the empirical evidence with your prediction before setting up the theoretical causal model. If the empirical evidence and predicted patterns appear similar, internal validity will be strengthened. Explanation building is much like pattern making but is more complex and technologically advanced. Here we developed possible causal links between the variables in the theory and empirical findings in an iterative format.

The third technique is embedded in an explanation building (Yin, 2012). Logical models help do a case study evolution and address research quality. The technique stipulates and operationalizes a complex chain of occurrences or events over an extended period. Here you try to visualize a cause-effect-cause-effect pattern over time, and the dependent variable suddenly appears to be an independent variable over time. The technique consists of matching empirically observed events to theoretically predicted events. In that way, it can also be considered a pattern-making technique (Yin, 2009).

(3) External validity

The last test is concerned with whether the study's findings are generalizable beyond the study itself, regardless of the research method used. In organizational studies, you can study different levels: individuals, groups, departments, or the whole organization. The point to be made is that you have a unit of analysis. Regarding external validity, the research questions developed can help you or hinder your regarding external validity. The initial research question is essential when it comes to external validity. The essence is that the researchers need to develop questions based on appropriate theories for theoretical propositions. Therefore, the theoretical groundwork in establishing theory and questions is our greatest means of addressing external validity as a criterion for quality research (Yin, 2009).

In our thesis we conduct an exploratory single case study of a single organization. This limits the potential of external validity and generalization of our study. To say that Drytech's internationalization journey is generalizable to other outdoor brands such as Norønna or Fjellraven is not our aim. The single case study limits the generalization to Drytech AS and Drytech AS only. We could perhaps look at other characteristics like SMB, production and FMCG and say that this might be an interesting insight in our thesis for companies with the same attributes. Our aim is, as earlier mentioned, to cast light on export methods used to produce rich and nuanced data supplementing the field of internationalization. We see this as a first step that needs to be built on with more rigorous qualitative methods and at, at last, quantifications in quantitative methods and research designs.

5.6 Data analysis

The interview protocols were imported into the Nvivo version 12+ for analysis. The analysis started using open coding, which sought to uncover the differences in direct-to-retailer and distributor strategies when exporting, how the social variables were affected, and how this impacted performance in foreign markets. After doing the open coding, we noticed the data clustered around the identified variables from the literature review.

After the open-source coding, we moved on to a more research-centric approach (Gioia et al., 2013). We moved on to use our research question (based on literature review) to see what empirical evidence was consistent with earlier literature and what could give us new insight regarding using the two different export strategies. The data was subtracted from Nvivio version12+, and the data was inserted into Word so we could color-mark the data in a holistic, comprehensive way. The data was then compared to earlier theories to see how the two direct export methods differ. We used tables subtracting the most critical information so we could compare the two export methods with the use of our theoretical framework. We used the time to iterate between theory and empirical evidence multiple times to enhance our understanding of the data, especially in the transition from informant-centric data to second-order themes and variables. In the last step we tried to understand the relation between the variables. We used pattern-making techniques and explanation-building to sort and analyze our empirical evidence regarding using the two export strategies and their relation to firm performance (Yin, 2012). The observation data (both participated and direct observation) was included at the end since the database was too extensive at one point. It was therefore used in the iterating between theory and empirical evidence after conducting the data from Nvivo version 12+ to Microsoft Word to establish a chain of evidence (Yin, 2014). Both researchers conducted the data analysis to enhance the reliability of the research (Yin, 1993). The first-order and second-order categories are presented under each variable under the findings.

6 Findings export strategies

In the findings, we will present the data from interviews with informants from Drytech. The structure in the presentation of findings will be to present and look at the differences within each social mechanism variable in relation to the export strategies direct to retailers and distributors. Furthermore, we will discuss the findings on firm performance.

6.1 Direct export to retailers

Drytech has a direct-to-retailer export strategy to twelve foreign countries, including Sweden, Finland, Germany, Netherlands, Belgium, Poland, Italy, Spain, the Czech Republic, Iceland, Greenland, and Hungary. The most prominent countries in terms of sales are Sweden, Finland, Germany, Netherlands, and Belgium.

6.1.1 Relationships

For relationships, we wanted to find out how Drytech acquired new relations and how they work with their relations—further, finding out what is unique within relationships when using a direct-to-retailer strategy.

Acquiring new relationships with retailers in direct export strategy is primarily done in two different ways: through their network and activities such as fairs and exhibitions. The network will be discussed further in the following variable, but in short, the network is used as an information channel for finding new relations and information sharing. The most mentioned way in all the different interviews was acquiring new relations through Business to business (B2B) exhibitions. Outside of Norway, Drytech attends three trade shows in a year. First is IWA, arranged in Germany, the world's leading exhibition for hunting, sporting, and airsoft firearms, professional outdoor equipment, and personal security. During five days in 2022, there were 34 000 trade visitors from 119 countries, and 65 percent were from the European Union (IWA, n.d.). Here Drytech has its stand where they hand out samples of its food to all visitors and present the products. In 2023 when attending, Drytech acquired numerous new business leads who are in business relevant to buying their products and interested. B2B leads are people, organizations, or businesses that have the potential to become customers for the business's products or services (Kelwig, 2022).

The second and third fair is arranged by ISPO, the most prominent sports trade show meeting point for sports, outdoor, and lifestyle enthusiasts (ISPO, n.d.). ISPO arranges two trade shows Drytech attends during the year: ISPO Munich, which is in November, and Outdoor by ISPO, in June. Both of them aim to meet existing customers and build new relationships. In contrast to IWA, ISPO is a fair Drytech uses more to meet some of their biggest B2B retailers and is, therefore, one of the most critical activities in building relationships thru personal meetings. The benefit of attending these trade shows is meeting their customers in person and possibly meeting many of them without traveling directly to many different European locations. ISPO is also vital to build new relations with new customers and expanding their network to other manufacturers, retailers, and other people of interest.

Relevant to working with a direct-to-retailer strategy, one of the informants mentions that “there are many contact points and relationships to maintain when using the direct-to-retailer strategy since you have direct contact with each retailer”. This implies that Drytech has to work with many different relations when using this strategy. The need for attention from Drytech also varies. Some retailers want to build a strong relationship with their suppliers, and some do not, and mainly want to buy the products without personal involvement. One of the informants mentioned, “Handling this strategy with a sales team of three people would only be possible with the web shop we have for our customers so they can place the orders directly, which reduces the manual work for us.” Therefore, the B2B web shop and customer journey are essential focus areas for Drytech. The customer journey is in the form of acquiring and building the relationship with the customers in fairs, so then, as fast as possible, get them over to the webshop minimizing the manual handling of the customers. This was also observed at one of the fairs in Germany, where we saw the focus on people coming to the Drytech stand and how the dialog swiftly began to have the leads registered in a contact form. Hence, they later receive a link to register at the webshop. In one of the interviews, one of the informants highlighted the importance of consideration in business culture to each country by mentioning “the difference in the UK, where the culture is more closely in business relations, including, for example, phone dialog between the suppliers and retailers.”

When building stronger relationships, activities such as meetings and activities in the form of product presentations are mentioned. Further, Drytech also made a structural change, splitting the roles internally in the department into Key Account Manager (KAM) roles. This means that one person is responsible for a given market (for example, Germany), including having the responsibility for growth and the customers in the market. This gives the customers one primary contact point and is mentioned to have helped in building relationships with the customers. Also, here it is highlighted by one of the informants that "in a market, we will have smaller and bigger customers which include both close and less close relationships based on priorities on how important they are today, and potential." Further, "Not all customers want or demand very close relationships. Some customers just want access to the webshop and buy our products without any extra activities".

Relationships in the strategy of direct export are essential to acquire new retailers and build them to be more significant customers of Drytech. The most used method to acquire new relationships is attending fairs and using the network. The informants also highlight that having a very tight relationship with every customer in this strategy is only possible if you have an extensive sales department. For Drytech, the focus needs to be on the biggest ones in the different markets.

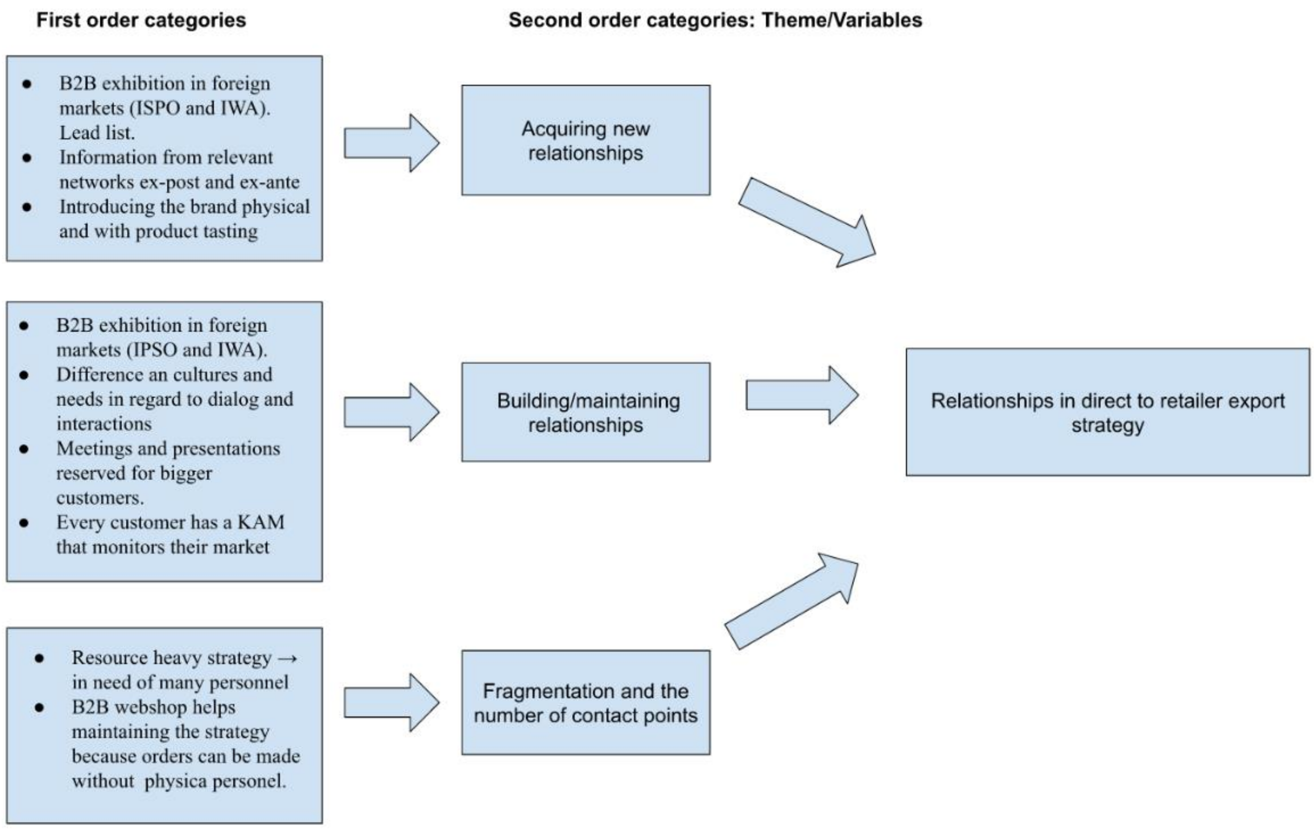

Figure 5: First and second order themes relationships direct export retailer.

6.1.2 Network

When looking at the history of Drytech's internationalization process, networks have been a crucial part of the process. Especially at the beginning of the process and when establishing new markets, all the informants emphasize the importance of their domestic networks, including other producers and organizations such as Innovation Norway.

Starting with Innovation Norway, the Norwegian government's most crucial instrument for innovation and development of Norwegian enterprises and industry and for supporting businesses with local and international knowledge and networks (Innovation Norway, n.d.), is the organization most mentioned by the informants. Innovation Norway has helped Drytech in many ways with their internationalization process, and relevant to direct export, they have helped with market knowledge in different markets, general export knowledge such as what is essential when exporting, establishing logistic solutions such as Drytech AB, and being a gate opener to other networks for example to other producers in other markets.

When the informants talked about other producers, they included domestic and foreign producers. The network is broadly mentioned as an essential channel for information and knowledge about foreign markets and information regarding opportunities in foreign markets, in addition to being a gate opener to other relations and networks. One of the informants mentions, "Our network of other producers have several years of experience in some of the markets we work with and often possess market knowledge about the industry in the given markets, in addition to knowing important retailers and retail chains". Having others in the same industry with good experience with someone, helps reduce risk when exporting. One example given by one of the informants "an example if we wanted to go into the Japanese market. I do not know anyone in Japan, so I would most likely go to the part of the network with other actors who are already selling in Japan who probably have a network of persons in Japan. Who is worth collaborating with, talking to, etc.".

One community mentioned in the interviews is the Scandinavian Outdoor Group (SOG). SOG is an industry cluster and network for and of Scandinavian brands. SOG arranges digital and physical meetings but also has its area on fairs described as the "Scandinavian Village," where only Scandinavian outdoor brands have a stand. Being part of SOG and the relationships built have benefited Drytech from joining a network relevant to their industry and market knowledge in many markets. One informant also mentions, "Some of the members are huge brands with many years of experience, and being a part of the network helps draw attention to REAL Turmat."

For market knowledge, the network of producers can provide which retailers can be relevant for Drytech and different markets. The network of other producers can have many years of experience in the market and have a good overview of who is worth working with and who is less relevant. In addition to learning and acquiring knowledge about foreign markets, the networks can also work as gate openers to the relevant new retailers, which are highly suitable for Drytech regarding dialogue with the decision-makers. This was also observed at the fair in Germany, where we participated. One of Drytech's KAM, got in contact with a high-end outdoor clothing brand operating mainly in southern Europe but is interested in more retailers in Norway. The KAM from Drytech and the KAM to the clothing brand exchanged information after connecting and would send each other some relevant retailers for each brand.

Summarizing our findings for networks, when looking at direct-to-retailer strategy, networks for Drytech are vital for knowledge about new markets and relevant new retailers. The network is also a group of people with very close relations and a low turnover of people, especially those working with exports. This helps when building relations within the networks and position in the network. Being part of the right networks, such as SOG, helps establish a position in a network and become an insider.

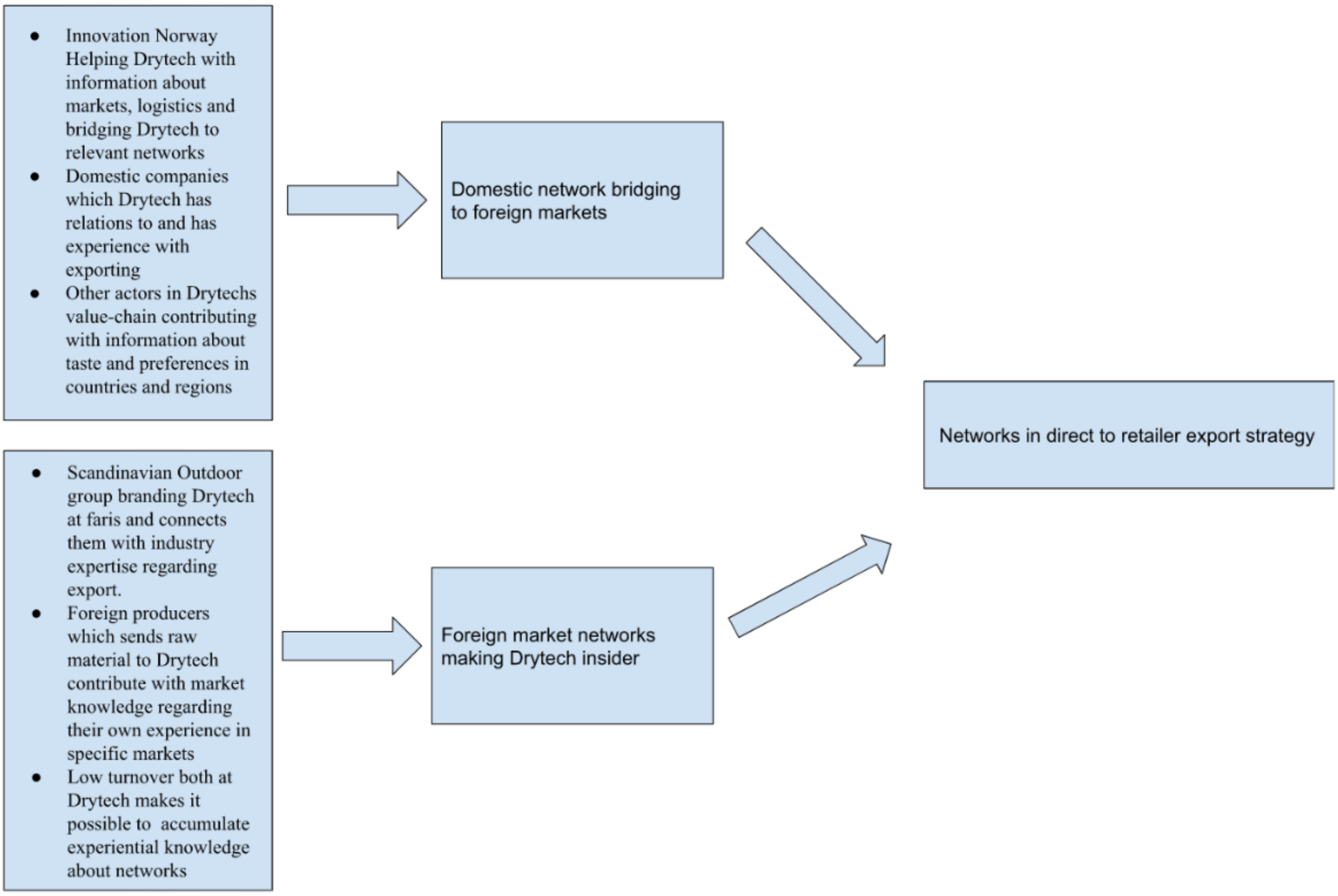

Figure 6: First and second order themes networks direct export retailer.

6.1.3 Trust

In business, trust is essential for both export strategies. It is crucial for a good agreement between parties, fair competition, and delivering products as promised. This also applies to working with retailers, where trust is of utmost importance. The findings on trust show many similarities in both export strategies.

A finding was that it takes a shorter time to build trust in a retailer compared to a distributor. One of the informants mentioned, “When working with a distributor, they handle more tasks for you, and therefore there is also a higher expectation of the distributor than a retailer.” Due to the lower degree of tasks and responsibility, building a certain level of trust in a retailer may be more accessible and take a shorter time.

Further speaking about the difference, another informant highlights the difference that it often is more accessible measures to build trust with retailers, where the informant exemplifies with measures such as “having meetings, retailers seeing that the products are working well in their stores, giving the retailers samples, marketing contribution, etc.”. These are measures helping to build trust between Drytech and the retailer. Terms and conditions are also crucial for the retailer and trust that they have a good agreement with Drytech compared to other retailers.

Overall, trust is essential both for Drytech to the retailer and for the retailer to have trust in Drytech. One of the informants said, “Well, a retailer does not want to lose money on a new brand to their assortment, so before they take it into their assortment, the retailer needs to build trust in Drytech and the person they speak to at Drytech.” This process can take a shorter period, especially with smaller retailers who have lower barriers trying new brands, and often a longer time with bigger retailer chains. So, building trust with the buyer and decision-maker who takes a risk trying a new brand and why the brand will work in their market is very important when using direct export mode. This was also observed in the fair when participating in Germany. More prominent retailers often required more information, such as logistics solutions, in addition to samples of products to take home for the rest of their team to try.

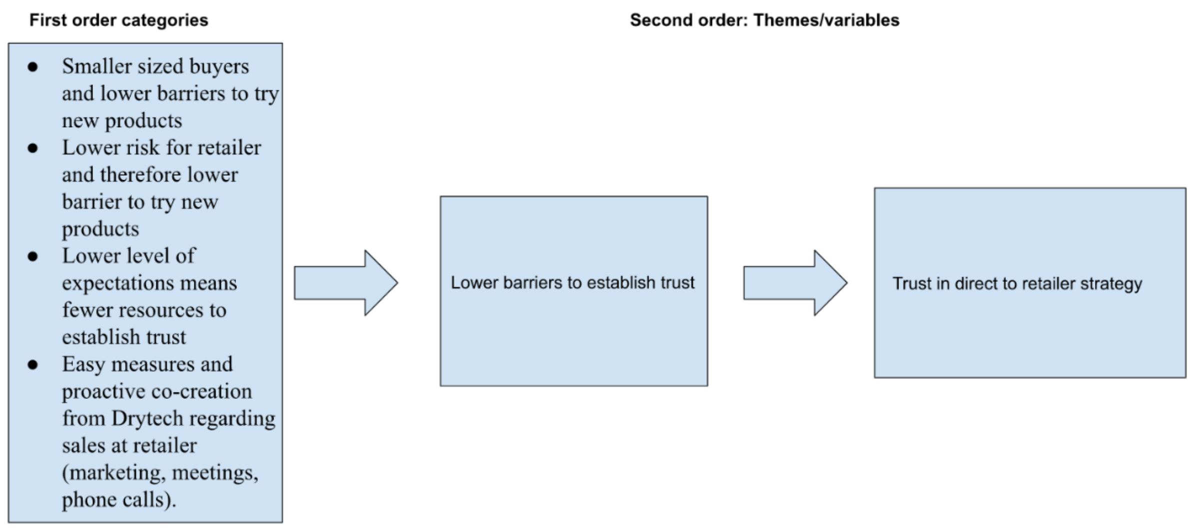

Figure 7: First and second order themes trust direct export retailer.

6.1.4 Commitment

Many of Drytech's biggest retailers have been customers for an extended period and know the products very well and have seen that it works for their customers. The informants mostly talk about the most prominent retailers when looking at the findings under commitment and direct export mode. Some of the reasons are that they are in more demand, there is more potential for increased exposure and sales when building a more substantial commitment to them, and it builds stronger relationships. Examples of activities done to build a higher commitment are campaigns, pre-orders, openness, and information sharing, all essential to show that they are interested in investing in each other and building stronger relationships. An important finding is that these activities are less expected from a retailer than from a distributor. In the relationship with a retailer, this expectation differs from the basis because it is not expected between the parties. All commitment besides the retailer buying Drytech products is a form of bonus.

While participating at the fair in Germany we observed that Drytech had meetings with some of their retailers trying to find activities they can do together in the coming year and look into their order history. In one of the meetings when one of Drytech's KAM asked if they could be interested in ordering bigger orders instead of many smaller orders (Drytech deliver free shipping and therefore interested in bigger orders), the customer then asked if they could have some longer payment days or receive any discounts on the orders if they ordered above x-amount of boxes. The example gives an indication on how the commitment to each other can increase when meeting and finding arrangements suitable for both parts.

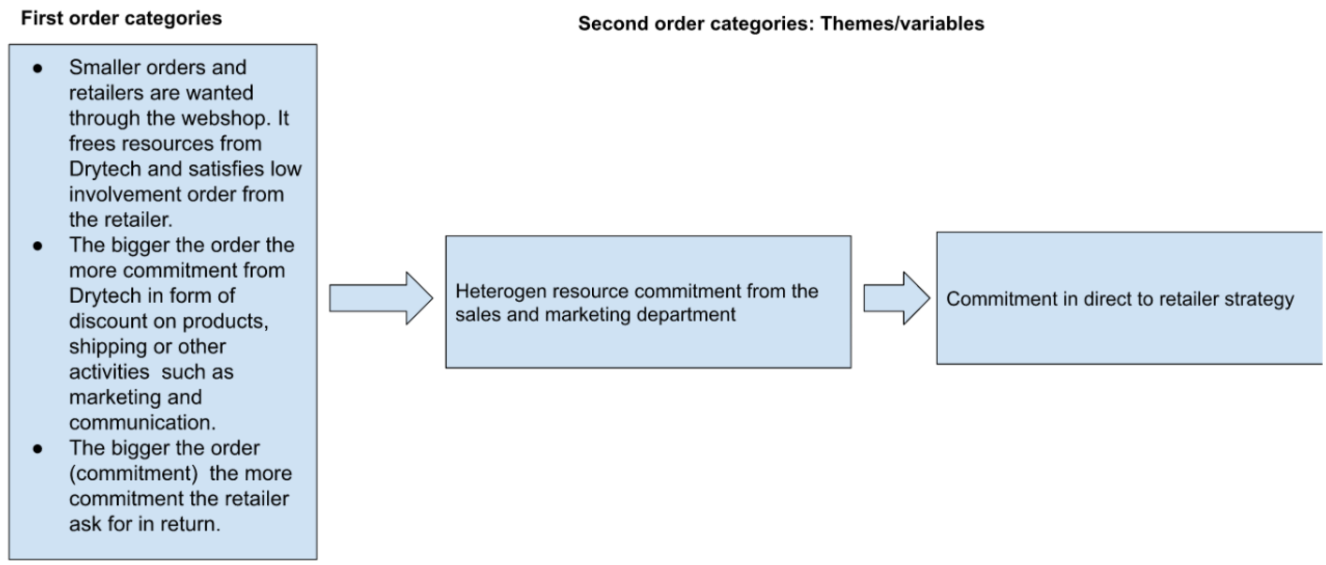

Figure 8: First and second order themes commitment direct export retailer.

6.1.5 Learning, knowledge, and market information

The informants consider learning and knowledge in direct-to-retailer strategy an essential factor. Retailers who work in one or more markets have the knowledge they can share with their suppliers, which can help them develop their market.

One of the findings comparing the variable learning and knowledge between the strategies is that retailers will keep information private from other retailers relevant to Drytech. Sharing this type of information would only create more competition for themself. Information sharing is more limited to information about consumers in the market and the customers' habits when they are outdoors. Information can include, for example, most day hikes, weekend tenting, longer hikes for a whole week, etc. Moreover, what are the biggest activities, such as climbing, hiking, sailing, etc.

Further, it is mentioned that a retailer has little to lose in sharing this type of information and is open to sharing it if they have this knowledge. However, this is often the buyer's perspective on the market rather than sharing the retail chain's market research information, for example. Sharing this information is not an expectation but can be considered a bonus if the information is shared.

Further, in the findings, retailers are in direct dialog with the end consumer. Here information such as why a consumer chooses one brand over another while standing in the stores can be available from a retailer.

A finding among the interviews is that how much information sharing there is heavily relates to how close the relationship is, how much trust, and how much commitment they have to each other.

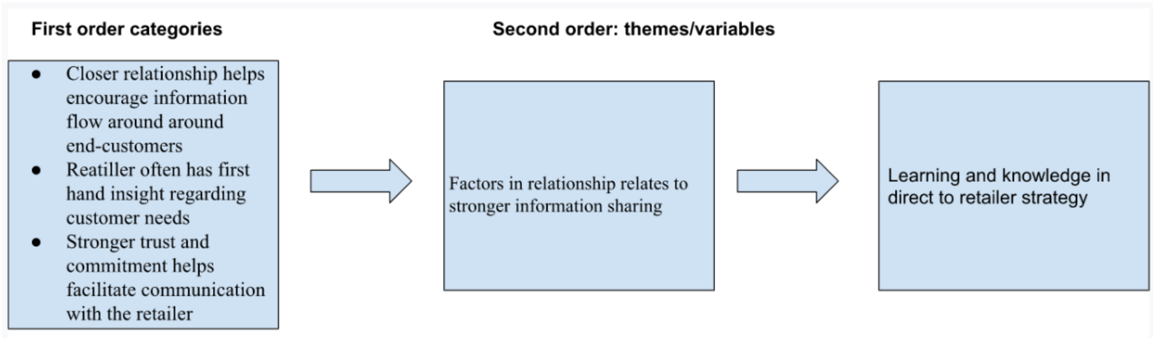

Figure 9: First and second order themes learning, knowledge, and market information direct export retailer.

6.1.6 Firm performance

When looking at a firm's performance on direct strategy, the informants mentions mostly information regarding financial benefits such as margins, growth rate, and resource liabilities.

Starting with the financial benefits, the informants mention that going directly to a retailer benefits the business by not having anyone between Drytech and the retailer. In this way, Drytech gets more of the margins between the production cost of the product and the selling price to the consumer. Relevant to the previous chapter on FMCG, the product itself is also an essential reason for choosing this strategy; the product is food which generally has lower margins. One of the informants mentioned, “our margins on the products are one of the main reasons for choosing this strategy. A distributor typically needs a 30 to 40 percent discount which takes a good part of the profit”. The difference in discounts needed depends on tasks the distributor should do in the market and demands from the distributor.

In relationships, we also mentioned that working directly with retailers gives you several contact points in the market. In the findings of firm performance, this strategy is also mentioned as resource-demanding in the form of human resources. In relation to firm performance, human resources have a cost for a firm, and working with many contact points demands more resources, which Drytech must handle.

Also relevant to financial performance, the informants mentioned that "by selling directly to retailers, you would also have many smaller retailers having smaller orders. Drytech delivers all products' delivery duty paid, which includes shipping included in the prices". With smaller orders, the shipping costs are also higher. In addition, Drytech needs to do their marketing in the given market, which also is expensive and includes resource liability.

At last, is the growth rate. The informants mention that when using direct to retailer strategy, which includes doing more of the work in the given market yourself, it can negatively affect the growth rate compared to strategies where you have intermediates in the given market. Growth entails either increasing sales on existing customers or acquiring new customers. Finding and building relationships with these retailers takes time and, therefore, can affect growth rate, which again affects firm performance. One of the informants says, “When using a distributor, you can expect a higher growth rate compared to using a direct-to-retailer strategy.”

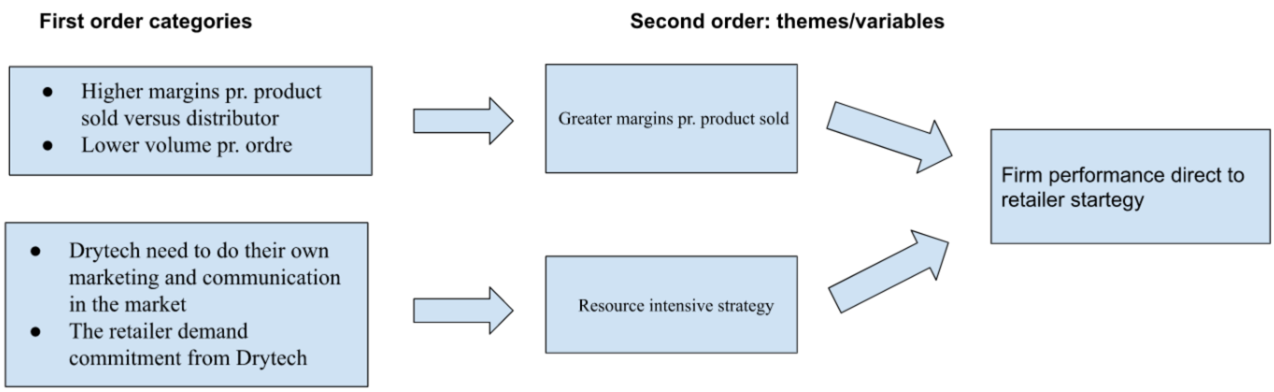

Figure 10: First and second order themes firm performance direct export retailer.

6.2 Direct export distributors

As mentioned, Drytech has an export strategy using distributors in the United Kingdom, Switzerland, and France. The most significant difference for Drytech is that instead of establishing relationships with several retailers in a given market, they only need to deal with one specific actor, the distributor. Further, when working with a distributor, the distributor is given most of the control in the given market and is responsible for building both the customer base and the brand. This entails a lot of responsibility towards the distributor and higher demands from Drytech.

6.2.1 Relationships

The relationships with distributors are often acquired through physical interactions at fairs. According to one of the informants, there is no significant difference in how the relationships with retailers and distributors are created. However, there are more significant differences in trust and commitments and the interplay in the relationship after its establishment. All of Drytech distributors are identified through participation in fairs and through their network.

The bigger difference between the cultural aspects of Drytech's services towards partners is that they treat every partner as important. Even though they prioritize their customers in case of a shortage in stock, they treat the less important customers with dignity, informing them about the shortage in good times before in general. Drytech takes the initiative to build long-lasting business relationships that positively contribute to interactive relationships when Drytech knows its partner's needs and vice versa. The KAM role makes the relationship-building even more substantial; they build a form of social interactions and understanding with their partners that lays the foundation for the co-creation of the marketplace. With distributors specifically, the distributors need to be a high-priority relationship to maintain for Drytech due to their importance for the given market.

Even though there are not any more significant findings in differences on how to find new relations, comparing directly to retailer and distributor, one of the informants mentions, “the relationship can be described as closer with more frequent contact and a closer relationship.” The example given was when one of the distributors was building new storage, the KAM for the market traveled to the location, met the whole team, and helped them get the place up and running. In addition, the KAM attends fairs with the distributor, where they stand together and work together during the fair. This is also mentioned by the other informants that when working with a distributor, there should be closer relations since they are handling the whole market and are building the brand in the market.

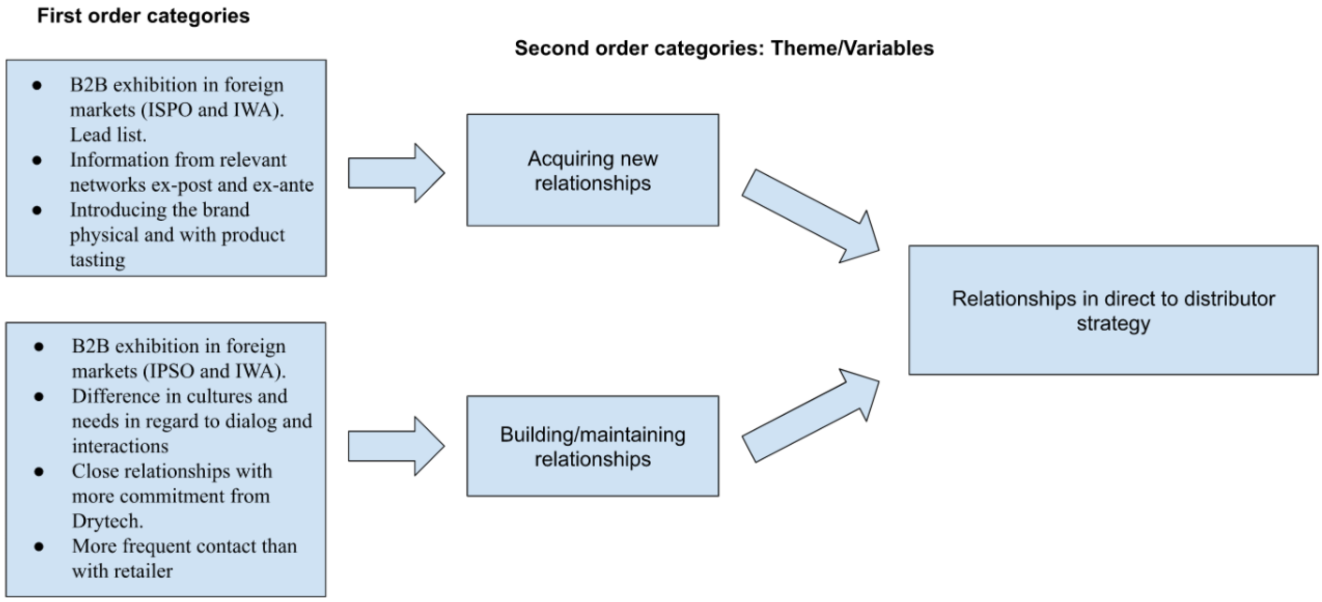

Figure 11: First and second order themes relationships direct export to distributor.

6.2.2 Network

First, networks do not sell the products but contribute to identifying new business opportunities in the international markets. There are the customers that, in the end, sell the product to the end-consumer, and the causality and the interplay between these factors are essential to understand in the internationalization process in Drytech. Networks are therefore crucial in identifying distributors that have the qualities, partner network, and market information to find the retailers that, in the end, sell their products to end consumers.

When looking at networks, similar to direct-to-retailer, networks are essential to acquiring market information and building knowledge of the given markets. When using a distributor, the distributor becomes the leading network partner for Drytech and will represent the products to the different networks. They will also be the partner with the most control over which networks to participate in. Since the distributors are responsible for the given markets, they are also the ones talking and contributing to the networks on behalf of Drytech. Benefits, including, for example, marketing knowledge or potential opportunities from the network, could be informed further to Drytech. Drytech will, in that way, be in-directly involved in the network because the distributor is the representative actor towards the networks. When indirectly involved in the networks, Drytech relies on the distributor to either include Drytech directly by involving them or rely on the distributor to share the benefits of being part of the networks with Drytech.

Compared to direct to retailer strategy, where Drytech will establish its network of retailers or other producers in a given market, a distributor already has a network of retailers. The distributor will therefore be in-between Drytech and the retailers or other actors of interest, where Drytech has to rely on the network of the distributor.

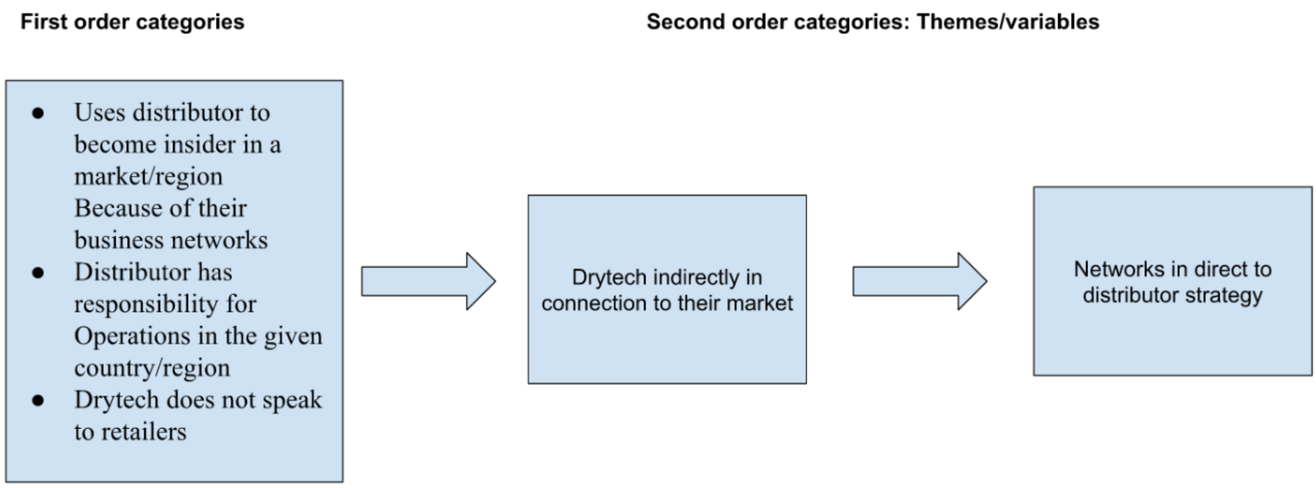

Figure 12: First and second order themes network direct export to distributor.

6.2.3 Trust

Regarding trust, the company experiences few differences between the direct-to-retailer and distributor export strategies. The most critical factor for Drytech is that they can prove that their brand is working in the outdoor market, which gives them the initial trust to build partnerships in the international markets. After that, the relationship often comes down to delivering and holding their word concerning their partners. Being transparent and open with their partners is an essential attribute of Drytech's services. They argue that this kind of transparency makes the relationship trustworthy and that the company is regarded as a reliable partner relative to others. In general, they focus on greeting a positive atmosphere through their transparency and initiatives so that the two parties share a common goal and have defined expectations and deliver to those expectations. Drytech's attitude towards relationships and relationship building is that they do not get or demand trust and credibility. They build it through active communication with their partners, creating reliable and trustworthy relationships with their partners. They see it as they are responsible for being an active partner in the co-creation of the marketplace.

As mentioned initially for distributors, distributors are given most of the control on how to build the distribution of the products and how to build the brand in the given market. In contrast to a retailer, this higher degree of outsourcing demands a higher degree of trust in the relationship before they begin to work together. One of the informants mentioned, “With a distributor, you are closer with them in the form of internal conditions and insight, product development, support for each other, etc., so trust needs to be at the base of the relationship and, more important than with a retailer.”

Also, working with distributors includes more activities that entail more measures than for a retailer. For example, with a distributor, they need to be able to grow the amount of distribution and increase the sales, do a certain degree of marketing, attend fairs and exhibitions, share market information, etc. All these activities need to be fulfilled well so that Drytech has trust that the distributors are doing a good job for them in the given market.

Trust can also fade if the distributor is pressuring the company regarding their margin policy because Drytech and its partners must experience a common goal. This has to do with the fact that both parties regard the relationship as mutually important. When the distributor pushes down on their product prices, Drytech loses its interest and incentive in the relationships.

As mentioned in direct to retailer strategy regarding time taken to build trust, building trust with distributors is the opposite and takes a longer time. The reason is that the distributor is handed the job of building the market, and there are higher expectations for a distributor. For Drytech, they need to see results on the different activities before they can trust that a distributor can handle the market for Drytech. Trust is, therefore, a variable that takes more time to build than compared to a retailer.

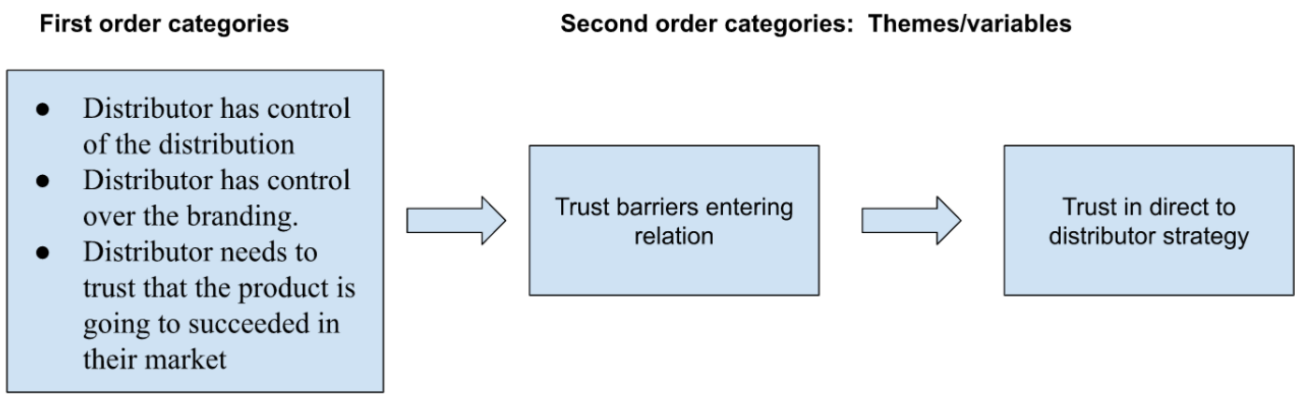

Figure 13: First and second order themes trust direct export to distributor.

6.2.4 Commitment

The big difference in how Drytech must commit to distributors versus direct methods are, in any way, stock and storage, advance orders, and the deficits in the margins. In France, Switzerland, and the UK, the distributor has their storage so that orders from retailers and chains can be a quick and reliable transport of the Real Turmat brand. Regarding commitments, Drytech prioritizes more significant customers with advanced orders, like in France and the UK. As a distributor is a responsible actor in the given market, there is a general need for commitment in both ways. Drytech needs to commit to the distributor to have the best prerequisites to succeed in the market, and the distributor needs to commit to Drytech by using human and financial resources to build and succeed as a Drytech distributor in the given market.

Furthermore, Drytech relies on several subcontractors that must deliver their material just in time, or Drytech needs to have more extensive storage of raw materials to handle the fluctuating demand. This will, of course, again increase the cost of production and negatively influence the bottom line. Based on the following reasoning, Drytech prioritizes bigger customers who place pre-orders creating stability in both the demand and cost sides of production. One nuance worth mentioning is that distributors are not prioritized based on their status as a distributor. However, because of the stability, it gives Drytech. Because it stands for a big part of the volume sold in the international markets—this incentivizes Drytech to prioritize them. If a retailer and chain had the same stability and volume, they would be prioritized similarly. Drytech also does marketing and promotion campaigns with distributors to enhance branding and awareness. This is a regular activity that the company commits to and is, in many ways, a co-creation of the marketplace between the parties. In cases of lower sales numbers, Drytech often commits to helping with product training, marketing, and promotion. The company often experiences that partners negotiate on the margins. They argue that selling will be easier if the selling price is lower. Drytech flips the question to be more of a marketing and promotion issue instead since they have a firm policy in regards to their margins. This also enhances the flexibility in negotiations because it gives them more dimension to negotiate over instead of just arguing over margins.

We also found during the interviews that in difference to working directly with retailers, where the commitment often gradually increases, with a distributor, the commitment is high from the start. Doing marketing together, placing pre-orders, and having a good stock and the entire assortment are not bonuses when working with a distributor, it's expected. This also strengthens the commitment in the relationship.

To summarize, the main differences between direct to retailer and distributor export strategies, are the commitment in the form of being prioritized, the deficit in margin, storage, promotion, marketing, and owning key account personnel. There is also a need for a higher commitment right from the start of the relationship and higher expectations when working with a distributor.

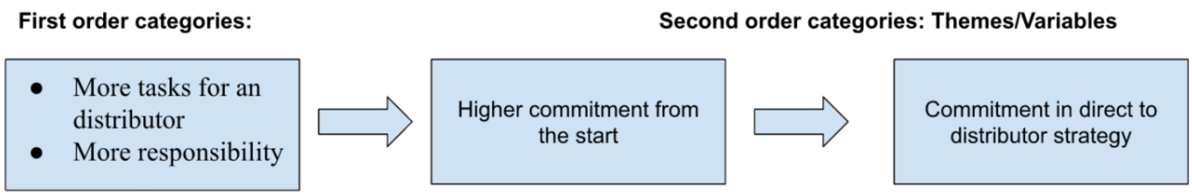

Figure 14: First and second order themes commitment direct export to distributor.

6.2.5 Learning, knowledge, and market information

The extreme shortage of market information is the main contributor to the choice of a distributor as an export strategy. Market information could be about the end consumer, taxes, transport and logistics, and customs and laws specific to the country. In one way, you can add market knowledge and important business markets to the value chain. They get information from their distributors, who know about tastes and preferences in different markets.

Drytech's experience regarding market information from distributors is two-sided, both by their own experiences and what they have heard from others in the industry. They report that many distributors can be scared that if the market gets big enough, Drytech can decide to take over because the economic benefits from removing the distributor and earning greater profits are substantial. This is not without reason; many companies do this in the outdoor sports market, and the distributor's experiences damage the trust and relationships towards manufacturers. The distributor's power is information about retailers, preferences, and further market potential, and this is information that Drytech will only see if the distributor wants to share it. On the other side, the distributor in France paves the way for new upcoming markets. The distributor has started exporting some of Drytech products to Chile and is pushing for FDA approval from Drytech because of the market potential in the US. In one way, they co-create markets with Drytech when it benefits their interest. In another way, they could have held back information which would have created barriers for Drytech if Drytech would consider wholly owned subsidiaries in the future.

Further, the informants mentioned that the distributor is expected to share information with Drytech about what is happening in the giving market. With their network and relations, a distributor will have a good sense of both the overall market movements and more specific segments. One of the informants mentions, for example, “Our distributor in France has an excellent connection with the sailing community and events,” which is more of a specific market- and segment knowledge. The distributor will also have knowledge of which segments in the country are most worth working with first.

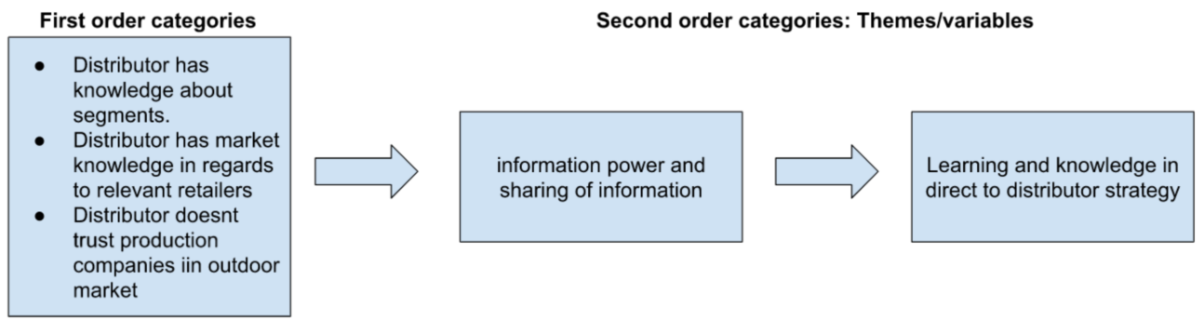

Figure 15: First and second order themes learning, knowledge and market information direct export to distributor.

6.2.6 Firm performance

Distributors are, in its most straightforward definition, an extra intermediate between Drytech and the end consumer. With the distributor involved, the value chain can be exemplified as production (Drytech) - distributor - retailer/chain - end consumer. In direct export, the value chain looks the same but without the distributor: Production (Drytech) - retailer/chain - end consumer. In the case of the distributor, they need 30-40 percent discounts to have incentives from Drytech to process and develop the market. This is a relatively big chunk of the product margins from Drytech's point of view. Mainly since Drytech focuses that the end price for the consumer should stay the same regardless of export strategy; in other words, with or without the distributor, the selling price to consumers will stay the same. This indicates that the distributor is taking a lot of the margins. Of course, the incentives are necessary, and the higher volume partly compensates for the lower profit margins. However, for FMCG products, this could potentially hurt the overall economic performance of the company. Another reason the consideration of distributors is so essential comes in terms of cost is that Drytech is geographically positioned in Norway. Norway is defined as a high-cost country that underlines the sensitivity and balancing of export strategy concerning internal evaluations of export strategy.

In many cases, the distributor will have an extensive network in the potential market that Drytech has chosen to penetrate. The distributor's network with retailers and chains allows Drytech to increase volume and brand awareness at a higher pace than the use of direct to retailer strategy. Based on the pace of the usage of distributors as an export method, the offers make it an attractive choice in highly fragmented markets like France, the UK, and Switzerland with low to no brand awareness of the Drytech brand, Real Turmat. They also place bigger orders for the products making it less expensive to ship the products.

The complete economic picture is hard to calculate. This is because the distributor's task is more complex than just adding market knowledge and placing the product at the suitable retailer/chain relative to the target group, which enhances the possibility of sales. They keep stock of the whole product portfolio stock, have their warehouse personnel, have their own sales representatives responsible for Real Turmat, and promote the brand in the relevant market.

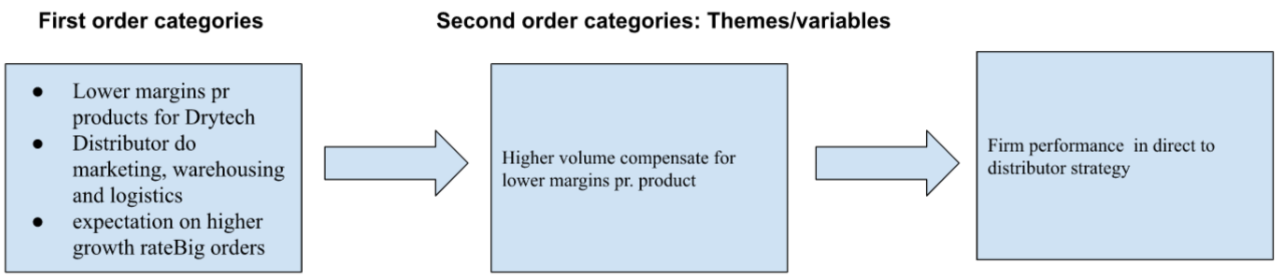

Figure 16: First and second order themes firm performance direct export to distributor.

6.3 Summary

To summarize our findings, we have made a comparison model including our main findings within the export strategies and each of the different variable's relationship, network, trust, commitment, learning and knowledge, and firm performance:

Table 3: Summary findings

	Direct to retailer	Distributor
Relationships	Many contact points Both non-close- and close relationships Focus on establishing new relations on fairs	One contact point Close relationships Strengthen the relationship with distributor
Network	Use of network to find new retailers and acquiring direct market knowledge Work directly with the network to establish a position and insidership Network work as a gate opener	Use of distributor to acquire indirect market knowledge Distributor working with network and therefore manufacture indirectly involved
Trust	Lower level of expectations - shorter time to establish trust Trust in a good agreement with the manufacturer compared to other retailers Easier measures needed to build trust Lower necessity for trust to start working together due to lower risk	Higher level of expectations - longer time to establish trust Many measures needed to be fulfilled before trust is established Higher trust needed before beginning to work together
Commitment	Smaller retailers - lower level of barriers to try new brands The bigger the retailer, the more commitment increases Commitment beside buying the products is a bonus	Distributor responsible for the whole market - need of high commitment High commitment from the start Expectations to commit in many areas such as sales, marketing, information sharing etc.
Learning & knowledge	Information sharing is a bonus in the relationship First hand experience with consumers in physical stores	Expectations in sharing information Both specific and overall market knowledge

	Degree of information sharing relates with tightness, trust and commitment in the relationship	Insight in most suitable segments and target groups Can hold back information if the information isn't benefiting the distributor
Firm performance	Higher margins on products sold to retailers Need to do own marketing in the given market Both smaller and bigger orders depending on size of retailer Human resource intensive building the market	Lower margins on products for Drytech Distributor do marketing, warehousing and logistics Expectation on higher growth rate Big orders

7 Discussion

When discussing our findings against our research questions for Drytech, we summarized the similarities and differences for each social mechanism variable: relationships, network, trust, commitment, learning and knowledge, and firm performance. Another structure will be to discuss the similarities and differences, and look into the disadvantages and advantages of using the different export strategies.

7.1 Relationships

When discussing the findings of using retailers or distributors as an export strategy, relations are an exciting variable to discuss. The establishment of relations between a retailer and a distributor is mostly the same, and they typically meet at a fair or establish contact by phone or email. However, what is interesting is the structure of relationships and what happens afterward the relationship is established.

Looking into the findings directly at retailers, the tightness and strength of relationships become stronger over time as Drytech, and the retailers do more activities together. The relationship mostly starts with low expectations where the retailer has become a retailer of Drytech's products, and the main form of expectation is that the retailer starts to buy and sell the products in its stores. Over time when Drytech sees if the customer buys their products and how the growth is going, they evaluate the customer's capabilities and look into if there are any more activities they can include in the partnership. This could for example be marketing in their stores or social media, or pre-orders, etc. In exchange, the customer sees the increased value of Drytech and wants something in return, such as a discount on their orders, samples, or other things that are helpful for their business. Looking into the literature from Johanson & Vhalne (2009), this development matches their description of business relationships where the relationship develops over time and where the counterparts learn about each other's resources and capabilities. Fairs are also often mentioned as essential to building new relations and strengthening existing ones, corresponding well with Jin & Jung's (2016) findings that businesses often attend trade fairs and exhibitions to obtain and develop relationships.

When looking at the distributor, there is only one contact point in each given market, and the relationship starts with more involvement from each part, and they work closely together. Since the distributor also holds more power in the relationship since they are responsible for the given market, Drytech needs to focus more on strengthening the relationship with activities such as traveling to the distributor and having a higher frequency of contact. We also found that one of the reasons Dryetch uses distributors is due to the fact that they saw it as harder to establish relationships in the given markets due to cultural differences. This corresponds with Johanson & Vhalnes's (2009) findings that firms find it harder to build relationships when the psychic distance is higher, which Hollensen (2012) defines as the perception of differences.

Looking at the advantages and disadvantages of a direct-to-retailer strategy within the relationship variable, we see the advantage is that Drytech has more control and power in the relationship since Drytech has so many retailers in each market. If one fails, the whole market does not fail. Further, Dryetch can prioritize the relationships themself and allocate resources to where they found it most important. The disadvantages are that many relationships demand lots of attention and resources.

For distributors, the advantage is that only one contact point makes it easier to maintain and work with the relationship. Dealing with only one relationship increases the focus on that relationship, which also helps to solidify that one relationship. The disadvantages are that the distributor has more power due to the importance of the relationship for Drytech. For Drytech, it can be considered a higher risk to only deal with one contact point for a whole given market if the relationship does not work out.

7.2 Trust

As mentioned in the literature review, trust is vital when understanding relationships, especially in the early phases and when situations create uncertainties. To build this trust, interaction is crucial (Madhok, 1995).

Looking at the variable of trust and differences in the export strategies, there are three main differences: level of expectations, measures to build trust, and degree of trust to start working together. For expectations, we found that direct to retailer strategy has lower barriers to building trust, especially in the beginning. A retailer can become significant and big, where there becomes a higher need of trust, but generally, the relationship has a lower level of expectations. For the distributors where there is a need to deliver on many more measures, there is a higher level of expectations, indicating that it takes longer to build trust. For Drytech, it conceptualizes in the end that the distributor can deliver on their tasks and have the competence to do so. This corresponds with Morgan & Hunt's (1994) conceptualization that trust is built when the partner shows confidence in the other partner, built through consistency, competence, honesty, fairness, and responsibility. Further, we also find the same in the findings of Holtgrave & Onay (2017) that trust in relationships will regard the fulfillment of the perceived obligations. Since a distributor has more tasks to deliver on (more obligations), it is natural that building trust takes longer time since Drytech needs to build confidence in the distributor and fulfillment of the obligations.

Looking at the advantages and disadvantages of direct to retailers when it comes to trust, we find an advantage that the relationship does not need to start with a high degree of trust and can be built over time. Compared to a distributor, the disadvantage would be that the trust needs to be at a certain level to reduce the risk for Drytech when collaborating with a distributor. Due to their task of building a whole market, it can be considered to be a higher degree of relational- and performance risk, where relational risk is the risk that the counterpart does not behave as expected, and performance risk is the risk of not delivering as expected (Holtgrave & Onay, 2017).

7.3 Commitment

Looking at commitment, our main finding was that with a direct-to-retailer strategy, you could have both many smaller retailers, and bigger ones, where the bigger the retailers become, the commitment often increases due to more activities in the relationship. In difference to distributors, the distributor strategy includes a higher degree of commitment from the start of the relationship, and there is an expectation that the distributor commits to all different activities such as sales, marketing, and information sharing, whereas the retailers will be considered a bonus in the relationship.

For the distributors, the expectations and commitments start off very high from the beginning of the relationship. When Drytech goes into partnering with a distributor, they give the distributor the responsibility for the whole given market. For the distributor to do so, they are given high discounts, so the distributor earns something in-between. Here the relationship has no time to evolve from a low commitment to a higher commitment relationship; instead, trust needs to be built before going into a partnership agreement, and the counterparts need to already know each other's resources and capabilities.

We also see in the findings that when Drytech wants to increase its commitment to a retailer, the retailer often wants something in return for this increased commitment. Suppose Drytech wants the retailer to place pre-orders which increases the retailer's risk since they place orders for delivery several months later or do marketing activities that demand resources from the retailer. The retailer wants something in return, which Drytech needs to commit to, for example, discounts on orders or marketing contributions. Mutual commitment development is therefore important with this strategy and are also similar with Johanson & Vhalne (2009) findings on commitment development in relationships where mutual commitment is highlighted as an important factor.

It's also worth mentioning that with the direct-to-retailer strategy, relationships can start with a higher degree of commitment, for example, a bigger retail chain that needs a certain amount of margin, marketing contribution, etc., in the agreement. But the main difference here is that these agreements do not include any exclusivity or control to the retail chain, and they do not include information sharing to a degree similar to a distributor. The expectations and commitment are, in general, lower when comparing distributors and some of the biggest retail chains Drytech has.

Looking at the advantages and disadvantages of the strategies within the variable of commitment, direct to retailer have the advantage for Drytech where they can decide if they want to either try to increase the commitment or increase the commitment on request from the retailer. They have the decision power to do so and can evaluate the opportunities. The disadvantage with direct retailers when it comes to commitment is that increasing commitment to many retailers in a given market takes lots of resources in the dialog, planning, and execution. This can include, for example, negotiations of better terms, planning marketing activities, and executing the planned activities. In addition, if Drytech has retailers who want to increase the commitment, but Drytech doesn't find it beneficial to use resources to increase the commitment, the retailer can go somewhere else where they find suppliers willing to maintain and value them to a higher degree. Looking at Morgan & Hunts (1994) findings for commitment in relationships which included the enduring desire to maintain a valued relationship, Drytech, with their less desire and less value in a relationship to a retailer, can cause the retailer to seek elsewhere.

Advantages and disadvantages of using distributors when it comes to commitment include advantages such as only having one contact point to commit to, making it less resource-demanding, and increasing the possibility of building a very strong commitment to each other. This corresponds better with Morgan & Hunt (1994) on enduring the desire to maintain a valued relationship. The disadvantage is the less flexibility to increase or decrease the commitment based on previous performances. When going into a collaboration with a distributor, the commitment starts off very high. Further, a disadvantage could be that there is a disconnect in expectations on how the distributor should perform. This can lead to Drytech not feeling the distributor not being committed enough while the distributor thinks they are doing as expected.

7.4 Network

Comparing the network variable with the different strategies, the main difference is that when using the direct-to-retailer strategy, Drytech will be working with the network directly. With the strategy of using a distributor, the distributor will be the one working directly with the network and then report to Drytech.

Firstly, looking at network acquisition within a market when working with retailers or distributors. Following Jin & Jung's (2016) description of business networks, including long and lasting relationships with suppliers and customers, and Yasmin & Kurt's (2017), which include structure and position in the network, Drytech has none or few relationships with retailers or other suppliers within the networks in the markets where they use the distributors. The reason is that the distributor is the one having contact and dialog with these relationships. Further, when looking at structure or position, Drytech isn't the one establishing a position. It's the distributor on behalf of Drytech with Dryetchs products. A good distributor will already have an established network of retailers and is already a part of many retailers' supplier networks through other products they are selling in the outdoor category. Therefore, using a distributor, Drytech can more easily get a distribution of their products because of the existing network to the distributor in the given market. Further, especially in markets with a high degree of psychic distance, using a distributor can reduce the risk of becoming an outsider of a network. As one of the informants mentioned, "one of the reasons using a distributor in France is due to the business cultural difference." If Drytech did not use a distributor and had difficulties building relationships due to sociocultural differences, they could have ended up with the liability of foreignness, which amplifies the position of being an outsider (Johanson & Vhalne, 2009).

Compared to going directly to retailers and establishing this network itself, the difference when using a distributor is that Drytech will not be directly involved in the network, primarily indirectly with their products through their distributor. Following Galkina & Chett (2015), in addition to Dolfsman & Eijk (2017), being included in a network can help obtain market knowledge, identify problems and opportunities, and identify innovative solutions and product development. By being indirectly involved in a network, some of this information can be lost if the distributor does not share it with Drytech, which can have big consequences for Drytech. When working directly with retailers, Drytech will be directly involved in the network of retailers' and have direct dialog in the relations. In addition, they can build their own network consisting of other manufacturers in the given market where they can obtain information and build market knowledge.

Further, the informants mentioned that "it is typical to have a distributor to help build the market before taking over itself when it is big enough." Following this, it is relevant to look into scenarios if Drytech wants to take over the market one day. The network of retailers and partners the distributor is building is not well known for Drytech in the markets they use a distributor, and for them to take over the insider position to the distributor is not necessarily given. Drytech can risk finishing the relationship with the distributor and, when trying to handle the market themself, end up not knowing anything or very limited insight about the network, and losing its network position. Relevant to this is the literature from Musteen et al., (2014) and Granovetter (1973) on network density and tie strength. Suppose the network has a high density where the members are well- and directly connected, in addition to tying strength in reciprocal obligations and emotional intensity. In that case, it can be challenging for Drytech to enter the networks.

Looking at the advantages and disadvantages within the variable of the network using direct to retailer strategy, the advantages are that they are directly involved in the network and can build their own position in the network. Being directly involved includes they can exploit the network as it benefits Drytech, and information will be first-hand information. The disadvantages are that it demands resources to build networks, and it can take time. In addition, if Drytech has limited market knowledge and is uncertain about which network they should work with, they can end up going into poor-performing networks, which can cause the liability of other opportunities and poor information sharing (Martin et al., 2022). Furthermore, the disadvantage could be that if the psychic distance is high, it can have a negative impact when building relationships. As previously mentioned, the higher the psychic distance, the more difficult to build new relationships and establish networks, and the higher risk of liability of foreignness (Johanson & Vhalne, 2009).

Looking at the advantages and disadvantages of using distributors as a strategy, the advantages are that the distributor will most likely have an established network which they can use rapidly after establishing agreements with new manufacturers and their products, such as Drytech. Their network is also most likely extensive since they have been in the market for many years and are dealing with different products in their portfolio. This can also benefit Drytech if the distributor can transfer value in the form of experience and build opportunities between the different products they have, and the network they have based on their other products in the portfolio. Disadvantages are mainly that Drytech isn't directly involved in the network, and benefits from the network, such as information and market knowledge. This information is going through the distributor, and Drytech can risk that the information is being filtered. In addition, as previously mentioned, if Drytech decides to quit the collaboration with the distributor, it's uncertain what the effects will be for the products in the given market.

7.5 Knowledge and information sharing

When discussing relations and networks, we have touched upon the differences in acquiring knowledge and information sharing. Using a distributor, the main channel of information is from that distributor, who becomes a funnel for all the information from their retailers and partners in that market. Working directly with retailers, you have several contact points to receive information from, often in different segments such as hiking, climbing, sailing, hunting, bushcraft, etc. When working with a distributor, you depend on the distributor sharing detailed information to learn about the market. In the literature on learning and knowledge, Johanson & Vhalne (1990) emphasize that experimental knowledge only can be acquired through actual and personal experience, and further, Johanson & Vhalne (2017) that market knowledge is primarily gained thru the current activities in the markets, and that a firm needs to gain this knowledge thru ongoing operations. Looking at the mentioned literature, direct to retailer correspondence better with the literature due to acquisition through actual and personal experience, and building knowledge from ongoing operations.

Further we also see a higher risk within knowledge and information sharing when dealing with distributors. Suppose the distributor starts holding back information for fear that Drytech sees so much potential in the market that they want to cut the relationship with the distributor and take over the market. In that case, Drytech is at risk of gaining the full potential of experiential learning. In our findings for Drytech, we did not see any indications from the informants that this has been the case, especially when one of the informants mentioned, "Our distributor in France is very open about possibilities they see, such as requests from Chile and the need for Food and Drug Administration (FDA) approval to access the US market." However, they also mentioned that they do not have any contracts with their distributors regarding information sharing. To hedge against this in light of the risk-based view of trust, the partners can hedge themself against these types of uncertainties through formal contracts (Ring & Van de Ven, 1994), which also Framnes et al., (2018) emphasize as a critical element when partnering with distributors.

When working with direct to retailer strategy, information sharing can be considered a bonus and not expected as it is with a distributor. This means that to accomplish information and for Drytech to put them in the position of accomplishing information sharing, they need to be in dialogue with their customers, and build tightness and trust in the relationship.

It's also important for Drytech to have good methods to store the experimental knowledge gained. Eriksson et al. (1997) emphasize this and mention that organizational routines, procedures, and general structures are essential to control organizational behavior and influence the internationalization of the firm. Looking at Drytech, we didn't get any response on how they share and store the information from their contact points internally in the firm besides marketing meetings. Accomplishing information sharing with the retailers and distributors is important, but it's also important for the firm to have processes so the information is used internally in further development.

Looking at the advantages and disadvantages with direct to retailer strategy, an advantage is when using the direct-to-retailer strategy, Drytech will have many more contact points and can build its own understanding of the market, its situation, and potential. A disadvantage with this strategy is that they need to establish the contacts themself and create an overview picture of the situation and potentials, by collecting all the information and forming a picture of the best way to build the market going forward. This is also time and resource demanding.

The advantage of distributors is that the distributor will have deep market knowledge and can rapidly go for the best potential segments and retailers to sell the manufacturer's products. In addition, a distributor working with importing many other products can be expected to have higher institutional knowledge. Institutional knowledge refers to the knowledge about barriers and opportunities in the market, such as technical and commercial laws and other general conditions (Eriksson et al., 1997). This is especially relevant to the markets Drytech distributes to the outside of the EU (UK and Switzerland). The disadvantage with distributors for this variable is that Drytech depends on the distributor being open to sharing the information. The distributor will also work as a funnel or filter for all information which can be both positive and negative. Positive in the sense that Drytech gets relevant and important information, negative in the form of if important information isn't passed on to Drytech, or that the distributor does not pass information in fear of Drytech considering other export strategy options. It can also be that the distributor doesn't believe that information is of interest to Drytech, but for Drytech, it can play an important puzzle in the bigger picture.

7.6 Financial performance

When looking at the firm performance, we follow Zout & Stan (1998) and use some of the measures relevant to Drytech's internationalization. The measures we have looked into are sales, growth, and profit. We have not received actual numbers from Drytech due to the confidentiality of the information, but in the interviews, we have findings giving an indication of the different measures. We will further look at how the performance is different in terms of growth and margins within the two different strategies.

Looking at differences and starting off with margins, when using a direct-to-retailer strategy, Drytech has higher margins on products they sell directly to retailers. The reason is that the distributor needs to have a higher discount so they can have a profit being intermediate between Drytech and the retailer. A further reason for the distributor's need for a higher discount is because the margins they have between the sales are also what they use on sellers in their market who will work on selling Drytech's products. They should also handle the marketing and building of the brand in the given market, attending fairs, in addition to storing and shipping orders to the retailers. These are expenses Drytech doesn't need to have in that market when using a distributor.

Further, when looking at the growth rate, the informants mentioned that when using a distributor, you can expect to have a higher growth rate. Two of the reasons are that the distributor already has an established network and good market knowledge. As mentioned previously, this can take time when using a direct-to-retailer strategy. When it comes to how much higher the growth rate is when using a distributor, it is hard to compare since Drytech has not tried distributor and direct-to-retailer in the same market for a longer period. What is said by one of the informants is that the distributors have had remarkable growth since they started using them. However, some of the similar countries that use direct-to-retailer strategies have a similar development. One example regarding growth rate is regarding one of the biggest retailer chains in one of the markets where they use a direct-to-retailer strategy. They had been in an on-and-off dialog with this chain for five years before they were finally taken into their assortment. If they had used a distributor with an insider position in the supplier network to the retailer chain, the informant mentioned Drytech could have been much earlier into their assortment. This is potentially several years of loss of sales.

There were also some smaller details mentioned in the differences. With a direct-to-retailer strategy, Drytech works with both smaller and bigger retailers, which also includes smaller orders and less predictability. With a distributor, there are mostly bigger orders, and they place pre-orders helping Drytech in their production planning.

The need for human resources was also mentioned by one of the informants when using a direct-to-retailer strategy, and they focused on higher productivity and using fewer resources by getting more retailers, especially the smaller ones, over to the webshop and improving the digital customer journey. The strategy to reduce needed resources per customer is more effective and will increase the firm performance, but it's worth discussing what happens if the process is almost entirely automated. Will the customer establish a strong relationship with minimum interaction with a person, and how may it affect the firm performance over time? Looking at the literature again on relationships, to build close relationships and establish commitment, the firms must frequently interact, establish mutual commitment, and learn from each other (Johanson & Vhalne, 2009; Håkansson & Johanson, 1994). In addition, looking at the importance of relationships, Piercy et al. (1998) found in their research on competitive advantage in high-performing exporting companies that customer relationships have the highest gap between high and low-performing export companies and that customer relationships are associated with superior export performance. Taking that into consideration, Drytech should be conscious about automating the customer journey or distancing themself from the customer through mainly technical solutions, to a degree where the customer finds the relationship to be very weak with Drytech.

Further, in developing the Uppsala model, Johanson & Vhalne (2009) highlighted that learning and commitment are strongly related to identifying and exploiting opportunities. Suppose Drytech tries to distance itself from the retailer by automating the customer journey. In that case, it can risk having a low relationship strength and commitment to its retailers. With lower strength and commitment, it may be easier for the customer to change suppliers to someone willing to use resources to build a close relationship, for example, sellers from a distributor or agents in the given country traveling around meeting in person. This could affect the firm performance of Drytech and internationalization due to the loss of customers.

8 Practical implication

We will not look into practical implications of our findings and discussion. Firstly, we will look into how our research contributes to other firms who may consider export strategies or direct-to-retailers. Secondly, we will focus on which advice we have for Drytech and other manufacturers going forward and when using the two different direct export strategies.

For manufacturers, this research has shown a successful example of a manufacturer using direct-to-retailer as an export strategy. First of all, the study contributes to increasing the awareness of the strategy and its possibilities. When manufacturers decide to start exporting, different methods will be looked into, and it can be easy to look at the most well-known and easiest ways to do so. Looking at effects on social mechanisms, the manufacturers can better evaluate the strategy of direct to retailers and distributors, and how those influences important variables such as relationship and networks, trust and commitment, and learning and knowledge. In addition to a contribution to awareness and decision-making, our study contributes to manufacturers who have already started exporting directly to retailers or are considering doing so because the market has become big enough and wants to handle it themself instead of going through an agent or distributor.

For Drytech, we believe this study will make them more aware of the social mechanisms discussed. The importance of relationships and networks has been highlighted as important to building strong relationships and a good position within a network with a direct-to-retailer strategy due to its relation with the other variables; trust and commitment, information sharing, and market knowledge. Further, we believe Drytech is well aware of how the choice of strategy affects firm performance, but discussing automatization and its potential negative effect and loss of customers may be a new angle to look at it.

Our first piece of advice is to establish a contract with the distributors. As previously mentioned, Drytech doesn't have any contract with their distributors, which makes it easier for Drytech to leave the relationship, but in our findings, we evaluate it as Drytech is the one with the highest risk if one of the partners chooses to leave the collaboration. The contract is suggested to include the length of the planned relationship, which will prevent the one contact (distributor) they have for the whole market from leaving. Further, we suggest the contract include receiving an overview of the distributors' retailers. This will help reduce the risk of not knowing who was selling the products in the given market if the collaboration ends. At last, we advise including information sharing in the contract, where we want to highlight a formal agreement that the distributor is obligated to share information on all retailer applications/inquiries for Drytech's products they receive. This is probably easier said than done, but having this in a formal agreement can reduce the risk of missing opportunities in the market. Further, regarding information sharing and if not in a formal agreement, Drytech should be very clear on which type of information is of interest to them.

Our second piece of advice regards the direct-to-retailer strategy and automation of the customer journey to reduce human resource commitment. Here we see potential consequences long term the more the customer journey is automated. Building close relationships, which are positive to increase trust, commitment, and information sharing, needs to be done through interactions. Automating the customer journey and increasing the distance between personal interactions can damage Drytech as a supplier to retailers and decrease the chances of receiving valuable information. Our advice is, therefore, to be conscious of the development within automation and take measures to maintain the relationships. Here we have two examples. One is to increase exhibition participation in their foreign markets so they can meet many customers in person during one event more often. Second could be to use the digital marketplace data to discover customers intent and engagement on their website and webshop. This information and tracking could be used to (1) make a lead list for the fairs and (2) follow up on existing customers' engagement outside the sphere of the physical relationship. This could contribute to more data on their customers to personalize Drytech's interaction and communication with customers.

In general, we want to finish off by saying that our main finding is that there is no right or wrong way between the export strategies, and no strategy is much better for the financial performance than the other. Summarized, both of the different strategies have advantages and disadvantages. In the end, the manufacturer needs to consider internal resources and performance goals, in addition to external marketing factors, to decide the right strategy for their different markets.

8.1 Limitations and future research

Every study, regardless of the methods used, has limitations. Limitations are "matters and occurrences that arise in a study which are out of the researcher's control. They limit the extent to which a study can go and sometimes affect the end result and conclusions that can be drawn - Simon & Goes, 2013, p. 1. The single case study limits the generalization to Drytech AS and Drytech AS only. We could perhaps look at other characteristics like SMB, production, and FMCG and say that these might be interesting findings in our thesis for companies with the same attributes. To enhance external validity, we need to look at several case studies to see if there are similarities or differences among the cases observed. Our aim is, as earlier mentioned, to cast light on export methods used to produce rich and nuanced data. We see this as a first step that needs to be built on with more rigorous qualitative methods and, at last, quantifications in quantitative methods and research designs. Findings in our research can be generalized to theory, but only if we see evidence from earlier research. The findings alone can only be generalized to Drytech as a company and not other levels of analysis like the outdoor sector or exporting for SMEs.

For future research, we suggest testing our theoretical framework in quantitative research to see if there are any differences in how the social mechanisms affect differently on the two export strategies. Further, it would also be of interest to do a quantitative study where informants from retailers and distributors are also represented. In that way, more nuances can be found to either support or contradict our findings. Also, one of the weaknesses of Drytech, as a case for this study, is that they haven't tried both strategies in the same market. Doing a case study with manufacturers who have tried both strategies in the same market could have been of interest to see if there is a clearer effect on firm performance, in addition to seeing the development of social mechanisms when going from one strategy to another.

At last, future research could also include a longitudinal study of Drytech. By doing cross-sectional surveys multiple times over a longer period, we could see the development in the social mechanisms both regarding the automation Drytech is planning to do and the effects on firm performance. It could also be that Dryetch chooses to change its export strategy, and by doing a longitudinal study, the potential changes in the different variables could then be discovered.

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10 Appendix

10.1 Semi structured interview guide

Hvorfor dette intervjuet

Årsaken og bakgrunnen til at vi sitter her i dag er fordi vi ønsker å skrive om eksportstrategier for SME. Eksportstrategier i litteraturen har hatt fokus på store multinasjonale selskaper og ikke SMEer. I tillegg har de store multinasjonale selskapene flere valgmuligheter enn mindre bedrifter Nesten 80% av verdensøkonomiens verdiskapning er i form av SME og det har kun i nyere tid vært mulig for slike selskaper å delta i globalisering i stor skala. Det her behov for å øke kunnskapen om eksportstrategiene brukt av SMEr og det er det denne oppgaven er designet for Denne Drytech er interessant for vår oppgave fordi dere har førstehåndserfaring med direkte salg til kjeder/forhandlere og distributører. Vi ønsker derfor å snakke med deg/dere for å få innsyn i hvordan disse strategiene kan brukes og hva de innebærer. Slik kunnskap vil være til nytte for akademisk litteratur og ansatte/ledere som jobber med bedriftens internasjonaliseringsprosess.

1. Spørsmål

1.1 innledning

- **Hva er din rolle i Drytech?**
- **Hvordan vil du beskrive Drytech sin internasjonalisering historie i korte trekk?**
- **Hvordan jobber du med markedsutvikling i det utenlandske markedet?**
- **Hva anser du som de viktigste driverne for vekst i utlandet?**
- **Hva anser du som de største barrierene for vekst i utlandet**
- **Hva anser du som de største barrierene for vekst i utlandet?**
- **Hvordan klarer Drytech å øke sin omsetning og profitt i utlandet?**

1.2 Relasjoner og nettverk

Relasjoner er enhver kontakt Drytech har med individer eller organisasjoner i utlandet. Det kan altså være en enkeltperson eller bedrift. Et nettverk er når en bedrift har etablert flere relasjoner som tilslutt danner et vev av kontaktpunkter i markeder.

1. Hvilke betydning har kontakter i hjemmemarkedet for internasjonaliseringen av Drytech?
    - Kan du nevne noen kontakter som du mener er/har vært spesielt viktige?
2. Hvilken type kontakter i utlandet har vært og er viktig for internasjonalisering? eks: kunder, statlige organisasjoner, nettverkssamlinger, andre produsenter, osv.?
    - Hvilke type kontakter har vært viktigst?
3. Hvordan etableres relasjoner i utlandet?
    - Hva må Drytech "tilby" for at en relasjon kan etableres med aktører i utlandet?
4. Kan man bruke relasjoner for å oppnå nye relasjoner? hvis ja, hvordan?
    - Eks. starter relasjoner ofte med at man blir introdusert av andre etablerte relasjoner, eller er det oftest at man oppretter relasjon direkte ved eksempelvis deltakelse på B2B messe?

5. Hvilke type etablerte relasjoner har vært mest gunstig for å komme i kontakt med andre aktører viktig for internasjonaliseringen? eks: nye muligheter i markedet, andre

6. Er det noen relasjoner som har blitt mer viktig over tid, mens andre kontakter har blitt mindre viktige? Forklar.

7. Med et utgangspunkt i at alle forhandlere har et nettverk av leverandører. Hvordan opplever dere det å bli en del av nettverket i utenlandske markedet (bli en insider)?
8. Opplever dere det som vanskeligere desto større kulturelle avstanden er fra Norge (psychich distance)?
    - Er eksisterende relasjoner viktig for å bli en del av nettverket, eller er det også/primært andre kriterier som avgjør, eks. produkter, kjennskap til merkevare, osv.

9. Har relasjoner og nettverk vært med å avgjøre hvilken marked som skal utvikles og hvordan det skal utvikles?

10. Er det noen markeder dere opplever som vanskeligere å komme inn i fordi det er en utfordring å knytte til seg kontakter?
    - Hvordan har dere håndtert det?

11. Valg om bruk av distributører eller direkte til forhandlere, er det et valg som avgjøres basert på faktorer i markedet, strategiske beslutninger og/eller basert på hvem man møter på eksempelvis en messe?

12. Er det forskjell i hvordan man bygger relasjon til forhandlere/kjeder kontra distributører?
    - Med utgangspunkt i at distributører har som formål å etablere kontakt med andre forhandlere, kan forhandlere/kjeder også hjelpe dere med å bygge relasjoner til andre forhandlere i samme eller andre markeder?

13. Hvilke aktører var viktig i starten for å kunne gå inn i eksportmarkeder, og hvem er sentral nå for å vokse i de etablerte markedene?

- Eks. mindre forhandlere tidlig, kontra større kjeder nå?
- Eks. Innovasjon Norge tidlig, bransjeorganisasjoner nå (SOG)

14. I hvilken grad mener du relasjoner og nettverk påvirker dagens vekst (omsetning og profitt) i markeder utenfor Norge?

    a. Skala 1-7
        i. Hvorfor?

15. Påvirker valg av eksportstrategi (forhandlere/kjeder vs. distributører) omsetning og profitt? Er det noen forskjeller og likheter mellom de to?

1.3 Tillit og forpliktelse

Vi ønsker nå å fokusere ytterligere på eksportstrategiene mellom direkte til forhandlere/kjeder kontra bruken av distributører. Først i lys av tillit og forpliktelse, for så opp mot læring og kunnskap.

Forpliktelse omhandler interessen for å ivareta og bygge relasjon gjennom å dele informasjon og kunnskap, samt forplikte ressurser og tid til hverandre (eks. forventninger i relasjon, balanse i ytelser, aktiviteter i lag, forhåndsordrer, møter, telefoner, informasjonsdeling m.m.). I tillegg er en viktig faktor med forpliktelse at man har et langsiktig formål med forpliktelsen og at man betrakter den som viktig. Tillit betyr at du kan stole på motparten og at h*n opptrer forutsigbart.

1. Hvilken type forpliktelser er det mellom Drytech og forhandlere, og Drytech og distributører?
- Hva vil du si er hovedforskjellen angående type forpliktelser som etableres mellom disse to?

2. Hvordan oppnår/bygges tillit i relasjon til forhandlere/kjeder og distributører?
    a. Eks. kontakt via telefon, digitale plattformer, bedriftsbesøk, andre møtearenaer osv.
3. Er det forskjell på tilliten som etableres og hvor lett det er å etablere tillit når en sammenligner forhandlere/kjeder opp mot distributører?

3. I skille mellom forhandlere/kjeder og distributører, hvordan uttrykker forpliktelse seg ulikt i form av langsiktighet, forventninger til informasjonsdeling, ressursbruk i relasjon, opplevd viktighet ovenfor hverandre?

4. I skiller mellom forhandlere/kjeder og distributører, hvordan uttrykker tillit seg ulikt i form av tillit når det kommer til hvilken informasjon som deles (eks. sensitiv), avtalte avtaler gjennomføres, ærlighet m.m

5. Opplever dere at forpliktelse justerer seg, eller av ulike årsaker endrer seg over tid til enten sterkere eller svakere når en sammenligner forhandler/kjede opp mot distributør?

6. Har dere opplevde å forplikte til et marked eller relasjon, de-forplikte, for så økt forpliktelse igjen? hvis ja, Hvorfor / Hva skjedde?

7. I hvilken grad mener du tillit og forpliktelse påvirker vekst i markeder utenfor Norge?

    b. Skala 1-7

        i. Hvorfor?

8. Er det ulikt hvordan tillit påvirker salget når man sammenligner forhandlere/kjeder og distributører?

- Økt forpliktelse bidrar signifikant til økt salg, forskjeller (F/K vs. D)?
- Lavere forpliktelse bidrar signifikant til lavere salg, forskjeller (F/K vs. D)?

9. Er det ulikt hvordan forpliktelse påvirker salget når man sammenligner forhandlere/kjeder, distributører?

10. I hvilken grad mener du tillit og forpliktelse påvirker vekst i markeder utenfor Norge?

    c. Skala 1-7

Hvorfor?

1.4 Læring og kunnskap

Læring og markedskunnskap om utenlandske markeder er viktig for SMEr. Dette fordi de ikke har ressursene til å screene markeder og må derfor ofte innhente mye av informasjonen fra sine relasjoner og nettverk. Med screening så mener vi informasjonsinnhenting ved hjelp av for eksempel egne ansatte og konsulenter. Læringen foregår oftest ved egne operasjoner i utlandet men også via nettverk og relasjoner. Kunnskap er når organisasjonen internaliserer læringen og vurderer informasjonen i videre valg eksportstrategi og markeder.

1. Hvilke type relasjoner har gitt dere muligheten til å lære og få kunnskap om markeder i utlandet?

2. Hvilke informasjon får dere fra hvem?

3. Hva er deres viktigste informasjonskilder? primær/sekundærdata?

4. Er det forskjell i informasjon som deles fra forhandlere/kjeder og distributører? eks: informasjon om kunder, andre muligheter i markedet/markeder, barrierer i markedet osv.

5. Er det noen type nettverk som har gitt dere muligheten til å lære og få kunnskap om markeder i utlandet?
   - Er det forskjell på forhandlere, distributører og kjeder? eks: informasjon om kunder, andre muligheter i markedet/markeder, barrierer i markedet

6. Er utvikling av læring og kunnskap om utenlandske marked forankret i strategien?
   - Hvis ja, På hvilken måte? Hvis nei, hvorfor ikke?

7. Hvordan kobler dere individuell læring opp mot organisasjonell læring? Eksempelvis interne møter for å dele informasjon, interne dokumenter.
   - Brukes denne læringen til faktiske endringer av atferd i organisasjoner?

8. Hvordan lærer dere om nye markeder i utlandet?
   - Hvordan bruker dere relasjoner og/eller nettverk i søken etter nye muligheter i utlandet?

9. Er det forskjell på kjeder, forhandlere og distributører i form av hvilke informasjon dere får?
   - hvis ja, hvilke?

10. Hvilken kunnskap har dere før dere bestemmer dere for å prøve ut et marked? Hvilke læring og kunnskap oppstår etter etablering i et marked?
    - Er det forskjell på læring i hvordan dere går inn i et marked (distributør/forhandlere/kjeder)

11. Er det slik at ulike aktører har vært mer eller mindre viktig i ulike stadier av internasjonaliseringen angående læring og kunnskap?

12. har de ulike eksportstrategiene påvirket læring og kunnskap i form av:

- Kunnskap om marked (konkurrenter, etterspørsel, normer osv.)
- Kunnskap om statlige og byråkratiske barrierer.
- Den generelle internasjonaliseringsstrategien. Altså, har læringen og kunnskap bidratt til en annerledes forståelse av det globale markedet og endret atferden til Drytech

13. Har kunnskap om ulike normer og verdier rundt det å gjøre handel på i ulike markeder betydning for læring og tilgangen til kunnskap? Er det forskjell på (distributører,

14. I hvilken grad mener du læring og kunnskap påvirker vekst i markeder utenfor Norge?
    d. Skala 1-7
        i. Hvorfor?

15. Har læring om markeder i utlandet bidrar til høyere omsetning og profitt for Drytech?

16. Har kunnskap om markeder i utlandet bidratt til høyere omsetning og profitt for Drytech?

2. Avslutning

3.1 Hva tenker du oppsummert er forskjellene mellom forhandlere/kjeder og distributører

3.2 Er det noe annet som vi ikke har snakket om som har vært viktig for markedsutvikling i utlandet?

3.3 Er det noe mer du har lyst til å tilføye som vi kanskje har glemt?

10.2 Information letter respondents

Tarjei August Drecker
Fredrik Andrè Hansen
Livegen 6, Tromsdalen
Tlf: 930 777 80
tarjeidrecker@icloud.com
Tromsø

Forespørsel om å delta i masterundersøkelse om internasjonalisering i Drytech AS

Vi er to masterstudenter fra Handelshøgskolen i Tromsø, og holder nå på med den avsluttende oppgaven i Ledelse, innovasjon og marker med fordypelse i marked og strategi. Temaet for prosjektet er internasjonalisering og eksport.

Metoden for mitt prosjekt er kvalitativ, og datainnsamlingsstrategien vil være intervju.. Intervjuet vil vare i ca. en time, og blir tatt opp på lydbånd. Fokus for samtalen er tematikken og erfaringer knyttet til bearbeidingen av utenlandske markedet. Tid og sted for intervjuene blir vi enige om sammen, dersom dere er villig til å delta.

Deltakelse er frivillig, og samtykke om å delta kan trekkes tilbake når som helst uten å måtte oppgi grunn. Deltakere som intervjues vil bli anonymisert og alle opplysninger vil bli behandlet konfidensielt. Lydbånd slettes når materialet er transkribert og transkripsjonene slettes etter eksaminasjon (01. Juni 2023).

Prosjektet er godkjent av og blir veiledet av Gro Alteren, førsteamanuensis ved Handelshøgskolen i Tromsø.

E-post: gro.alteren@uit.no
Tlf: +47 77 62 32 96

Prosjektet er meldt til Personvernombudet for forskning, Norsk samfunnsvitenskapelig datatjeneste A/S.

Med vennlig hilsen Tarjei A. Drecker og Fredrik A. Hansen

10.3 Consent form

Samtykkeskjema for deltakelse på Intervju

Jeg har lest informasjonsskrivet og er slik kjent med hva det innebærer å være deltaker i undersøkelsen.

Jeg samtykker til å delta i intervju som en del av prosjektet.

Navn:__________________________________

Sted og dato:____________________________

Underskrift: _____________________________

Adresse:________________________________

Telefon: ________________________________

Lever tilbake på mail