

**Market entry to the United States -  
Americanizing Finnish companies' products and brands through  
marketing**

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<p>Interest towards Nordic products and services has been growing continuously in the United States and Nordic brands have become extremely popular. Americans are interested in Nordic innovations, technologies, education, design, and quality. A growing number of Finnish companies are hoping to capitalize on this boom by entering the U.S. market. There have always been Finnish companies with an interest in the U.S. market but internationalization and the global mindset of companies have resulted in more companies being interested in entering the U.S. market. There are companies that have been very successful in their market entry to the U.S. but the number of companies that fail is still significantly higher than the number of companies that succeed. One of the most common reasons for companies to fail in their market entry to the U.S. has to do with not succeeding in Americanizing the product or service and failing to understand cultural differences.</p> <p>The aim of this thesis was to provide Finnish companies planning to enter the U.S. market or companies already in the process of market entry with useful tips and information on how to successfully enter the U.S. market. The emphasis was put on examining how Finnish companies could more successfully Americanize their brands and products or services through marketing. The objective was to research how well an example company had succeeded in Americanizing its marketing and to examine the factors that had made it succeed in the U.S. market. The data collection of this study was conducted through qualitative research methods. These research methods included interviews with four global commerce specialists, an example company background interview and a consumer survey. The theoretical part presents different market entry modes, special characteristics of the U.S. market and explains the components of an international marketing strategy.</p> <p>The research results indicated that there are many different factors that all affect how a Finnish company succeeds in its market entry to the U.S. market. The majority of these factors concerned the adaptation and Americanization of the marketing of a product or a service. Other important factors included the acknowledgment of cultural differences and the failure to assess how much resources were needed for market entry. The results showed that the most important ways to Americanize the company's marketing were simplifying the company's marketing message, making the brand look and sound American without forgetting to highlight the Nordic features of the product and to build an emotionally engaging story for the brand.</p>	
<b>Keywords</b> Global commerce, marketing, market entry, internationalization, Americanization, Finland, The United States	

## Table of contents

1	Introduction .....	1
1.1	Aim of the thesis .....	2
1.2	Research problems and task setting .....	3
1.3	Structure of the thesis.....	3
1.4	International marketing .....	6
2	Market entry to the United States.....	9
2.1	Market entry modes .....	10
2.1.1	Exporting.....	12
2.1.2	International Licensing.....	13
2.1.3	International Franchising .....	13
2.1.4	Joint venture & foreign direct investment.....	14
2.1.5	Specialized Modes.....	15
2.2	Entry failure.....	16
2.3	Choosing the right market entry strategy for the U.S.....	16
3	Special characteristics of the U.S. market .....	18
3.1	Cultural differences between Finland and the U.S. ....	19
3.2	Differences in the American and Finnish business culture .....	23
4	International marketing strategy.....	25
4.1	Market research & pricing decisions.....	27
4.2	Consumer research .....	27
4.3	Branding and adapting to the market.....	28
4.4	Rules and regulations .....	31
4.5	Target market & target audience .....	31
4.6	Forms and channels of marketing .....	32
4.6.1	Social media .....	32
4.6.2	Social media influencers and Word of Mouth Marketing .....	33
4.6.3	Event marketing and trade shows .....	36
4.6.4	SEO marketing .....	37
4.7	Marketing in the U.S. ....	37
5	Empirical findings .....	39
5.1	Example company and the U.S. market .....	39
5.1.1	Internationalization of the example company .....	39
5.1.2	Example company's market entry strategy for the U.S.....	40
5.1.3	Example company's marketing strategy for the U.S.....	41

5.1.4	Goodio consumer survey .....	42
5.2	Results of the consumer survey .....	47
5.3	Specialist interviews .....	49
6	Conclusions.....	55
6.1	Key findings & suggestions.....	55
6.2	Research methods and data collection.....	57
6.3	Validity & Reliability .....	58
6.4	Limitations.....	61
	References .....	63
	Appendices.....	74
	Appendix 1: Clear Story (Miller, D 2017) .....	74
	Appendix 2: Goodio questionnaire & background pamphlet.....	75
	Appendix 3: Specialist interview questions.....	90
	Appendix 4: How to Americanize a product or a service .....	93
	Appendix 5: Most common points of entry failure.....	94

## Abbreviations

B2B	Business To Business
B2C	Business To Consumer
CEO	Chief Executive Officer
E-Commerce	Electronic Commerce
GDP	Gross Domestic Product
GMO	Genetically Modified Organism
MOST (analysis)	Mission, Objectives, Strategy, Tactics
PEST (analysis)	Political, Economical, Socio-cultural and Technological analysis
SCRS (analysis)	Strategy, Current state, Requirements, Solutions
SEO	Search Engine Optimization
SWOT (analysis)	Strengths, Weaknesses, Opportunities, Threats
UK	United Kingdom
The U.S.	The United States
YSL	Yves Saint Laurent
WOMM	Word of Mouth Marketing
4P's of marketing	Marketing mix consisting of Place, Product, Price and Promotion
4E's of marketing	Marketing mix consisting of Experience, Everyplace, Exchange and Evangelism

## **List of figures and tables**

**Figure 1.** Structure of the thesis p.4

**Figure 2.** Key differences between the foreign and domestic market p.10

**Figure 3.** Modes of entry p.11

**Figure 4.** Hofstede's country comparison tool: Finland and United States p.20

**Figure 5.** Fear of failure p.21

**Figure 6.** 4Es of marketing formulated p.25

**Figure 7.** Sales channels p.29

**Figure 8.** Clear Story p.30

**Figure 9.** Nationalities of the respondents p.43

**Figure 10.** Goodio flavors p.44

**Figure 11.** Social media platform p.45

**Figure 12.** Factors that affect the chocolate purchasing decision p.46

**Figure 13.** Reasons for buying chocolate p. 46

**Figure 14.** Possible places to sell Goodio's products p.47

**Figure 15.** How to Americanize a product or a service through marketing p.51

**Figure 16.** Most common points of entry failure p.52

**Figure 17.** U.S. market entry process from a marketing point of view p.54

**Infographic 1.** Micro VS. Macro p.36

## **List of appendices**

**Appendix 1. Clear Story (Miller, D 2017)**

**Appendix 2. Goodio questionnaire & background pamphlet**

**Appendix 3. Specialist interview questions**

**Appendix 4. How to Americanize a product or a service**

**Appendix 5. Most common points of entry failure**

# 1 Introduction

This study has been conducted in order to provide useful information for Finnish companies that are currently planning on entering the U.S. market or have already started the process of entering the U.S. market. In this study, the main focus has been set on how Finnish companies should Americanize their marketing and adjust their marketing strategies to fit the American culture, marketing style and the needs of the American consumers.

This study will also give an inside look into Goodio's, a Finnish pioneering chocolate factory, journey to the U.S. market. The basis for the theoretical framework of this study will be formulated from four specialist interviews, a U.S. marketing strategy briefing from Goodio, applicable literature and a consumer survey, which was carried out in the U.S. on American citizens. Goodio was chosen to be a part of this study to represent a Finnish company that has, in the past few years, successfully entered the U.S. market. Goodio is an exceptional example of a company that already had their eye on entering the U.S. market when they originally founded the company in Finland. With the U.S. market in mind, Goodio started to plan its U.S market strategy relatively early on which lead to great results and a rapid market entry.

The U.S. has for many years been an important trade partner for Finland and in 2017 Finland's imports to the U.S. increased by over 9 percent, making the U.S. the fourth most important trade partner for Finland (Tulli 2017). In May 2018 Finland's trade with the U.S. rose to almost 4 billion with over 3 billion coming from import to the U.S. (United States Census 2018). Finland is continuously becoming more and more conspicuous and attractive amongst investors and U.S. investors are beginning to show growing interest towards Nordic medium-sized enterprises that are planning on entering the U.S. market. There has also been plenty of buzz around Nordic startups. Finland has for many years been a top actor in the startup scene and has continued to raise record high amounts of foreign investments. (Närhi 2017.)



During the past few months, Finland has also gained an impressive amount of publicity, especially in the U.S. due to the Helsinki Summit. The President of Finland, Sauli Niinistö, hosted this high-ranking summit between the President of the United States Donald Trump and President of Russia Vladimir Putin in July of 2018. Although the summit itself brought a lot of controversial topics on the table and led to intense criticism towards President Trump and his way of interacting with President Putin, Finland was a clear winner in this summit since the summit helped to even further fortify its relationships with both of the countries in a very positive way. (Standish 2018.)

The Nordic brand has become very popular in the U.S. Nordic designers, restaurants and the way of living intrigues Americans. Especially in New York Nordic restaurants and Scandinavian design stores keep springing up like mushrooms after the rain. The Nordic brand feels exotic to many Americans and represents quality, purity, simplicity and comfort. Many Finnish brands such as Marimekko, Vallila, Iittala and Samuji have been very successful in the U.S. and continue to bring positive publicity for Finland. (Vogue 2017.)

### **1.1 Aim of the thesis**

In many cases, the biggest problem Finnish companies face when entering the U.S. market is that they have not familiarized themselves with the distinctive characteristics of the way that American consumers are used to experiencing marketing. With such a high volume of advertisements directed towards American consumers at each waking moment, most Americans have learned to be very specific and demanding, since there is always such a high variety of products and services to choose from. The aim of this thesis is to summon the special features and characteristics of the U.S. market and to determine how Finnish companies could improve their marketing strategies by utilizing these features in order to Americanize their marketing and to have a more successful entry to the U.S. market. This study will also provide Goodio with valuable opinions from their potential customers in the U.S and point out possible development ideas for their brand and products. Goodio can then decide if these suggestions from the American consumers are something that they should take into consideration when perfecting their marketing strategies for the U.S.

## **1.2 Research problems and task setting**

The U.S. market is remarkably multi-dimensional and at times also very complex. If anywhere, in the U.S. it is truly important that companies do their research in all stages of the entry process and especially when creating a marketing plan. When entering the U.S. market, it is truly crucial to modify the brand and product towards a more Americanized look and feel. This includes multiple areas of the business such as the packaging, marketing and pitching to investors and potential affiliates. At times it might be difficult to find a balance between Americanizing the product and taking into consideration how multicultural the consumer base in the U.S. truly is. There are people from all over the world living in the U.S. and identifying themselves as Americans but who emphasize the traits of their native culture in their everyday life. It is important to research and find out what characteristics or behavioral traits combine the potential clients and from which different cultural backgrounds they could be coming from.

This thesis aims to provide answers to the following questions:

- 1. How can a Finnish company Americanize their product or service through marketing?*
- 2. Why do many Finnish companies struggle to successfully enter the U.S. market and where do they fail?*
- 3. What are the main characteristics or special traits of the U.S. market that Finnish companies should pay attention to when choosing their U.S. marketing strategies and how to best utilize these features in their strategies?*

## **1.3 Structure of the thesis**

The structure of this thesis (Figure 1) has been designed to follow a collective pattern where in the beginning the reader slowly gains the understanding of the bigger picture. When proceeding in the text, the topic is handled in a more complex and multidimensional way while still following a systematic path.



**Figure 1.** Structure of the thesis

The theoretical focus of this thesis has been set to explore the different entry methods and marketing methods best suitable for the U.S. market. When examining these crucial factors there is also a strong emphasis on the special characteristics of the U.S. market and the process of internationalization. The aim is to look for an answer to the question of how to Americanize a brand and product or a service and is it even possible to do so.

This study begins by presenting the key elements and focuses of the thesis and describing the past and the current state of the trade relationship between Finland and the United States. This chapter also bypasses the historical elements of the relations between Finland and the United States.

The second chapter lays out the different types of entry methods used in internationalization and aims to point out the ones most suitable for the U.S. market. This chapter also addresses the most common reasons for entry failure and how these failures could be avoided by looking into cultural differences and differences in business cultures when choosing marketing methods. This information is then combined into the third chapter by addressing the different characteristics and needs of the U.S. market as well as consumers.

The third chapter flows into the fourth chapter by introducing the aspect of international marketing to the mix. In this chapter, the challenges of choosing the right international marketing strategy are brought into the discussion and the emphasis has been set on the consumer and market research aspect. These three chapters form the bases of the theoretical framework of this study. The theoretical framework of this study has been gathered from secondary sources such as online publications, related literature and articles suited for the subject of internalization, U.S. market entry and international marketing. The theoretical framework is then combined with the four specialist interviews, an example company background interview and a consumer survey to form an analysis on how the example company has succeeded in Americanizing its marketing and how it should be done. This forms the empirical part of the study.

The fifth chapter presents the empirical part of the study where the research problems have been approached and examined by combining both quantitative and qualitative research elements. In this part, the validity, reliability and limitations of the study are carefully examined and discussed. The validity of the research design and methods will be viewed by examining the internal and external validity.

The empirical research has been composed of research materials collected by interviewing four global commerce specialists, performing a consumer survey which focused on Goodio's marketing and interviewing Goodio on their U.S. market entry. By examining the research issues through both quantitative and qualitative methods, the collected data and research results can be viewed from a much wider perspective. This part of the study also describes the research methods used to collect the research data and combines the methodological elements to the study.

The sixth and final part of this study summarizes the significance of the study by presenting the research results and other findings as well as introducing ways to improve the addressed issues. In this particular study, the focus will be on finding more advanced and effective ways for Finnish companies to avoid choosing the wrong marketing and entry strategies for the U.S. market.

## 1.4 International marketing

The U.S. has always had a highly marketing-oriented business culture and American consumers have been known to be quite open to buying foreign brands. During the past decade and the presidency of Donald Trump the support for the U.S. made local products has slightly risen but to this day the most significant buying criteria continues to be the pricing of the product or service. With the popularity of huge low-cost department stores such as Target and Walmart, most Americans have gotten accustomed to the mentality of quantity over quality and usually do not bother to think about the ethical issues behind the product or even check the country where the product was manufactured. Despite the quantity over quality mentality, there is still a growing amount of people, mostly in larger metropolitan areas like New York, Washington DC and Los Angeles, who are willing to pay astonishing amounts of money in order to have products, that are of the best possible quality.

(Long 2017.)

The concept of international marketing can be explained in many different ways and it can cover multiple different parts of the internationalization process. To explain it simply, international marketing is the act of taking a marketing strategy that the company has used in its country of origin and applying it to a new foreign market area or areas by modifying and adapting it to fit the market. The whole process should start with doing extensive market and consumer research, localizing the product or service and its marketing materials, getting accustomed to competitors and the culture of the target country. Special attention should be paid to adapting the marketing style, product appearance and marketing channels to fit the target market. (Marketing Schools 2018a.)

One of the key elements of internationalization and the creation of an international marketing strategy is deciding when is the right time to expand and if the company is ready for it. In the early phases of internationalization, it is almost crucial to consult a global commerce specialist who knows the specific market where the company is planning to expand its operations. The specialist can view the company's entry plan and its product/service from an outsider's perspective to see if the company is prepared for what is to come. The most common mistake companies do when expanding their business to the United States is underestimating all of the resources needed for the expansion. The-

se resources generally include time, funding, workforce and effort. (Lesonsky 7 November 2018.)

Cultural aspects and differences are a prominent component in the creation of a successful international marketing strategy for new market areas. At times it is difficult to identify these features, especially when the target market is multi-cultural. The United States is one of the most culturally diverse countries in the world, which makes it truly a difficult market for companies to have a grasp of. One can ask themselves who truly is the authentic American consumer and try to build a picture in their head, but the reality is that the amount of real Native Americans in the United States is under 2 percent of the population so the amount of so-called “real” Americans is almost non-existent (Norris, Vines & Hoeffel 2012). A study conducted by professors J. Petersen, T. Kushwaha and V. Kumar on “Marketing Communications Strategies and Consumer Financial Decision Making: Role of National Culture” (2015) discovered that when a company aligned their marketing message to match the inherited cultural traits of the consumer, it resulted in a higher return on investment and changed the behavior of the consumer.

This study also highlighted that long-term orientation, uncertainty avoidance and masculinity are the three most important cultural dimensions that companies should take into consideration when planning a market strategy for a completely new market area. Also, the three remaining dimensions created by Geert Hofstede should be carefully examined and considered as an important factor when building a marketing strategy. These cultural dimensions are explained in more detail in chapter 3.1. (Kushwaha 2016.)

In a world where companies are constantly becoming more and more global and expanding their market sectors, where do Finnish companies stand and how well are they able to shape their product or service to fit larger market areas, such as the United States, which have remarkable cultural diversity. When it comes to succeeding in choosing the right marketing strategy and gaining conspicuousness for the product, the United States can be a tough market to break into.

With a population of over 327 million people, the United States is the world’s third largest country as well as the world’s third-largest economy when counted in GDP (Amadeo 2018a). For many decades it has been among the most

desirable markets for business expansion and according to Jeff Lessard (Badenhausen 2017), the geographical location of the U.S. allows it to provide great market access to the European economies as well as to the economies in the Pacific Rim. Due to its large market size, diverse and highly educated workforce, it is an attractive market area for many companies that desire to expand their businesses abroad. In addition to this, many of the world's most renowned companies have chosen the U.S. as the location of their headquarters even when acknowledging the fact that the U.S. corporate taxation is among the world's highest. This shows how much value they see in having their headquarters located in the U.S. Most of the highly valued Fortune 500 companies lead the globe when it comes to innovations and product development. Due to these factors, many companies want to expand their businesses to the U.S and set up their offices there in hopes of being able to build a widespread network and a larger customer base. (Amadeo 2018b; Badenhausen 2017; Kurtzleben 2017.)

Finland, on the other hand, being a small economy is still very much integrated with the world trade. In the past few decades, the Finnish startup scene along with events like Slush have gained Finland a remarkable reputation as a fountain of innovations. Finland has been said to produce more than 10 percent of the world's startup exits and in addition to this, they also attract the most venture capital in Europe (Armstrong 2017; Turula 2017; Yurkevich 2017)

## **2 Market entry to the United States**

For many Finnish companies, the main goal from the beginning is to grow their business and take it to global markets overseas. Although more and more Finnish companies are expanding their operations to other Scandinavian countries and to Asia, U.S. is still a very desirable market amongst Finnish companies. Market entry to the U.S. can be a lengthy process and at times feel like a maze with all the regulations and laws. It consists of many important decisions and background research and it might take a toll on the company due to the invested time and money it requires. (Patala 16 March 2018.)

The main reason companies decide to enter the U.S. market is its enormous potential, market size, easier access to capital, diverse workforce and consumer base. The United States is also a center for innovation and with Silicon Valley serving as a concentration of global innovation and technology. In addition to Silicon Valley, there are many other areas in the U.S. that are beginning to form new entrepreneurial ecosystems. Most of these areas are formed around Universities such as the University of Michigan And Arizona State University. Overall entrepreneurship is highly valued in the U.S. and many Universities around the United States have launched different types of entrepreneurial programs. The amount of small and mid-sized businesses in the U.S. is growing at a fast pace which also means that the amount of competition in the U.S. will continue to grow. (Acharya 2013; Quittner 2016.)

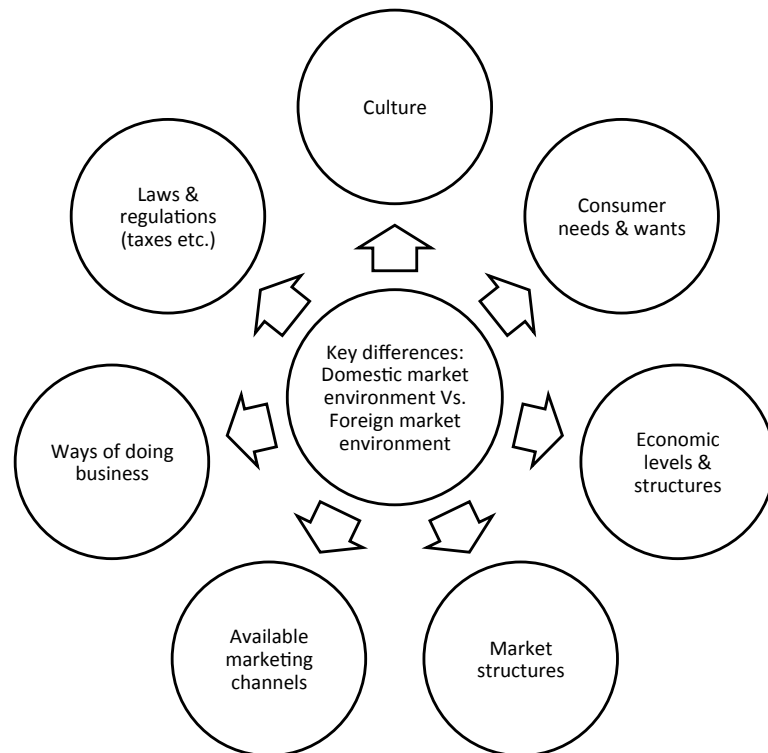
When the company has decided to enter the U.S. market, they have to choose what or which entry mode they will use. There are several different decision factors that should be considered when making this decision. In many cases, ownership advantage forms when the ownership of certain intangible or tangible resources grant the firm a competitive advantage over its rivals. Another factor to consider is the liability of foreignness. Companies should always be aware of the political, cultural or informational disadvantages they might have when competing against local companies in a foreign market. This liability of foreignness might limit the options available for the company's market entry method. Companies should also review the effect of location advantages. If production in the company's home country is found to be more profitable than



in the host country, the company might have different entry mode options than if the situation is the opposite. The company should also look into internationalization advantages. International advantages are those that make it desirable for a company to produce a service itself rather than have another company produce it. Other factors such as resource availability, global strategy, need of control and want to reduce uncertainty might also affect the choice of the entry mode. (Griffin & Pustay 2011, 360-362.)

## 2.1 Market entry modes

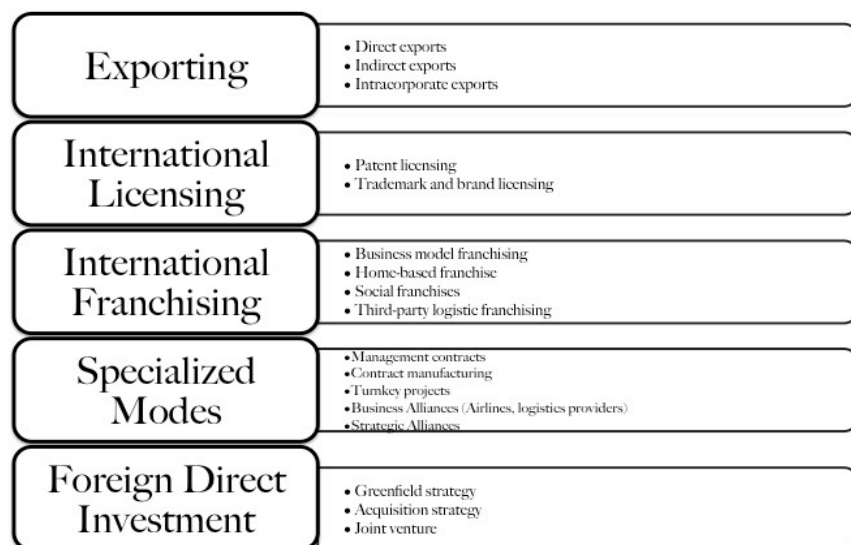
There are several ways in which a company can enter a new foreign market. Although there can be similarities, every market is different so adaption is always needed. Figure 2, which is presented below, showcases some of the key differences between foreign and domestic markets that should be taken into consideration when choosing the market entry strategy. When a company begins to weigh in its options for a suitable entry method it should also consider how much control it is willing to give up and how much investment is needed as this limits the options available.



**Figure 2.** Key differences between the foreign and domestic market (Formulated from Albaum & Duerr 2011, 21.)

When considering which one of the available entry methods (figure 3) is the most suitable, a company should also take a look at all the factors that have an influence on the choice of the entry method. These include the qualities and requirements of the target market, the nature of the product, the structures of distribution both in the home country and in the target market and company considerations. These key differences also include the size and potential of the market, the size and structure of the population and the overall business environment such as regulatory surroundings. (Albaum & Dauerr 2011, 21.)

## Modes of entry



**Figure 3.** Modes of entry formulated from Albaum & Duerr 2011

To assess the new potential market and to help with the choice of the market entry, companies can use tools such as the PEST analysis, which analyses the political, economic, socio-cultural and technological changes in the business environment. PEST can be used as an ongoing tool for strategy development or as a part of market research. There is also an extended version of the PEST analysis called PESTE, which also includes the legal and environmental factors as a part of the analysis. PEST allows detecting business opportunities raises risk awareness and helps to develop an objective view of new potential business environments in regards to market entry. PEST should always be used together with another form of a analysis such as SWOT, MOST or SCRS which all help to identify and develop current features of the business strategy. (Fallon 2018.)

### 2.1.1 Exporting

Exporting consists of direct and indirect exports, which often offer the least amount of risk but can also be the least financially beneficial options. According to Albaum and Duerr (2011,19) exporting is the most commonly used market entry method for small to medium-sized companies but many larger companies also opt for this entry method. In today's heavily saturated and competitive business environment many companies have to turn to export marketing just in order to stay in business (Czinkota, 2005.)

With the competitive business environment come increased risks as well as opportunities. If a company believes it will have a *comparative advantage* in a certain market area or if it has found an attractive niche, there is great possibility that the company will benefit from entering a new market area. (Albaum & Duerr 2011, 19-21.)

Direct export allows companies to remain a close relationship with clients while selling directly to the market they have chosen. Companies who use direct export might end up turning to agents, sales representatives or distributors for help with reaching a larger target audience. Direct exporting as an entry method requires previous exporting experience or the use of a local consultant, extensive market research and knowledge of the market. Companies opting for direct export have to build the whole export process by themselves and take care of the export documentation, shipping and packaging procedures such as Incoterms and insurances as well as making other important decisions regarding logistics. (Albaum & Duerr 2011, 402.)

Indirect exporting requires the use of intermediaries such as an export trading company or independent marketing organizations. Indirect export can often maximize the productivity of the company, as it does not require the same amount of effort from the company itself in terms of management and staff input, compared to direct exporting. Indirect exporting is more costly but the company still has a lot of control over the export process and with the time that is freed by using an intermediary, the company can develop its products faster and even further or concentrate on customer research or acquisition. More and more B2B and B2C companies are beginning to turn to the Internet for an even more cost-effective form of exporting called *e-commerce*. E-commerce

allows companies to test out a certain market to see if there truly is a market for their product or a service and it does not limit the sales to a specific geographical location. E-commerce can be done at a relatively low risk and cost as the use of e-commerce can allow the company to cut down rental, storage and personnel costs. Using e-commerce also gives the company an option to create targeted marketing and communication groups, through which it can access a lot of information about the clients and form specialized marketing campaigns for certain customer groups. One of the most significant benefits of e-commerce is that you are selling directly to the end customer. (Khurana 2018; Albaum & Duerr 2011, 402-403.)

### **2.1.2 International Licensing**

International licensing is a market entry method where for example a Finnish company makes an agreement with a U.S. based company that allows the U.S. company to purchase the intellectual rights such as designs, trademarks and product patents from a Finnish company in order to be able to legally manufacture products in the U.S. that are as close as possible compared to the ones the Finnish company makes for its local market. International licensing might be the best option for small to medium-sized companies who are starting their business in a new foreign market area as they can benefit from the market expertise, knowledge and contacts of a local licensee. If a company chooses licensing as their entry method it has to do thorough research of the market and the possible licensees. The licensee should have an extensive knowledge of the market area and its culture as well as a wide network from which it can find potential customers for the company. The choice of a licensee is crucial as they can market the company's products in a harmful way and even ruin its brand image. At its best, the licensor can focus on developing its products and let the licensees take care of the marketing and manufacturing. When the company has multiple licensees they are able to distribute the products faster and gain conspicuousness on a larger scale. (Albaum & Duerr 2011, 539-543.)

### **2.1.3 International Franchising**

If a company succeeds in creating a thriving business model and wants to expand it to foreign markets, the best option is to use international franchising. International franchising is a form of licensing in which a company makes an agreement with a foreign company that allows the foreign company to estab-

lish a franchising location and to use the business model, operation models, branding and patents of the original company, often referred to as the franchisor. In many cases, the franchisor also offers training and support to the franchisee and in return, the franchisee pays a fee to the franchisor for the right to use the business model in another location and to apply the training to its staff. The franchisee also takes care of the hiring and management of the staff as well as marketing and up keeping of the establishment. Although the franchisee has a lot of control they still need to carefully maintain the brand image and follow the guidelines of the franchisor. (Albaum & Duerr 2011, 540.)

#### **2.1.4 Joint venture & foreign direct investment**

When two or more companies decide to join their financial and intellectual forces and enter a new market area together, they form a joint venture. With this entry method, all the parties concerned will carry an equal financial and managerial responsibility, if not agreed otherwise. The benefits of joint venture are a lower risk, better local market knowledge provided by the indigenous joint venture partner and improved communication with the partner which also provides closer control over manufacturing, marketing and overall business operations. The disadvantages of joint venture are the effects of possible poor communication or conflicts between partners, other partner wanting more control or lacking in commitment. In the long run and if the partner is chosen carefully, joint venture is one of the most profitable entry methods. (International Strategy Solutions 2014; Albaum & Duerr 2011, 550-553 & 515.)

There are many other forms of partnerships available for companies who think they can benefit from sharing the responsibilities with another company. The most important thing with partnering up is doing enough research on the partnering company including their background, current brand image and former partners. Thorough research can save the company from a lot of harm.

Foreign direct investment can also be used as an entry method to foreign markets. Foreign direct investment can be made through investing in joint ventures abroad, investing in existing companies and businesses (mergers & acquisitions) or in the construction of facilities in foreign markets. Foreign direct investment is a good option to consider if the chosen target market limits the import of goods produced in other countries or has strict requirements for imported products. By investing in a production site located in the foreign market

the company can take part in producing those products locally, avoiding import duties and other taxes. This might also be financially beneficial if the labor costs in that country are lower and there are fewer competitors. Foreign direct investment is also used as a way to gain access to certain countries where trade barriers or government procedures restrict the access to the markets. (Varghese 2014.)

### **2.1.5 Specialized Modes**

In addition to the more common entry models, there are several other modes that might be more suitable for the company. According to Albaum and Duerr (Albaum & Duerr 2011, 515) some of these modes are:

- I) Manufacturing or contract manufacturing
- II) Management contracting
- III) Outsourcing services and manufacturing
- IV) Buying a foreign company
- VI) Turnkey projects

These entry modes often require superior technological knowledge in order for them to work as an entry model and they might be significantly more costly compared to some of the other entry modes. For example, the option of buying a foreign company requires a huge amount of capital but instantly allows you to gain market share. If the original domestic company is very similar to the foreign company, through which the company is buying their way into a certain market, they might be able to unify these two brands into one and double the number of customers. This requires a considerable amount of planning and marketing for it to happen successfully. (Albaum & Duerr 2011, 515.)

Outsourcing has become very popular practice all over the world and also U.S. companies outsource many of their domestic and foreign operations. Companies want to gain access to skilled workforce for a significantly cheaper cost than what they would have to pay in the U.S and in many cases outsourcing allows companies to expand opening hours during weekends and holidays. Establishing a call center or outsourcing back office related functions are both very common outsourcing models. Outsourcing can also be looked at as an entry method due to the market opening they provide. These kind of services are relatively quick to launch at minimal costs and they offer an easy

entry to a new market area where companies can then begin to broaden their network and local knowledge. This strategy is mainly used in India and many Asian countries. (CBI Ministry of Foreign Affairs 2016.)

## **2.2 Entry failure**

When a company starts to plan its entry to the U.S. market, failure is usually the last thing in their mind. There have been occasions where even huge companies like Target, eBay and McDonalds have failed to enter new market areas successfully and it is important to acknowledge the fact that for every successful market entry there are almost four companies that fail. This can happen when the company chooses the wrong market to enter or the wrong market entry strategy. Other reasons for entry failure can include underestimating competition or resources needed for market entry. It is important for companies to be prepared for the worst and to build a picture of the possible entry failure scenarios. This might also help to view the risks and weaknesses of the company in a different light. When viewing these possible scenarios a company should plan how to retreat from the new market area as gracefully and cost-effectively as possible (Horn, Lovallo & Viguerie 2005.)

## **2.3 Choosing the right market entry strategy for the U.S.**

Choosing the right market entry strategy for the U.S. market can be a long and difficult process that might result in multiple options from which the company has to decide what it believes to be the most suitable one. There are a plenty of questions to be answered and analyzing to do before the company can start to look into the different options for its market entry.

The most important questions to think about are what the company's goals are and how much of a risk they are willing to take. The first and most important thing before choosing the market entry mode is to find the right market for the product, and in the U.S. this usually calls for a niche or a micro market. After identifying the target market, foreign companies should begin to contemplate how they are going to differentiate their product or service from the competitors. This requires that the company successfully communicates the value proposition of their product. Finland is known for its superiority in technological innovations so that alone can be a significant marketing advantage and help the company to communicate its value to potential customers. (Fabiano 2017.)

Finding the right market requires extensive research, time and money but it plays a huge part in a successful market entry and the whole process contributes to making the entry strategy selection slightly easier. The U.S. should be treated as a series of regional markets due to the large market area and cultural as well as regulatory differences across all of the 50 U.S. states. After the company has identified its target market it should determine one or two regions, which the company sets as top priority regions to expand its operations to. It might be tempting for the company to start its operations in a city where the employees believe would be fun, exciting or convenient to live in, such as New York or Los Angeles, but it is much more important that the company goes to the region where its customers are. (Fabris 2017.)



### **3 Special characteristics of the U.S. market**

The U.S. economy is often primarily described as a *free market economy*, where the government has a limited role and the economy is mainly based on private ownership. It can also be characterized as a *mixed economy* since it has characteristics of both capitalism and socialism. The U.S. government still has a moderate involvement in the economy in order to achieve social aims and to work towards a public good. Market economy allows producers and consumers to determine what kind of products and services are being produced and at what price. (Economy Watch 2010.)

Due to the minor interference of the government, the United States has developed a very healthy and competitive economy, which now in 2018 ranks as the world's most competitive economy bypassing previous score leaders Switzerland, Singapore and Germany. The United States has a leading position when it comes to its market size, technological capabilities, the management and job training in workplaces. (World Economic Forum 2018.)

One of the most significant characteristics of the U.S. market is its massive size. There are currently over 327 million people living in the U.S. so it has huge market potential compared to Finland and many other countries. Since the collapse of one of the most significant U.S. investment banks Lehman Brothers in 2008 the U.S. stock market has quickly recovered and keeps on soaring up, hitting all-time record highs. The United States also has the most diverse stock market when it comes to the range of industries. (Derausseau 2018; Dimson, Holland, Marsh, Matthews, Rath & Staunton 2015.)

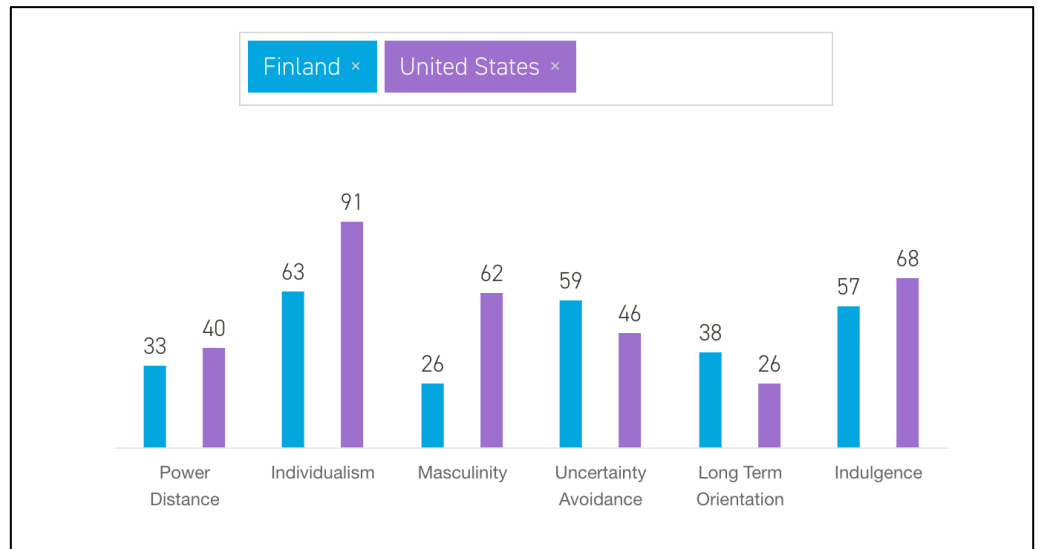
### 3.1 Cultural differences between Finland and the U.S.

Differences between countries can be studied through various theories that focus on identifying the differentiating factors in categories such as cultural, regulatory, societal and historical. Although all of these factors affect the differences between countries, cultural aspects remain to be some of the most vital differences to research and pay attention to when it comes to the business setting.

It is known that our culture affects us in more ways than we know. It affects how we perceive time, behavior, relationships, communication and even how we make decisions. Companies, who fail to understand this, and continuously keep ignoring cultural differences, will quickly find that they are losing deals, business partners as well as clients while their more observant competitors who acknowledge these factors keep growing at a much faster pace. According to Geert Hofstede's theory of *cultural dimensions*, there are six dominating factors, which are better described as dimensions, which distinguish countries from each other. These dimensions are:

- (1) Power distance (PDI)
- (2) Individualism versus collectivism (IDV)
- (3) Masculinity versus Femininity (MAS)
- (4) Uncertainty avoidance index (UAI)
- (5) Long-term orientation versus short-term normative orientation (LTO)
- (6) Indulgence versus restraint (IND)

With Hofstede's theory, two or more countries can be compared together to see how they measure in each dimension and what are their similarities and differences. When Hofstede's tool for country comparison (Figure 2) is used to compare Finland and the U.S. together the results show that the two countries are very closely positioned and similar when it comes to all of these six dimensions but there are still a few minor differences in the scores for individualism and the masculinity of the culture.



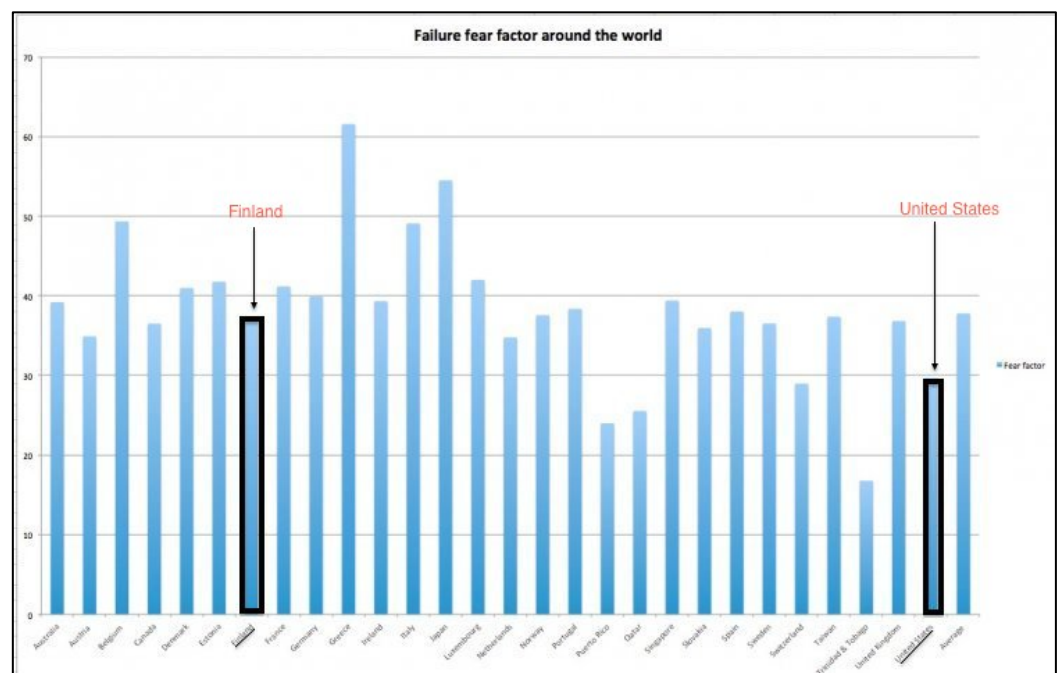
**Figure 4.** Hofstede’s country comparison tool: Finland and United States (Hofstede Insights, 2018a.)

*Individualism* has always been the core of American culture and the emphasis on individual goals, aspirations and achievements still remain high in the everyday life of Americans as well as in their professional lives in a work environment. Finland on the other hand while being a country that identifies as an individualist society often puts a high emphasis on the common good, equality and collaboration. (Hofstede Insights 2018b.)

Hofstede classifies Finland as a feminine society where good quality of life is a common value to pursue. Feminine societies often focus on softer values, which mean that free time, flexibility and compromises are highly valued in the work environment. If someone has a higher status and has accumulated a significant amount of wealth, it is not publicly shown. In a feminine society, it is not desirable to stand out from the crowd because it might affect how people see you and it can also cause jealousy in people close to you such as friends and co-workers. This has caused the Finns to be quiet, humble and almost introverted in the eyes of many foreigners and has also led to Finns keeping many achievements as well as opinions to themselves. (Hofstede Insights 2018b.)

Most Americans have been raised to have an optimistic “can do” attitude through which they learned to rely on their talents and unique features that make them irreplaceable, and what they do not yet have, they are willing to work very hard for. For someone from Finland, this way of thinking might sound slightly show-offish and arrogant. Finns, on the other hand, are very humble and do not like to showcase their talents or discuss their achievements. This to Americans can seem like the person they are communicating with is not skilled or trustworthy. These misunderstandings can lead to both of the people involved in the discussion developing a negative association with each other due to the misunderstanding of cultural differences. (Griffin & Pustay 2015, 127-130.)

Where Americans think that nothing great can be achieved without setbacks and failures, Finnish people are often much more afraid of failure and this is also a feature of Feminine societies. When it comes to entrepreneurs and their fear of failure, the numbers for Finland (Figure 5) have dropped significantly after the country has become more known for its vital startup scene and business hubs. The younger generations, who were not affected by the 1990’s depression, trust the economy much more and are also more willing to take risks when it comes to entrepreneurship and life in general. (Yle 2014, Heber. 2015.)



**Figure 5.** Fear of failure (Heber 2015.)

Although the global mindset of younger generations leads to people being more aware of cultural differences and in a way also makes cultural differences between countries such as Finland and the United States feel smaller, these differences can still lead to many misunderstandings in everyday life as well as in business settings.

In the modern world where information is easy to get and share, people expect companies to be on top of the game when it comes to acknowledging cultural differences in their marketing. Since companies really have to know the cultural groups their customers represent and how their culture is developing, companies have to concentrate on *segmenting* their customers more carefully.

Racial issues are a very sensitive subject in the United States. so it is important that companies do not leave any races out of their marketing or advertising and pay attention to people of all races and all backgrounds. Great examples of this are big makeup companies such as YSL and Tarte who are now getting called out for having limited ranges of foundation to fit people from different ethnic groups. (Moné 2018.)

It is important for the company to have enough of the marketing budget set aside for *market research* as it can be expensive for a company to adjust their marketing to fit customers from various different cultural backgrounds. A demographics-based view of potential customers is not enough anymore. Companies need to understand the demand and research all the different backgrounds their customers could come from. If they succeed in this, they might have a comparative advantage compared to their competition. As Gartner analysts, Jake Sorofman and Andrew Frank (2014) wrote in their article “What Data Obsessed Marketers don’t understand” that “Marketing leaders must remember that true brand intelligence lives in the intersection of the head and the heart, where the emotional self meets the analytical self.” It is essential to create an emotional connection between the product and the buyer. This happens through intelligent and clever marketing that pays attention to cultural differences. (Sorofman & Frank 2014.)

Culture is the main reason why international marketing campaigns fail, and usually this stems from ignorance or a lack of understanding. Companies should remain culturally sensitive and take cultural values, symbols and symbolism into consideration when making marketing decisions. Marketing should never insult anyone intentionally or unintentionally and failure to understand this will always lead to negative publicity for the brand and be hurtful for its image. (Fields 2014.)

### **3.2 Differences in the American and Finnish business culture**

Many companies in the U.S. have special programs designed to help employees pay off their college student loans and companies are also very eager to further educate employees by offering to finance their Master's degrees and specialization courses in Universities. The work environment in the U.S. differs quite significantly from the work environment in Finland. Companies encourage their employees to do as much networking as possible and there is a high emphasis on corporate social life.

Many people in the U.S. live to work rather than work to live. This is why many companies are extremely invested in creating the best possible work environment for their employees with the goal of keeping them as happy and as productive as possible in their work. However, almost 50 percent of Americans remain unhappy in their workplaces. Especially millennials often tend to feel disconnected from their work and are prone to changing workplaces frequently. This trend has also been very visible in the Nordic countries. (Robaton 2017; Business Insider 2017.)

The concepts of vacations and sick days are completely different in the United States than in the Nordics. Americans are very hard working and conscientious. Taking sick days and long vacations or having too many absences can be viewed as a weakness and interpreted as a sign of the person not being committed. This can also lead to mistrust in the workplace. There is also the mindset that everyone is irreplaceable and if they are not present at their workplace and not able to do their work, the work will not get done and this can quickly lead to delays as well as unsatisfied customers.

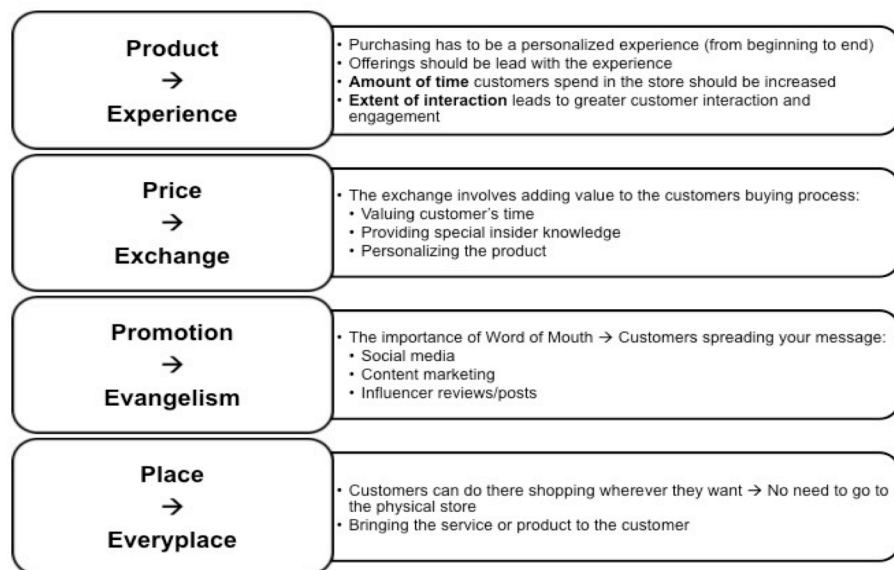
It is important to remember that due to the very extroverted culture Americans also tend to be very sharing and open when it comes to their private lives.

People share and discuss their feelings, opinions and other personal matters very openly with their co-workers, business partners and even with their bosses. This, at times, can come as a surprise for foreign business affiliates who are not used to discussing their personal lives in work situations. In many countries such as in Germany and in many Nordic countries it can almost be a taboo to discuss personal issues in business settings. (Cain 2017.)

## 4 International marketing strategy

International marketing is a multinational process of adapting a company's local marketing strategy to simultaneously fit larger markets. This is done, by paying a significant amount of attention towards marketing identification, targeting and research. A successful international marketing strategy requires a lot of adaption and research. Cultural knowledge and awareness are often the keys to success as they help with understanding the behavior, values and needs of the target market. Cultural differences can often affect all the elements of the company's marketing mix.

During the past few years, the meaning of the famous 4Ps of Marketing, also known as the marketing-mix, by Edmund Jerome McCarthy has been shaped into a new version called the 4Es of marketing to better reflect today's society and its needs. The 4Ps model of marketing, which used to be based on Product-Price-Promotion and Placement, has now been re-formulated to the format of 4Es, which originate from Experience-Exchange-Evangelism and Everyplace. This new form developed by Ogilvy & Mather's Brian Fetherstonhaugh represents the existing economy, where selling a product is simply just not enough. The process of purchasing has to be a thorough experience from the start to the end and the product is only a part of the experience. More companies are using transformative experiences and storytelling as an important part of their marketing. (Danziger 2017.)



**Figure 6.** 4Es of marketing formulated from Danziger 2017



A company is certainly going to face problems if they are starting to build an international marketing strategy from scratch and they have no previous experience, the company is short in time and money or is not that well acquainted with the new market area they are planning to enter. The simple solution is if the company is not prepared to invest time and money to do the research, get to know the culture, the competitors and to build a network, they should not do it at all. (Vessels 2012.)

Marketing has changed tremendously in the past 10 years as it has had to adapt to the growth of information technology and competition overall. Especially in the U.S., the market is oversaturated and competitors are vigorously fighting to gain visibility and power in their market area. Creating a marketing strategy for these types of markets is a difficult task by itself, but growing the business in these circumstances is almost a form of art. The Harvard Business Review published an article on "Understand what customers value" in 1998 written by Professor James C. Anderson and professor James A. Narus. In this article, Anderson and Narus explain how one of the most important things for companies to consider is how they are going to add and communicate the value that the brand and its products create for the customer. They also underline how this value should be emphasized through every step of the company's marketing process. Even though 20 years has passed from the release of this article, the importance of communicating the value of the product to the customer remains as an essential part of marketing. (Vallender 2013; Anderson & Narus 1998.)

Marketing can be divided into two groups: *market-driven* and *product or technology driven*. Companies who use market-driven marketing are essentially creating the market for their product, but in the same time formulating the product according to the needs of the customer. Marketing is done with the needs and wants of the customer in mind. This allows companies to continuously improve and develop their products through customer feedback. A technology driven company relies on the superiority of its technology and products. Companies who have technological superiority often do not have to worry about competitors and are able to set the price of their product more freely. These companies very often are not as customer-centric as companies who are market driven and are not as eager to develop their products according to the wants of the customer. (Albaum & Duerr 2011, 28.)

#### **4.1 Market research & pricing decisions**

Before a company is able to generate true value to its customers, it needs to conduct extensive market research through which it can build a strong brand image that reflects the needs of its customers. Market research and pricing decisions are very closely connected with each other. Companies that perform extensive market research are much more likely to end up making economically beneficial pricing decisions compared to companies that are not investing enough time and money on a thorough market research. Collecting and analyzing data will allow companies to make better decisions when it comes to pricing and help them to find the optimal price point for their products and services. (Stewart 7 January 2015.)

Finding the optimal price point can be difficult when you are new in the market area and do not have a clear picture of the consumer behavior or the price levels that the company's competitors operate at. Finding an optimal price point is crucial when trying to maximize profit, revenue or market shares. Before a company, that is entering a new market area, can focus on any of these indicators, it most likely should concentrate on attracting new customers and differentiating the company from its competitors. It is particularly important for companies that are in the entry phase to view pricing decisions as a significant part of their marketing strategy. (Stewart 7 January 2015; Marketing Week 2018.)

Rather than just collecting the market research data, companies should analyze it and use it to drive decisions. If the company is not able to invest enough time or does not have enough resources to perform this process it might be beneficial to outsource or automate the collection and analysis of the data especially when these operations have to be ongoing and cannot happen just once in a while. It is important to keep up with competitors, customers and society by doing ongoing market research and data collection (Baker, Kiewell & Winkler 2014). Different methodologies such as the Van Westendorp's Price Sensitivity Meter, the Gabor-Granger Technique or Conjoined Analysis can be used to assist with pricing decisions.

#### **4.2 Consumer research**

Consumer research focuses on identifying consumer preferences, buying motives and behaviors of the target customers. Consumer research can be done

by using already published data, phone surveys, email surveys and surveys done as face-to-face interviews. Consumer research is an important part of market research and a valuable tool that helps companies to get a better picture of what their customers want and need from their products or services.

*Collecting data* through consumer research is only part of the process and the most important part is what the company does with the data they have accumulated through research. This data should be used to modify and develop the functions, technology and appearance of the product towards an even user-friendlier end product. These processes will lead to boosted sales in new market areas and a higher customer satisfaction. Consumer research also gives a wonderful excuse for companies to interact with their customers and make them feel appreciated. Creating an emotional connection between customers and brands will make customers more loyal to the brand and strengthen the relationship. A brand loyal customer is invaluable and in the best-case scenario can bring free advertisement to the brand and its products through *Word of Mouth* marketing. (Devault 2018.)

### **4.3 Branding and adapting to the market**

Brand adaption and branding are used as a way of making a product unique and distinguishable in the eyes of consumers and even more specifically in the eyes of its target audience. Branding consists of multiple different elements such as the naming, packaging, design and logos, which make the product stand out from its competitors.

Brand adaption is commonly used when a company enters a new market area and has to rethink if the brand is suitable for that market as it is or if there should be adaption made to brand or the products themselves. It is very likely that the company will have to do at least some type of brand and product adaption when entering a new market area. Most commonly the law and local product regulations or the culture and behavior of the customers will regulate these adaptations, but also the climate and other environmental factors or other factors such as the weights and measures of the country might cause the need for adaption. (Delaney 2013.)

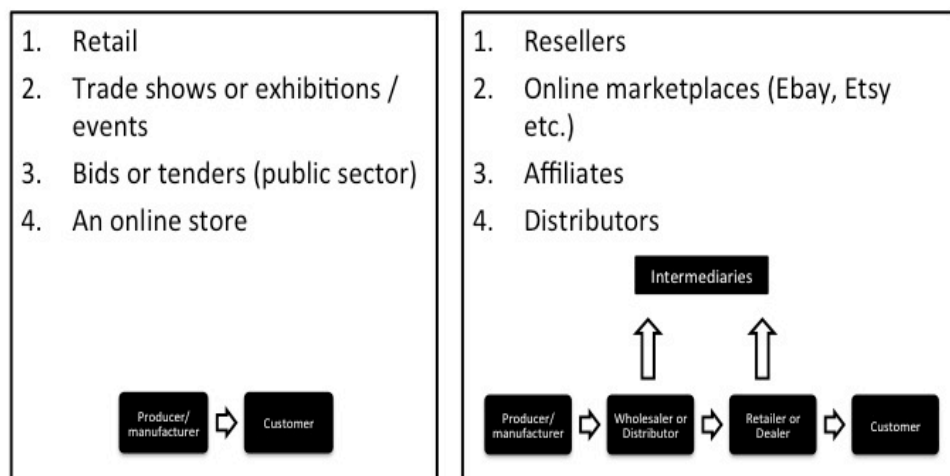
Finland is very famous for the designs, technology and quality of products. Finnish products can feel very exotic to Americans, and this can be an ad-

vantage but also a disadvantage. A product that succeeds in the U.S. should have something that makes it feel familiar to Americans, but also have an interesting exotic twist that catches the attention in the sea of competitors. It is important to know that roughly eight-in-ten Americans purchase products online at least every once in a while, so it is essential that a foreign company that is new to the U.S. market opens its Americanized website and online store as soon as possible. However, almost 64% of Americans still prefer to do their shopping in physical stores. (Smith & Anderson 2016.)

When adapting to the U.S. market, companies should carefully weigh their options when deciding which sales channels would be the best for them. As a new and yet unknown brand to the American consumers, the best options for sales channels are most likely not the same that the company uses in its home country or other countries it operates in. It is important for companies who are new to the U.S. market, not to have too many intermediaries in their sales process since without any previous experience, it might be difficult to know which companies to trust. Choosing a wrong partner in such an early phase of business can lead to major financial issues and even entry failure. This is why it usually is a better idea for smaller companies to start with indirect sales channels and do as much by themselves as possible. Later on, when the company is more acquainted with the U.S. business environment and has a wider network, it can expand to indirect sales channels to boost sales. (Altman 2018.)

### Direct sales channels

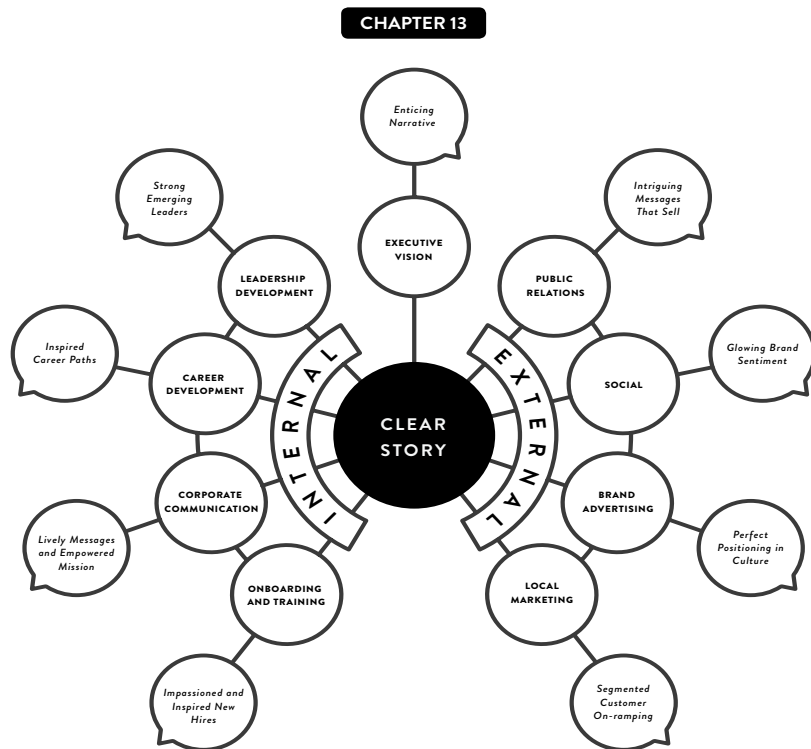
### Indirect sales channels



**Figure 7.** Sales channels

Bigger companies entering the U.S. market might directly choose *retail* as their sales channel or start to work with indirect sales channels such as *re-sellers*, but smaller companies might benefit from starting with direct sales channels like exhibitions or trade shows and then progress to opening an online store. It is important to predict the popularity of the product so that the company's website is up and running when customers start showing interest in the product and that the website does not crash if there suddenly is a rush of traffic for example due to an influencer review. (The Small Business Site 2018.)

In the U.S. it is especially important to have a story for the brand and products. This story should accentuate the values of the company and help with building an emotional connection between the customers and the brand. Having a clear brand story will effect both the external and internal communication, unifying the marketing message and making it memorable as well as emotionally engaging. When used correctly, storytelling will increase brand loyalty and improve sales. Combining emotion and information engages customers on a deeper level and gives the brand a more authentic feel that attracts customers who share the same values that the brand represents. (Da Costa 2018.)



**Figure 8.** Clear Story (Miller, D 2017)

#### **4.4 Rules and regulations**

When companies start to plan their entry to the U.S. the number of rules and regulations usually comes as a surprise even to those who have done previous research. It is almost crucial that companies consult a professional who specializes in e-commerce and knows the U.S. market. In addition to independent consultants, there are also many organizations such as local chambers of commerce or other international business hubs that have programs specifically designed to help companies who are entering the U.S. market. Companies should also build a broad network in the U.S. that should include lawyers from different fields such as taxes, licenses and real estate. The companies that fail to do this are taking putting their company in a serious risk where the consequences could lead to entry failure or even to a bankruptcy later on. There are multiple levels of taxation such as national, state and local taxes and the same goes with laws. It is very difficult for foreign companies to understand all these regulations without any help from local lawyers and other professionals. Companies might also need help with agreements and employer documents which employees coming to the U.S. need for their Visa process. (Amcham 2015.)

#### **4.5 Target market & target audience**

In order for a company to be successful, they need to identify their target market through segmentation. This can be done by creating different types of customer profiles, which represent the ideal clients. These groups can also be identified by using a variety of different attributes and factors that these potential clients have such as how they behave, what their cultural background is, what are their needs and main characteristics. (Giarratana 30 July 2016.)

According to Tracie Sherlock (2014), a great product or a service should always solve a problem or fill a need of the client and add value. When a company knows what problem they are solving, they need to identify what types of people have that problem. This can be done by using psychographic, behavioral, demographic and geographic information. It is also important to know what competitors are doing and how they are reaching their target market and audiences. After this, the next step is to gather even more information about the target market for example by using services such as Google Analytics or Facebook Insights. These statistics will show the company's true clientele and

tell if the company has reached its pre-determined target market. (Chief Marketer 2014.)

A target audience is a very specific group formed from the company's target market. Companies who truly know their target market can use their designated target audience as a target group when making advertisements and campaigns. A target audience is a group that is the most likely to like the product or service you are offering and also to connect with the brand values. Market research can be used as a way of detecting the target audience. Companies can also monitor their Internet campaigns and their websites to see what kind of an audience they are reaching. Companies can then decide to modify the campaign and the content to better fit the audience they have already reached or they can set a different type of a target audience and do a completely new campaign. It takes time and effort to find the target audience and determine their needs and values but finding a target audience will lead to the company having more clients who are committed in the brand and will continuously buy their products to support them. (Lake 2018.)

#### **4.6 Forms and channels of marketing**

There are hundreds of different *forms of marketing* so it might be difficult for a company to choose which ones are the most suitable for them. Different forms of marketing can work for different customer groups and for different market areas. In order to choose the right forms and channels for marketing, companies have to know their target market, customers and how their customers behave. It is very important to find an answer to where and how does the company's target market consume information. Are there many *sources of information* available for them or are they harder to reach through marketing? If the target market consists of younger customers such as millennials, there is a higher chance that there are more marketing channels you can utilize, but in the same time, their attention is much harder to catch due to the overflow of information and marketing messages in their everyday lives.

##### **4.6.1 Social media**

The growing popularity of social media has brought along many pros as well as cons for companies. It has made it easier for smaller companies to gain market share and to get noticed by a larger group of people. It has also increased the amount of competition and made it harder for companies to stand

out. For many companies, social media has become their main channel when it comes to marketing, advertising and being in contact with their clients. Companies who are only using traditional forms of marketing such as print, telemarketing, broadcast and direct mail are being left behind and drowned out by the companies using social media to reach their customers. Companies worldwide are experiencing the effect that social media has in marketing and advertising. It is very common for companies to work together with social media influencers who promote their services to their followers for the exchange of products or money. According to Jelle Fastenau (2018), companies can expect a great return for the money they invest in influencer marketing campaigns since it is a very cost-effective way to reach large audiences and to increase brand awareness.

#### **4.6.2 Social media influencers and Word of Mouth Marketing**

In many cases, Word of Mouth Marketing (WOMM) has been described as the most important form of marketing. Through the development of social media platforms and the use of social media influencers WOMM has taken on a different form and a whole new meaning. Just as good reviews on social media can skyrocket a brand to fame, a bad review can create huge losses and damages. The most important thing is how brands react to these reviews or comments and how they control the possible damage or sudden popularity. (Investopedia 2018.)

In today's world, it is impossible for brands to ignore the impact of customer and influencer reviews. There has to be a well-designed operating model that is to be used when addressing these reviews or comments on social media platforms. As customers have learned that provocative comments are an effective way of getting the brands attention on social media, it has become a very common practice for customers all over the world. This is very unfortunate for many brands as the aftermath of just one negative comment can cause them to lose the trust of customers, stakeholders and even partners. These situations can also lead to significant financial losses as stock prices might plummet due to the negative publicity and brand association.

On April 9<sup>th</sup> in 2017 a passenger who was flying with United Airlines recorded and shared a video of another passenger who was being forcibly and violently dragged out of an airplane by security when he was randomly chosen and



politely declined, to give up his seat due to the flight being overbooked. This video was viewed over 4.4 million times and gained an enormous amount of publicity all over the world. Due to this horrible incident and the way that the CEO of the company responded to it, the parent company of United Airlines ended up losing nearly \$1 billion from its market value and to this date, many former customers are still boycotting United Airlines (PR Week 2017). This is a cautionary example of the power and effects of social media on a company's public image. Most likely these types of incidents will affect the brand image for years to come. If a company experiences this type of an incident that gains such a huge visibility online, it has to make quick and smart decisions in order to try to fix the situation. United Airlines is an example of a company that did not have a clear process on how these types of situations should be managed and they ended up suffering greatly due to this.

*Influencer marketing* involves using a person who has a significant amount of influence for example in social media. The amount of influence a person has can be measured by the following they have on social media and how engaged the followers are. Influence marketing has gained enormous popularity amongst companies and in the past few years, it has become the fastest growing online customer acquisition method. Influencer marketing can also help companies in reaching a more targeted audience. (Influencer Marketing Hub 2018.)

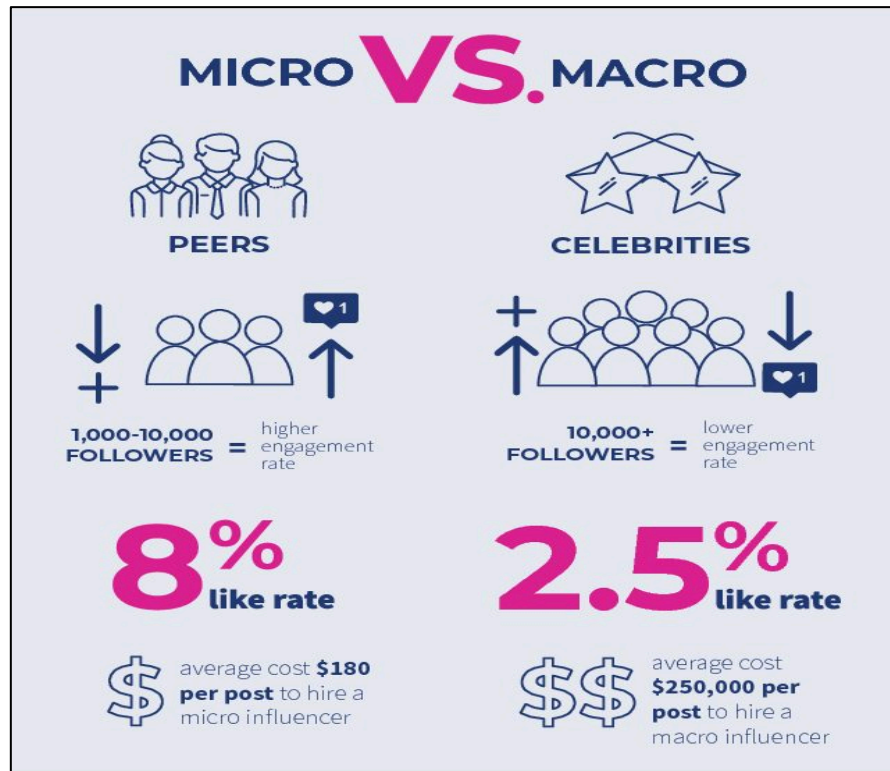
According to Emma Wiltshire (2018) almost 97% of marketers who use influencer marketing as a marketing tool, experience 11 times higher return on investment than when they used traditional advertising. More and more companies are starting to dedicate a specific budget for influencer marketing and a study made by the Influencer marketing hub in 2017 showed that more than 57% of companies interviewed had a stand-alone budget for content marketing and 37% had a budget dedicated just for influencer marketing. Over 67% of the companies interviewed for this study also expected that their influencer budget will increase significantly in the following year. (Influencer Marketing Hub 2017.)

The use of U.S. based influencers with a small to moderate following might be a great way for smaller Finnish companies to gain brand awareness and conspicuousness for their brand. Many foreigners might think that U.S. based companies are the forerunners when it comes to co-operating with influencers

but the current situation is quite the opposite. Companies are having a hard time with establishing connection and building a relationship with influencers due to the way they approach them. Influencers receive mass emails that have no clear context and thought put into creating them so they choose to ignore these types of inquiries. Many influencers have spent a long time in creating their own brand and building their following on social media so they think very carefully what types of brands and products they want to promote and if they would suit their followers. On the other hand, there are also influencers who promote almost anything in exchange of a sizable compensation, but these are the type of influencers who most likely are not willing to invest that much time and care into writing or posting product reviews. (Whitler 2018.)

Brands should avoid sending mass emails and invest in choosing the right type of influencers, who have a following that consists of potential customers, to promote their products. Money does not buy loyalty so it is much more valuable to build long-term relationships with a few influencers who match the companies values and ideology than to have multiple “iffy” influencers promoting the product for a short period of time. This saves money, protects the brand image and in the long run is much more beneficial to the brand. It is also important to educate influencers on how to use the product and to establish a common understanding of how the product should be presented and promoted. (Whitler 2018.)

Brands definitely shouldn't be just passing out orders to the influencer but much rather have open discussions on what the influencers think their followers would like to see. If Finnish companies realize the importance of building long-term relationships with influencers in the U.S., they might have an advantage against their American competitors. (Whitler 2018.)



**Infographic 1.** Micro VS. Macro (Social Media Today 2018.)

Influencers can be categorized into two major groups: *micro-influencers* who have a following of up to 10 000 followers and *macro-influencers* who have a significant following that can add up to tens of millions of followers. These macro-influencers have a huge visibility and many see them as celebrities. Smaller companies might be better off partnering with micro-influencers because they are easier to approach and they are usually able to put more time and effort into marketing campaigns compared to macro-influencers who partner up with multiple brands simultaneously. Micro-influencers also have a higher rate of engagement, as they are better able to respond to the comments that their followers write. In many cases, the followers of micro-influencers are more likely to form a community and feel like they are personally connected to the influencer. Followers are also more prone to buying the products that the influencer promotes because they trust the influencer’s opinion and judgment. (Social Media Today 2018.)

#### 4.6.3 Event marketing and trade shows

Event marketing is a great way for smaller foreign companies to gain conspicuousness and brand awareness in the U.S. Companies are able to showcase and promote their products for larger crowds conveniently and more cost-effectively. When people are able to try the product, openly ask questions and

get to know the brand through a positive experience, they are much more likely to mention the product to their friends, co-workers and family. Event marketing can consist from of a combination of trade shows, fairs, concerts or other events that the company finds beneficial. If event marketing is done well, there is a very high chance that consumers will become regular customers and re-purchase products after the event. (Marketing Schools 2018b.)

#### **4.6.4 SEO marketing**

As the use of social media and Internet became more mainstream, many companies started to rely on Search Engine Optimization, also known as SEO, to make their company stand out from the masses of information available on the internet. Nowadays the use of SEO is almost inevitable if a company wants to succeed in reaching its target market and competing with its competitors. SEO helps with making the business stand out from competitors by making it more visible and credible. Customer reviews can also boost the company's SEO results as the number of positive reviews can help the company to climb its way to the top of the search engine result pages. Having enough customer reviews also affects the purchasing decisions of new potential customers. According to the Local Consumer Review Survey by Bright Local (2017), almost 85% of customers trust online reviews as much as personal recommendations and positive reviews make 73% of the customers trust the company more. Not having any reviews had the worst effect on customer purchasing decisions as 78% of Americans read online reviews before making a purchase (Gammon 2014). When companies plan their SEO marketing strategy it is important to acknowledge how the current technology trends affect the use of mobile devices. Mobile first, machine learning, AI and voice control all affect how websites should be designed and how customers find information online. (Murray 2018.)

#### **4.7 Marketing in the U.S.**

The core of successful marketing in the U.S. is a thorough market research, segmentation and a comprehensive marketing strategy. In order for a Finnish company to establish their own niche in the humongous U.S. market, it is essential to know who the company's potential customers are, what they need and how you are able to reach them. Finding a niche might require adapting the product and rethinking who the target audience is. If companies are able to adjust and re-create parts of the business idea for it to be able to fit into a

niche, they will be able to create their own demand and give their customers exactly what they want and need due to the personalization and adaption of the product. When you are marketing to a new market niche, you have to speak the same language as the customers. This might require changing the slogan or even the description of the product to a more fitting form and the company might also want to consider looking into *diversity marketing*. (Vickery 2018.)

Thinking outside of the box, building a network, bringing glimpses of one's own culture into the marketing and really putting the whole heart in it will make the company more attractive in the eye of the customer. Americans love to see people who work hard to reach their goals and dreams so if the people behind the company are willing to give it their all, they can expect a lot of support and help from unexpected places and unexpected people. And if it is a small company that is entering the U.S. market, they might want to know that Americans truly love smaller businesses and are very eager to support them in the hopes of seeing them become bigger and successful in the years to come. (Shane 2013.)

## **5 Empirical findings**

This chapter presents the individual tools used for the data collection of this thesis and analyzes the accumulated results. The data for this thesis has been collected through four specialist interviews, a background interview and a consumer survey. The first part will introduce the background of the example company Goodio, review its internationalization and marketing procedures as well as present the results of the consumer survey. After this review, the results of the specialist interviews are presented and combined with the theoretical framework to produce answers for the research questions.

### **5.1 Example company and the U.S. market**

This part of the study takes an insider look into Goodio's journey towards internationalization and examines the reasons behind its successful U.S. market entry. The purpose of this review is to provide concrete examples for Finnish companies who are in the process of entering the U.S. market. The background information was collected in the form of a structured email interview. The interview included questions from the following themes: the internationalization process, U.S. market entry process and U.S. marketing strategies of Goodio.

#### **5.1.1 Internationalization of the example company**

Jukka Peltola, a former game developer at Rovio, founded Goodio in Helsinki in 2012 when he noticed that the snack market was full of unhealthy options filled with sugar and salt. Peltola wanted to create healthy snacks that could be enjoyed as guilt free desserts and that people with dietary restrictions such as lactose intolerance or celiac disease could also consume their products. Goodio is a forerunner in the craft of creating healthier dessert and snack options. Goodio specializes in creating mouthwatering raw chocolate bars and ice creams, which are all vegan, non-GMO and gluten-free. Goodio is known for its premium quality and it uses pioneering techniques and ingredients in creating these delicacies. (Goodio Chocolate 2018a.)

Goodio has gained the attention of investors through their innovative thinking and in the fall of October 2018, Goodio secured \$1.8M in capital investment. Mikael Hed, the former CEO of Rovio who has also previously invested in Goodio's development, was the man behind this investment. The year 2017

was an important step in Goodio's internalization and as a result of a successful sales trip to the U.S. Goodio made a deal with Whole Foods. Goodio's chocolates are now on the shelves of 45 Whole Foods stores in states surrounding New York. According to Goodio's chief operating officer Jussi Salonen told Good News Finland (2018) that the recent investment will boost Goodio's production capacity and within a year they hope to gain entry to all of Whole Food's 450 U.S. stores. In 2017 Goodio also began to build a new production line in its new factory in Kallio. (Goodio Chocolate 2018b.)

At the beginning of 2018 Goodio launched the world's first oat chocolate bar. This launch caused an enormous amount of publicity and raised the curiosity of many competitors such as Nestlé who is yet to create a vegan chocolate bar. Goodio is far ahead from its competitors when it comes to using innovative processes and healthy ingredients in making chocolate. Goodio wants to encourage other chocolate brands towards more transparent production chains and higher ingredient standards. Goodio has also filed a patent for its oat chocolate making the process so that no one would start to make oat chocolate by using a non-ethical process or ingredients and that they would have to use Goodio's standards. (Yu 2018.)

### **5.1.2 Example company's market entry strategy for the U.S.**

Since Goodio was founded, taking the brand international was always the main goal. The company made conscious decisions from the beginning of its operations to drive the brand towards global markets. Currently, Goodio's products are available in 9 countries; Finland, Sweden, Norway, Belgium, Estonia, The Netherlands, Portugal, UK, U.S., Hong Kong and Japan.

According to Goodio's Vice President Iida Korhonen (Korhonen 12 April 2018) in order to successfully enter the U.S. market Goodio had a plan to build an extensive network in the U.S. This network was built by extending the already existing network the owners and partners of Goodio had obtained by previously living and extensively traveling in the U.S. Through those contacts Goodio managed to get into the selection of the distributor and gained access to the potential buyers. Korhonen stated that Goodio also heavily invested in marketing at trade shows and exhibitions in the U.S. She also mentioned that the entry to the U.S. market has been an enormous learning process for the company and that Goodio has been successful in estimating the financial re-

sources needed for market entry and that those resources are continuously re-evaluated. The heavy focus on trade shows has taken up the majority of Goodio's financial resources, but now that Goodio has gained more conspicuousness in the U.S. these resources can be directed to other parts of the business as well.

According to Korhonen the most challenging part of Goodio's market entry to the U.S. was obtaining the first U.S. clients and a distributor. She also mentioned that finding a good partner is the key to success and that creating these relationships as well as building a business mainly remotely from Europe, take time and effort. If Goodio had known the importance of Trade Only shows, they would have directly started attending them. In all other aspects, Goodio's entry to the U.S. market has gone according to their plan.

Goodio's successful market entry to one of the world's most competitive and challenging markets acts as an example of how networking, careful planning and the hard work of skilled personnel lead to great results in the U.S. market.

### **5.1.3 Example company's marketing strategy for the U.S.**

Korhonen (Korhonen 12 April 2018) mentioned that Goodio's marketing strategy for the U.S. is mainly the same as for all other countries Goodio operates in. However, there are still a couple of main differences that have had an effect on their marketing in the U.S. The results of Goodio's consumer research indicated that American men and women were equally interested in purchasing Goodio's products whereas in Finland the split between female customers and male customers was more visible. Despite the slight difference in customer segmentation, the most important thing for Goodio has always been their desire to attract customers who share the same core values as they do. Goodio hopes that their customers, no matter where they come from, would be able to identify with their values of respecting the nature and promoting the wellness of human beings. Due to this approach, the profile of their ideal customer remains the same in all of the markets they operate in.

Building trust through shared values can be looked like a marketing strategy. Goodio's approach will resonate with consumers who appreciate transparency, ingredient quality, sustainability and human rights. Marketing through shared values often leads to brand loyalty and creates an emotional connec-



tion between the customer and the brand (Fauconier 2014). Goodio attracts consumers who want to indulge but still lead a healthy lifestyle. In today's world, the guilt associated with indulging in sweets has become a big problem for many confectionery and snack brands (Yu 2016). Consumers all over the world are demanding healthier options and Goodio is responding to their demand by creating options that take away the guilt and leave only the pleasure.

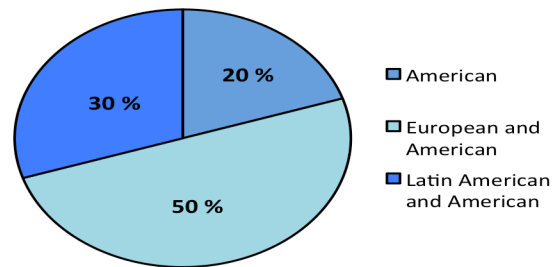
Goodio's values are coherently displayed throughout its social media channels. The feel of community, transparency and quality are present in all published content. Goodio wants to generate discussions on the subject of corporate responsibility and regularly publishes posts on this matter (Goodio Chocolate 2018c). Korhonen believes that transparency, innovative product launches and the branding of Nordic quality will continue to set them apart from competitors.

#### **5.1.4 Goodio consumer survey**

This consumer survey was conducted in the U.S. in Manhattan, New York and it took place in the wellness center of a luxury apartment building called 555ten after a yoga class. This specific location was chosen due to the nature of the product and the target market of the brand. In addition to health food stores, premium supermarkets and cafés, Goodio sells its products in wellness centers and gyms. Goodio's chocolate bars have been designed to be a healthy snack that the customer can indulge in even after a workout. Goodio wants to cater to customers who support a healthy lifestyle, are aware of the origin of the products they are consuming and the quality of the ingredients. All respondents were given a questionnaire form and a small pamphlet, which included background information of Goodio as a brand and screenshots of their social media platforms (Instagram, Facebook, Blog). The questionnaire itself contained open questions as well as questions that had multiple choices. Most of the questions gave the possibility of choosing up to three options so this affects the percentages in the total answers per question. The questions were conducted so that the answers would show if Goodio has succeeded in making the right marketing choices in the U.S. and how Americans view their products. The results of this survey will also provide valuable information and development ideas for Goodio. None of the respondents had heard about Goodio, as a brand, or their products prior to participating in this consumer survey.

This specific yoga group consisted of 10 respondents who all had American nationality. The diversity of the U.S. population was also visible in within this group because 80% of the respondents ended up having a double nationality and came from a multicultural background.

Goodio questionnaire:  
**Nationalities of the respondents**



**Figure 9.** Nationalities of the respondents

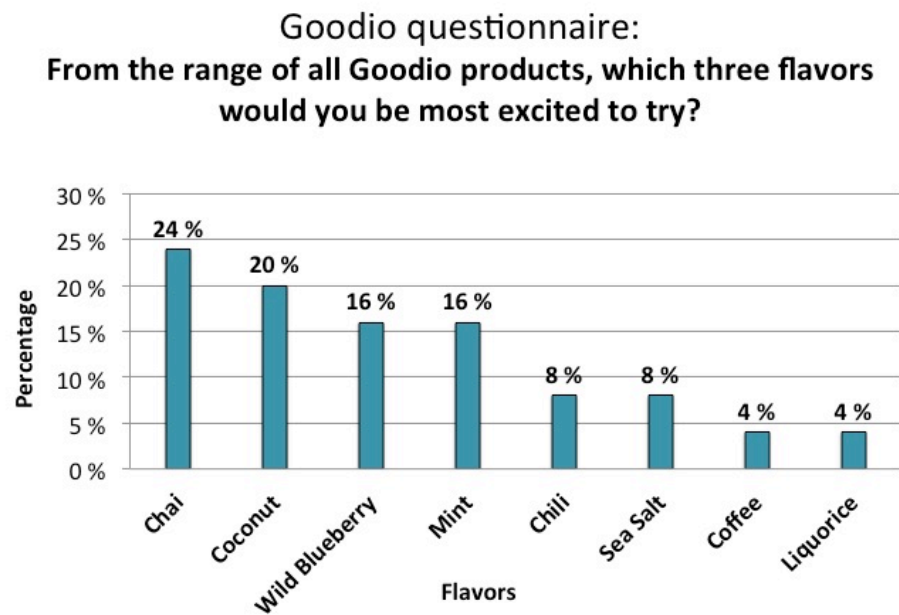
In the open questions, respondents described Goodio as a modern and Scandinavian brand that had interesting packaging, interesting flavor combinations and a feel of luxury. Respondents also noted that the design of the packaging was attractive, stood out with its uniqueness and that the brand was well thought out. The most common adjective to describe the appearance of the Goodio products was luxurious. Respondents also described the appearance of the products as fresh and original but thought that the products should have had the logo printed on them much more visibly and in a bigger font.

Respondents were also asked to describe their first impression of Goodio as a brand. A majority of the respondents saw Goodio's brand as natural and unique. When describing their opinion on the appearance of Goodio's website they thought it was contemporary, modern Scandinavian, simple but at the same time eye-catching. Some respondents mentioned that they would have liked to see more pictures that demonstrated the process of the making of the chocolate.

All respondents were active on social media and when asked what their first impression of Goodio's social media platforms was, they mentioned that it

seemed well put together, the pictures mirrored the value of the product and that the whole process from cacao bean to chocolate bar was transparently presented. Some respondents also mentioned that they loved the recipes and the fact that the brand made it all about the people, sharing stories of the cacao bean harvesters and farmers.

When Goodio first got its products into Wholefoods markets it chose a selection of three flavors it believed would best suit the U.S. market. These flavors were mint, chai and coconut. Goodio currently has 12 flavors they sell in Finland. These flavors range from the very exotic cranmary (combination of cranberry-rosemary), licorice & buckthorn and ginger & lemongrass to more simple flavors such as coffee, sea salt and coconut. The respondents were asked to take a look at the original product range Goodio has in Finland and choose three flavors they would be most excited to try. Otherwise, it seems like Goodio has succeeded in choosing the right flavors to sell in the U.S., but surprisingly the respondents found Wild Blueberry to be one of the top four flavors they would be excited to try.

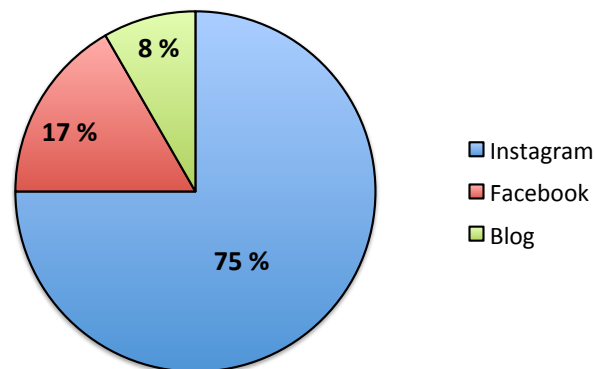


**Figure 10.** Goodio flavors

Goodio is very active on social media and uses Instagram to share pictures of their production processes as well as introductions of staff members and

products but they also actively share some delicious recipes, which give tips on how to use their products in baking, cooking and even drinks. Goodio frequently shares articles and videos on Facebook. These are usually news on how Goodio is succeeding and how it is developing its products. Goodio also organizes competitions such as raffles for its followers on Instagram and Facebook. From these raffles, the customer can win sweet prizes such as Goodio's chocolates or even tickets to exhibitions. Goodio uses its blog as a platform to talk about important matters such as corporate social responsibility, sustainable development and transparency of the production process. The respondents were asked to choose a social media platform that they would be most likely to follow.

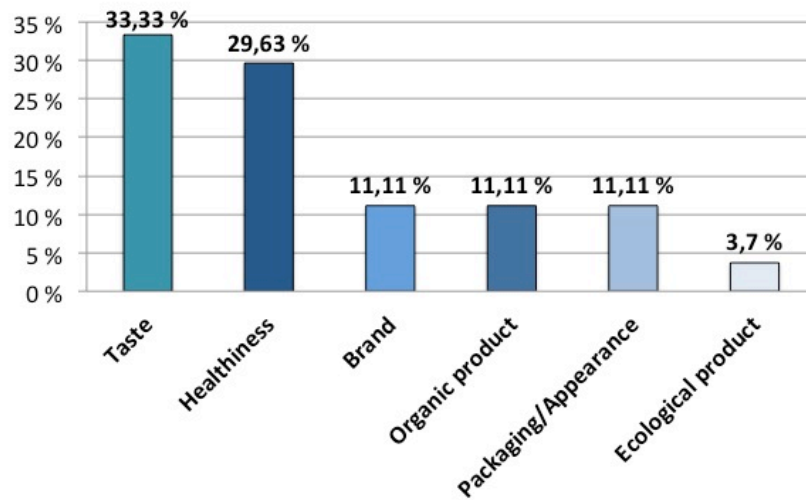
Goodio questionnaire:  
**Which of Goodio's social media platforms would you be most likely to follow?**



**Figure 11.** Social media platform

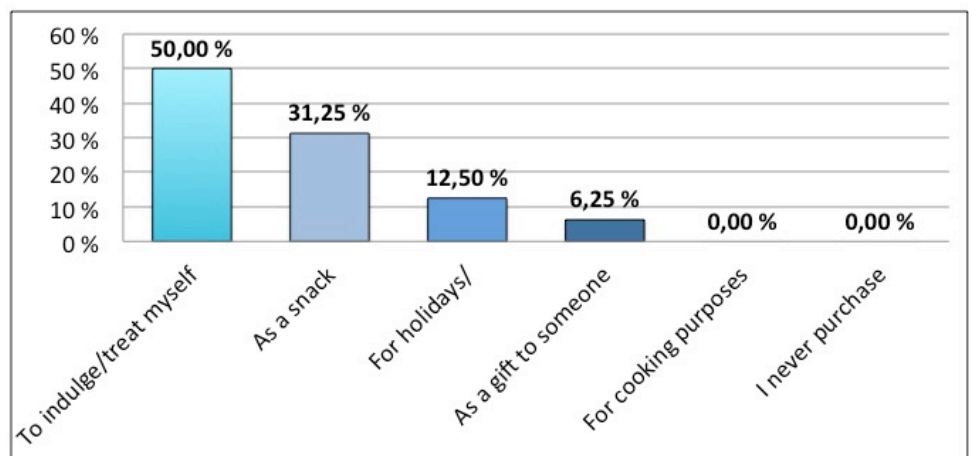
It is important to retrace the purchasing process of the customer and to find out what affects the purchasing decision. These factors can be different in every country so this is why the respondents were asked to name the most important aspects that affect their purchasing decision when they buy chocolate and for what occasions they buy it.

Goodio questionnaire:  
**When deciding what chocolate to purchase, which aspects do you mostly pay attention to?**



**Figure 12.** Factors that affect the chocolate purchasing decision

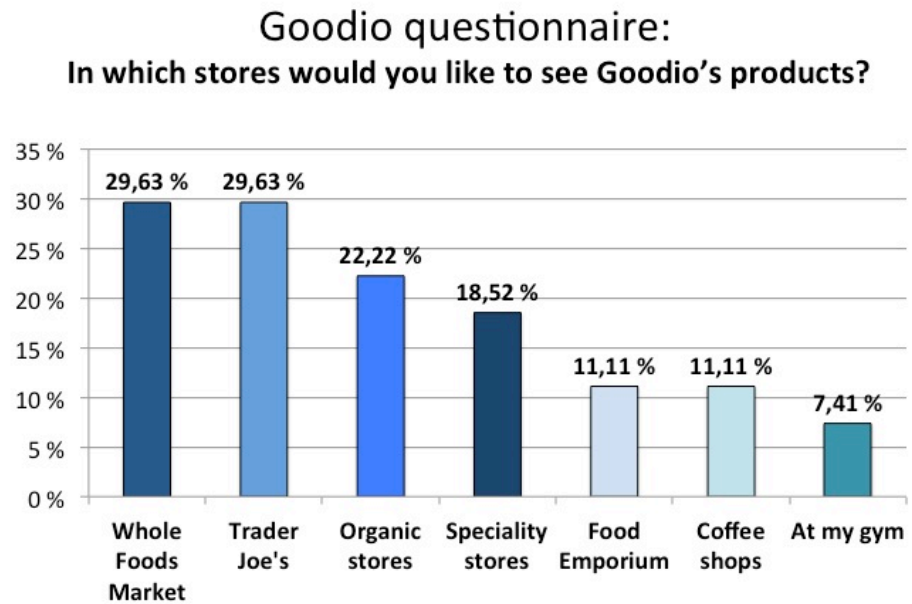
Goodio questionnaire:  
**Why do you usually purchase chocolate?**



**Figure 13.** Reasons for buying chocolate

Goodio currently has its products available in U.S. supermarkets and cafés that are known to carry premium quality products and they also ship worldwide if you purchase the product from their website. It is essential to listen to the wishes of the customer, ask them where they would like to purchase the product and to keep an open mind when it comes to new potential locations where the products could be sold. At the end of the questionnaire, the respondents

were asked to choose a location where they would like to purchase Goodio's products. Respondents were not told beforehand where Goodio currently sold their products.



**Figure 14.** Possible places to sell Goodio's products

## 5.2 Results of the consumer survey

Goodio has succeeded in creating a universally attractive brand and a marketing strategy that can easily be modified to fit a new market area. In the core of the marketing strategy are the shared values of the brand and the customer. This is why the profile of the potential customer does not significantly vary between the different countries Goodio operates in. Goodio has also understood the importance of a transparent manufacturing process and the added value it brings to the customer. Studies show that when customers know that the products they are buying are manufactured ecologically and are made from quality ingredients they feel better about their buying decision and will more likely repurchase the product (Unilever 2017). Many chocolate companies such as the Mast Brothers have experienced major losses of finances and trust when its customers began to question the origin and quality of their ingredients. (Kell 2017.)

The results of the survey show that Goodio has, for the most part, succeeded in choosing the right flavors that match the taste palette of their American customers. Judging by the results of the consumer survey they might want to

consider adding Wild Blueberry to their U.S. product range. When choosing the flavors to bring to the U.S. market, Goodio worked closely with the American distributor and buyer who suggested which flavors might be the best suited for the American customers. Even though Goodio has kept the packaging of the product almost exactly the same as in Finland, the American respondents found it equally attractive and intriguing. As a part of their U.S. marketing strategy, Goodio chose to mainly market its products on social media platforms and especially on Instagram. The results show that Instagram is by far the most likely social media channel where respondents would want to follow Goodio. In the U.S. alone there are over 105 million Instagram users and the number keeps on growing. The biggest age groups of Instagram users in the United States are 18-24 and 25-34-year-olds, which fit right into Goodio's profile of the age of their ideal customer. The U.S. has by far the biggest amount of Instagram users compared to other countries, but still 70% of Instagram users come from outside of the U.S. (Statista 2018.)

Without knowing where Goodio currently sold their products, almost one-third of the respondents thought that Goodio's products best suited on the shelves of Wholefoods, where Goodio already sells their products. In addition to Wholefoods, the same amount of respondents also thought that Goodio should sell its products in Trader Joe's.

The respondents mostly purchased chocolate to treat themselves or as snacks. The snack food market in the U.S. is huge with the Americans now snacking more than ever before, so this result does not come as a surprise. Although Americans mostly consume salty snacks, chocolate bars come in as a close second. Due to the tradition of offering chocolate as a snack in schools, there have been new federal rules that require healthier snacks to be offered in schools. Parents are becoming more aware of what kind of snacks they are offering to their children and are constantly looking for healthier options. In addition to children almost 94% of adults in the U.S. snack on a daily basis. Adults have become more aware of what they are snacking and demand healthier snacks (Mintel 2015). Although most Americans are known to be very generous when it comes to giving gifts, only one of the respondents said they would buy chocolate as a gift.

### 5.3 Specialist interviews

This part of the research includes the overview and analysis of the four specialist interviews conducted in order to find answers to the research questions. After the careful analysis of these interviews, three figures were formed to showcase and visualize the results. The four specialists chosen for the interviews were: Sophie Lechner the President & CEO of Global Commerce Education Inc., Troy Woodson the Managing Partner and Head Trainer of CBW Global, Mike Klyszeiko the Director of the Launchpad USA at Amcham Finland and Erika Sauer the Interim Executive Director of Friends of the Sibelius Academy (former Managing Director of Amcham Finland in New York). These specialists were chosen due to their extensive knowledge and experience in global commerce and the U.S. market. All of them have worked with Finnish companies at some point and specialized in helping companies enter the U.S. market. All of the opinions disclosed in these interviews only represent the interviewees themselves and not the companies they are associated with.

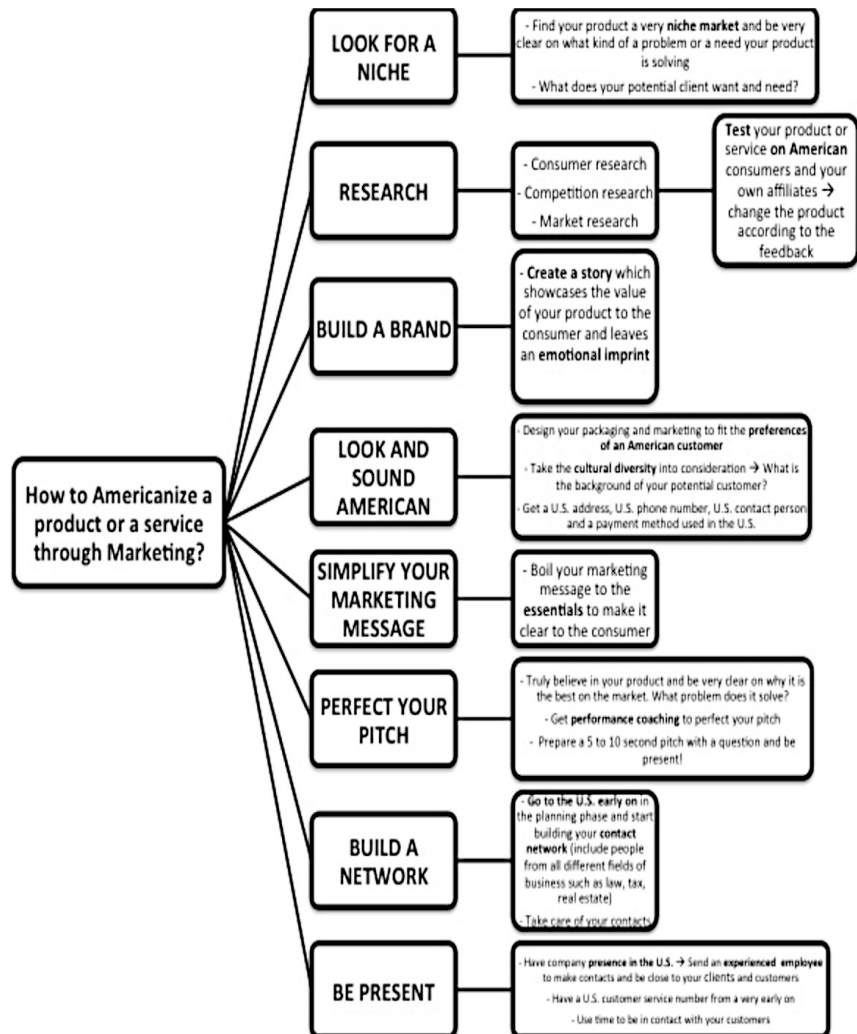
Three of these interviews were done in person at a café or an office space and one of the interviews was done via email due to schedule challenges. All of the interviews were conducted between the March and August of 2018 and the duration of the interviews varied from 45 minutes to an hour. Before the interview began, each of the interviewees signed an informed consent form. The interviews were recorded and then transcribed into a word file. During the interview the main points were collected and documented in the form of a word file. These interviews were conducted as semi-structured interviews where interviewees were asked 10 preformed questions which all related to the themes of the U.S. market entry of Finnish companies and the Americanization of a product. Even though the questions were premeditated the interviews also included open discussion around the questions.

The interviews began with questions regarding the background of the interviewee and their personal experiences in working with Finnish companies that were entering the U.S. market. There were two main observations that arose from the previous experiences of the interviewees. The interviewees had found that there were major differences in the communication styles and thought processes of Finns and Americans. If the communication style of a Finnish company is not in line with the American customers, they are more



likely to find it rude, effective or not interesting enough. This is especially important in the early phases of market entry when the company is trying to reach their first American customers. According to the interviewees simplifying the market message is difficult for many Finnish companies that tend to be very technology-oriented and would like to mirror their technical knowledge in their marketing message. American consumers are often not so interested in all of the technological features of a product because it might make them think that the product is difficult to use. When it comes to marketing to American consumers, they want to see how easy the product is to use and how it makes their lives easier. Differences in the communication style also cause challenges for companies in other stages of their U.S. market entry. These problems usually occur when Finnish companies are trying to gain new partners, distributors or to get American investors interested in their product or service through pitching. All specialists thought that Finnish companies would benefit in observing how American companies pitch their products and learn from them. Americans know how to make a show and how to convince the investors on the superiority of their product in a very short period of time. This is why it is crucial that Finnish companies invest time in finding the right person from their company to present them and to be the so-called key person in negotiations. It is always smart to provide professional coaching for them

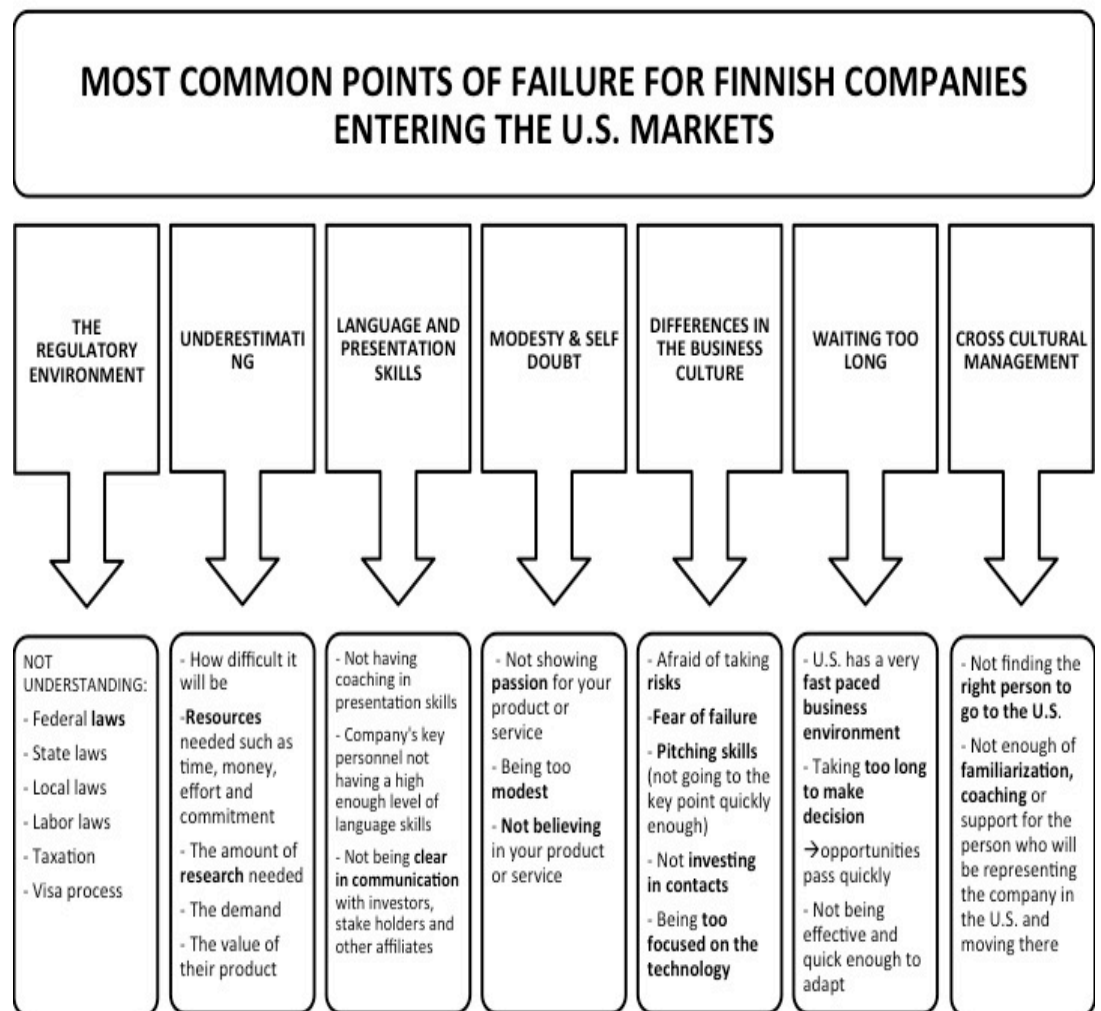
Figure 15, which is presented below, has been conducted from the interviewee's answers to the question on how to Americanize a product or a service. The answers of the specialists included general advice on how companies should modify their strategies and processes in order to make their product more attractive to Americans. What the specialists emphasized the most was that Finnish companies should always create a story for their brand and that story should also project the company's values as well as its personality. One of the most important elements of a great story is its abilities to transmit emotions. Americans are known to appreciate a company that has successfully created a great background story for their brand and products, which also means that they are more likely to buy the product. (Olenski 2012.)



**Figure 15.** How to Americanize a product or a service through marketing

All interviewees agreed that there are a few common factors that can be connected to Finnish companies who have failed their entry to the U.S. market. One of these factors is not understanding the regulatory environment in the U.S. At some point almost all companies get overwhelmed with the regulatory environment in the U.S., but according to the specialists the key is to make sure you build a strong network of people from all fields of business who you can trust as the company's advisors and partners. This group of people should include lawyers, real estate agents, employees of the local chamber of commerce and also other personal contacts. The employees who will be moving to the U.S. might also benefit from joining a group such as the Finns in America or another similar community to broaden their network. It is important to remember that building an extensive network takes time, effort and multiple trips to the U.S. There will always be surprises, but how the company is prepared for these surprises is what separates the companies who will succeed and

who will fail. One other common mistake Finnish companies do is that they underestimate their resources. Companies fail to estimate the time, commitment and financial resources that their entry to the U.S. will take. They also often do not think about the sacrifices the company has to make. There will be many late nights due to transatlantic business calls, many meetings where they will be completely jet-lagged and exhausted. Key personnel might also have to sacrifice some parts of their social life and think how they will arrange their personal relationships if they suddenly have to move to the U.S. If the company is a small establishment, the U.S. market entry will most likely also take time away from other parts of the business operations. These and other additional common nominators have been presented in figure 16.



**Figure 16.** Most common points of entry failure

When it comes to marketing the specialists thought that the most important thing was to Americanize the product and make it feel and look American.

Some Scandinavian attributes can, and of course should, be highlighted in the marketing perspective since for example the Scandinavian design, technology and the high quality of products are highly respected in the U.S. The brand of Finland is also valued and being a Nordic brand is a good thing to be associated with. No matter how good of a product a company has the marketing has to be well thought out from the start. Marketing to Americans means bolder champagnes, outrageous ideas and getting out of the comfort zone. If you want to succeed you have to think big, but also think smart.

The whole entry process from the beginning onwards has to be looked from a marketing perspective. Even when the company is building its network in the target country, they are already marketing their business to potential cooperation partners and clients. The idea of how to market and adapt the product will most likely change multiple times during the entry process when the company becomes more aware of the target market and the needs of the customer. The whole entry process from a marketing point of view is presented below in figure 17. This figure is built around the results of the specialist interviews and gives a suggestion on how a successful market entry process that focuses around Americanizing the product, should be carried out.



**Figure 17.** U.S. market entry process from a marketing point of view

## **6 Conclusions**

It is difficult to distinguish the winning elements of a company that has succeeded in Americanizing their brand and product through marketing since all brands are very different. They have different starting points and should also be marketed very differently. It all depends on the size of the company, its target market and how international the brand already is. Some brands will find their product and marketing to be more easily adaptable and other significantly more challenging. All companies have a different idea on how they want to market their product and what features they want to highlight in their marketing. It is difficult for someone outside of the company to tell how a product should be promoted and marketed in the U.S., but it is still important to consult a professional who is specialized in the U.S. market and has an idea what American consumers want. After consulting a professional and having a feel of the market environment it is the company's job to find a midway.

### **6.1 Key findings & suggestions**

The U.S. market is a very complicated market due to its massive size, highly competitive nature, multicultural population and regulatory environment. For Finnish companies, success in the U.S. requires that the whole brand and product has to be adjusted to suit the tastes and needs of the American consumers but without forgetting to highlight the Nordic features. The Americanization has to be visible in all of the companies operations such as management, sales, pitching and marketing. Even the values of the company have to be re-invented and formulated to suit the American society.

The U.S. market is fast moving so companies need to be able to make quick, but also smart decisions and adapt their operations accordingly. Also the product itself has to be easily adapted and the company cannot cling into their own view of how the product should be. Instead the company has to carefully listen to what the consumers want from the product and what type of adaptations are needed for the product to be more attractive to the consumer. Customer needs are constantly developing and becoming more demanding through the growing awareness of consumers. A company cannot succeed without listening to the feedback of its customers. Companies also need to show the customers that their feedback has been taken into account and that their suggestions are valued and appreciated.

In terms of marketing, the most important things are creating a credible story for the brand and combining it with a simplified marketing message. The story of the brand has to appeal to the values of the American consumer and differentiate the brand from its competitors. Americans appreciate innovative products that will solve a problem and/or save them time. Due to the charitable donation tax deductions and the culture of giving back, almost all American companies give back to society in some form and participate in charity work through donating their time or money. This is also commonly used as a powerful marketing strategy as it often gets the company free marketing and publicity. This might be something new to Finnish companies, but it definitely shouldn't be forgotten or ignored. Even small companies should give back but on a smaller scale. Companies who do not give back will be less attractive in the eyes of an American consumer and it also might bring negative publicity to the brand. Goodio is a great example of a company who is using giving back as an important part of their marketing strategy. The use of values in marketing gives higher engagement rates and makes the customers more committed towards the brand. The whole entry process from the beginning onwards has to be looked from a marketing perspective. Even when the personnel of the company is just building a network in the target country, they are already simultaneously marketing the company to them.

Goodio, without a doubt, is and will continue to be a Finnish success story. It has understood the importance of creating a value-based brand towards which its customers can feel an emotional connection to. Even though all the consumers who participated in the consumer survey mentioned that they enjoyed Goodio's packaging there were quite a few comments stating that the company's logo should be more visible. Consumers in the U.S. are very brand aware and it might be easier for them to remember the brand if the logo is memorable and it is printed more visibly in the packaging.

Valentine's day, Easter and Christmas are the biggest Holidays for chocolate sales in the U.S. Especially on Valentine's Day the favorite gift that U.S. consumers would like to receive is chocolate. It might be a good idea for Goodio to create a special packaging for one of these Holiday's and to see if it would furthermore boost up sales and brand awareness. (Thompson 2018.)

Considering the number of consumers who enjoy chocolate as a snack, it might be beneficial to bring the smaller 30g chocolate bars, which Goodio al-

ready sells in Finland, also to the U.S. market. Those might be easier to carry as a one-time snack and would be much healthier compared to the regular chocolate bars available in the U.S. At some point Goodio should definitely also bring their groundbreaking ChocOat oat chocolate bar to the U.S. since the popularity of oat products has rapidly increased after Oatly first brought its oat milk to the U.S. market in 2016. (Hitchens 2018.)

## **6.2 Research methods and data collection**

There are two types of sources of data, which can be used as a part of a research. These sources of data are described as primary data or secondary data. Primary data is information that has not previously existed and has been collected with a specific purpose in mind. Primary data is often collected in order to be able to answer a designated research question. Secondary data, on the other hand, is collected by using already existing information. The sources of secondary data can be books, Internet publications, scientific researches, newspapers or nowadays even blogs. Primary data can be collected in two ways, which are through *qualitative* and *quantitative* research methods. (Oxbridge Essays 2017.)

Qualitative research can be carried out by doing in-depth interviews, case studies, qualitative observations or creating focus groups. Qualitative research focuses on gathering information through open discussions and is a great way of collecting meaningful data from experienced specialists. Although qualitative and quantitative research can be at times hard to separate from each other the natures of these two methods are very different. Qualitative research can be described as exploratory and quantitative as confirmatory. Quantitative research can be conducted by doing questionnaires or surveys, which usually are directed towards a larger group of people. It is very common that these types of questionnaires and surveys are conducted by using specific online software's or tools. This allows the conductor of the research to reach bigger more targeted crowds. Mathematical tools and analytics are often used to derive the results from quantitative researches. (Oxbridge Essays 2017.)

This thesis has been composed of secondary data such as online publications and literature related to the subject matter as well as through primary data. The primary data presented in this thesis has been collected through qualitative research methods such as in-person interviews, personalized background



survey as well as through quantitative research, which was carried out in the form of a consumer survey. Due to the use of both qualitative and quantitative research methods, this study can be described as a *mixed methods research*. This type of a research offers a more comprehensive understanding of the studied issue.

The research methods used in this study were carefully selected so that they would provide the best possible quality of information and answer the research questions as precisely as possible. These research methods were also planned to work together in order to help the reader to have a clearer and more comprehensive picture of Americanization in marketing.

The aim of the *specialist interview* was to gain answers to how Finnish companies can Americanize their products and marketing, and to have concrete information on what it means and how it should be done. The objective was also to gain understanding of why and where Finnish companies fail in their entry to the U.S. market. Business overall and especially marketing is highly influenced by culture so this is why the interview also included questions on the differences between the Finnish and American culture. Questions were formed so that the Interviews could be kept short in case the specialists had a tight schedule, but they also allowed longer open discussions if the time wasn't of the essence. The interview questions also encouraged the specialists to open up about their own experiences in working with Finnish companies and the mistakes they had made in the U.S. market through example cases, but due to the nature of the subject, the names of these companies were kept anonymous.

*The consumer survey* was also one of main research methods used in this study. The goal of the survey was to have consumers evaluate and answer to questions related to Goodio's marketing channels, packaging and products to see if they had truly succeeded in Americanizing their brand. Goodio as a brand was chosen due to their International orientation, fast market entry to the U.S and their growing U.S. consumer base.

### **6.3 Validity & Reliability**

Validity and reliability are both used to evaluate if the research methods and the results can be trusted. Validity is based on accuracy and reliability in pre-

cision. The validity of a research implies the extent of how successfully the instruments used for the research were chosen and to what extent they measure what they are intended to measure. Reliability looks into how the consistent the outcomes of the produced measurements are and how repeatable the outcomes of the research are. The reliability of a measuring instrument is much easier to assess compared to the validity, which can be very tricky and difficult to assess. Validity can be divided into two different types, which are: External Validity and Internal Validity. (Research Methodology 2018a; Pelissier R. 2008, 12.)

External validity concentrates on how the conclusions of a study can be applied to outside of that certain study and to what extent the research can be generalized to suit other situations and people. Internal validity examines how well the research has been conducted and how well it supports the cause-effect relationship. In addition to internal and external validity, there are other types of validity, which can be researched. One of these is the test validity, which can be divided into content validity, criterion validity and construct validity. Content validity assesses the extent to which the research has been carried out and if provides adequate coverage of the research conducted. It also examines if the right factors are measured and how well truthfully it measures the factors it is has been designed to measure. Criterion validity, also called predictive validity, measures the extent to which a test score measuring one test criterion is coherent with other criterion measured. Construct validity measures if a test measures up to its claims. (Surbhi 2017.)

Research reliability can be divided into four subcategories, which are test-retest reliability, parallel forms reliability, inter-rater reliability and internal consistency reliability. Test-retest reliability examines the measure of reliability, which is tested by repeating the same test multiple times with the participation of the same test group. Parallel forms reliability examines if the same results can be obtained by using a different assessment method. Inter-rate reliability measures, if the same results can be obtained by two different assessors using the same methods. Internal consistency reliability is typically based on measuring how different items on the same test correlate between each other. Internal consistency reliability provides information on how well a test or a survey is measuring what it has been designed to measure. (Research Methodology 2018b.)

The method used in this research was a consumer survey. The questions of the survey were created after a thorough research of Goodio's background and a review of Goodio's marketing methods, social media accounts and overall operations. The respondents were allowed to take their time and read through the background information given to them in the form of a pamphlet. The pamphlet included screen captures from Goodio's website and social media platforms as well as Goodio's background story and information on how their products are made. None of the respondents had heard about Goodio prior to answering to this survey so one could say that their opinions were coming from a very neutral place. It is, of course, impossible to know if the respondents had in fact heard about Goodio before and lied about their answer. Even if the respondents were not being truthful about not knowing Goodio as a brand, it most likely would have not had a significant impact on their answers regarding on how they viewed Goodio's marketing and products. The place where the survey was conducted had to be carefully chosen so that the respondents would be as close to Goodio's ideal customer profile as possible. Goodio's Vice President Iida Korhonen described their potential customer in the background interview (Korhonen 12 April 2018) as someone who is interested in the wellbeing of nature and the wellbeing of themselves. There were three main reasons why the yoga studio of 555ten was chosen as the place where the survey was conducted. Yoga is known to attract people who are interested in their wellbeing and mindfulness. People who regularly practice yoga have also been known to support healthier eating habits. Goodio sells its products at Whole Foods, which can be described as a premium grocery store that caters to wealthier clients. The 555ten building is described as a luxury rental building where the rents of the apartments range from around \$3000 up to almost \$10,000. This also means that the residents have to be relatively wealthy. These three factors were the main reasons why the yoga studio of 555ten was chosen as the place where the survey was performed. It is impossible to know if the results of the survey would have been different if the survey had been conducted in another environment or on another day when the participants of the yoga group would have been different. (Healthline 2017; 555ten 2018.)

The specialists for the interviews were chosen due to their experience in global commerce and their previous experience in working with Finnish companies. Most likely there would have been other specialists who could have been interviewed for this thesis, but these specialists were the easiest for the re-

searcher to get a hold of or they already were in within the researchers own network. The interviews were designed to be semi-structured so they also left some air for open discussion. The reliability of the interviews rely on the specialist position and knowledge of the interviewees.

#### **6.4 Limitations**

The research group for the consumer survey was smaller than intended due to the size of the yoga group. The same consumer survey could have also been conducted on another day in the same place but for a different yoga group and then the research group would have been larger. The days when the researcher was able to conduct the consumer survey were limited so the research group remained relatively small.

In the beginning, the idea was to do the background interview and the consumer survey for two companies that were in different stages of their entry to the U.S. and then compare the answers of the consumer survey. The first company was intended to be Goodio who recently has successfully entered the U.S. market and the other company would have been a company operating in the same field of business as Goodio, but would have been in the early phases of its entry to the U.S.

The original thought was to show the consumers one brand that had already adapted to the U.S. market and had Americanized their product, and then compare it to another company operating in the same field that had not yet been through the process. This might have given a better idea on how important the Americanization of the product and marketing really is. Understandably the company that was still in the early stages of its market entry was too busy to participate in the study so the original research idea had to be modified. Goodio remained as an example company in this study and the end research focused on finding out how it had succeeded in the U.S. market. If the research could have been done in the way it had originally been planned to be executed, the results might have given a slightly more thorough look into how the product and its marketing can be successfully Americanized and what the benefits of Americanization are.

Overall time was one of the most significant limitations in this study. As anticipated the specialists who were interviewed for this study had an extremely

busy schedule and were traveling frequently so it took a long time to find suitable times for the interviews. The limitation of time had no effect on the end results of this study, but it made the research process slightly lengthier than anticipated.

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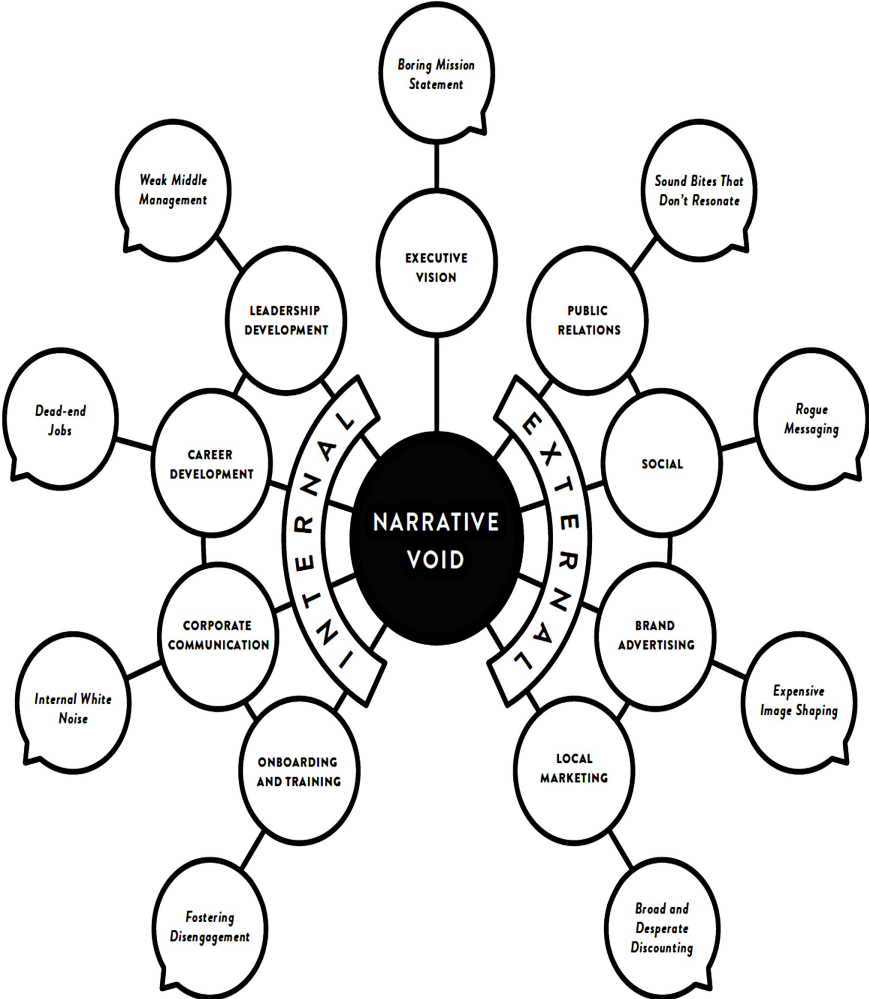
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# Appendices

## Appendix 1: Clear Story (Miller, D 2017)

### CHAPTER 13



## Appendix 2: Goodio questionnaire & background pamphlet



### Consumer questionnaire - Goodio

\* All of your answers will be kept strictly confidential and never associated with your name.

#### Part 1: Consumer background

Age:

Nationality:

Gender (voluntary):

Dietary restrictions such as dairy, gluten, vegan (voluntary):

#### Part 2: Company background

Goodio is a Finnish company that produces premium quality organic raw chocolate from primarily wild ingredients. No white sugar, and low production temperatures ensure a rich taste, that honors the cacao and it's origins . Goodio's chocolate is created on the principles of sustainability, well-being, and transparency. It's a vision to bring Nordic-inspired flavors to a chocolate brand for the global consumer. We prize organic, nutritious ingredients, and fuse them with unique flavors, such as wild blueberry and sea buckthorn to give you a delicious one-of-a-kind treat. All our bars are made with raw cacao, which is high in antioxidants and classified as a superfood.

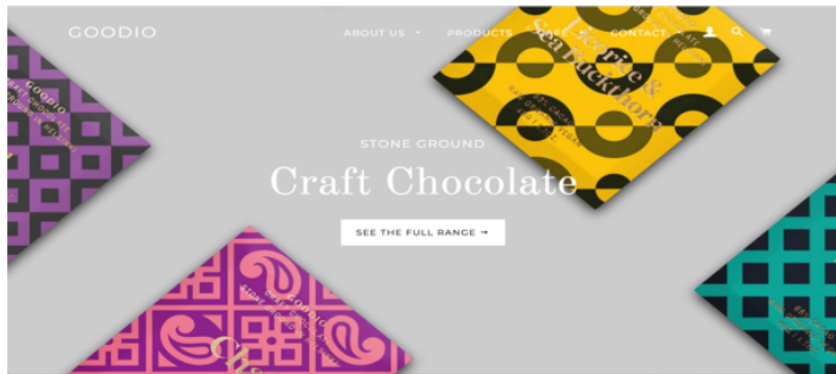
*"Starting with pure cacao beans and mixing in primarily organic and wild ingredients has allowed us to create an exciting, delicious raw chocolate handmade Helsinki, Finland." -Jukka Peltola, founder of Goodio.*

Today, Goodio has expanded into three continents and 5 countries. We are currently in Finland, Sweden, UK, USA and Hong Kong.



### Part 3: The material

#### **A. Goodio's website layout**



**Picture a.1** Website



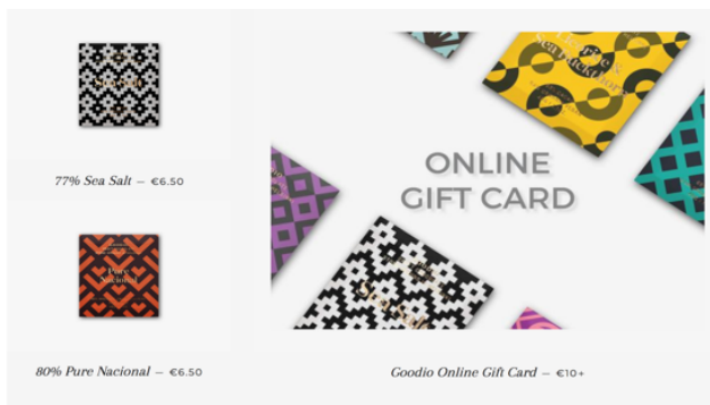
*Our purpose is to make a contribution by creating healthful treats for the mind and body while protecting our beloved planet.*

*It's All Good*

**Picture a.2** Website



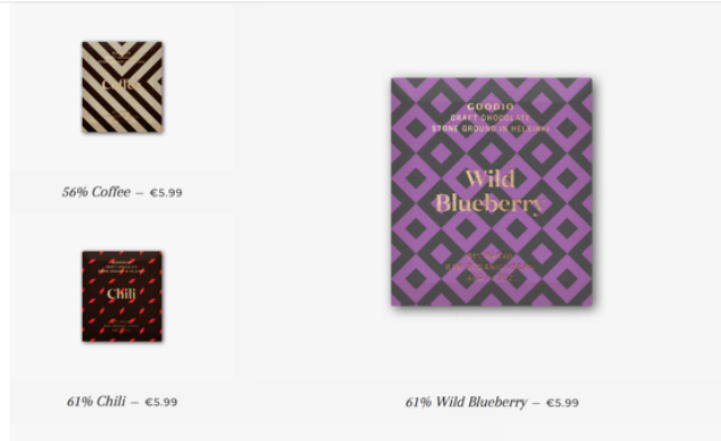
**B. Goodio's product range (coconut, chai and mint available in selected stores in the U.S.)**



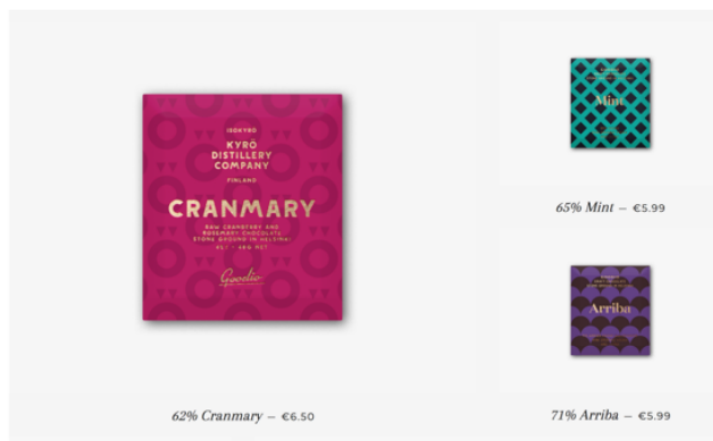
**Picture b.1** Product range



**Picture b.2** Product range



Picture b.3 Product range



Picture b.4 Product range



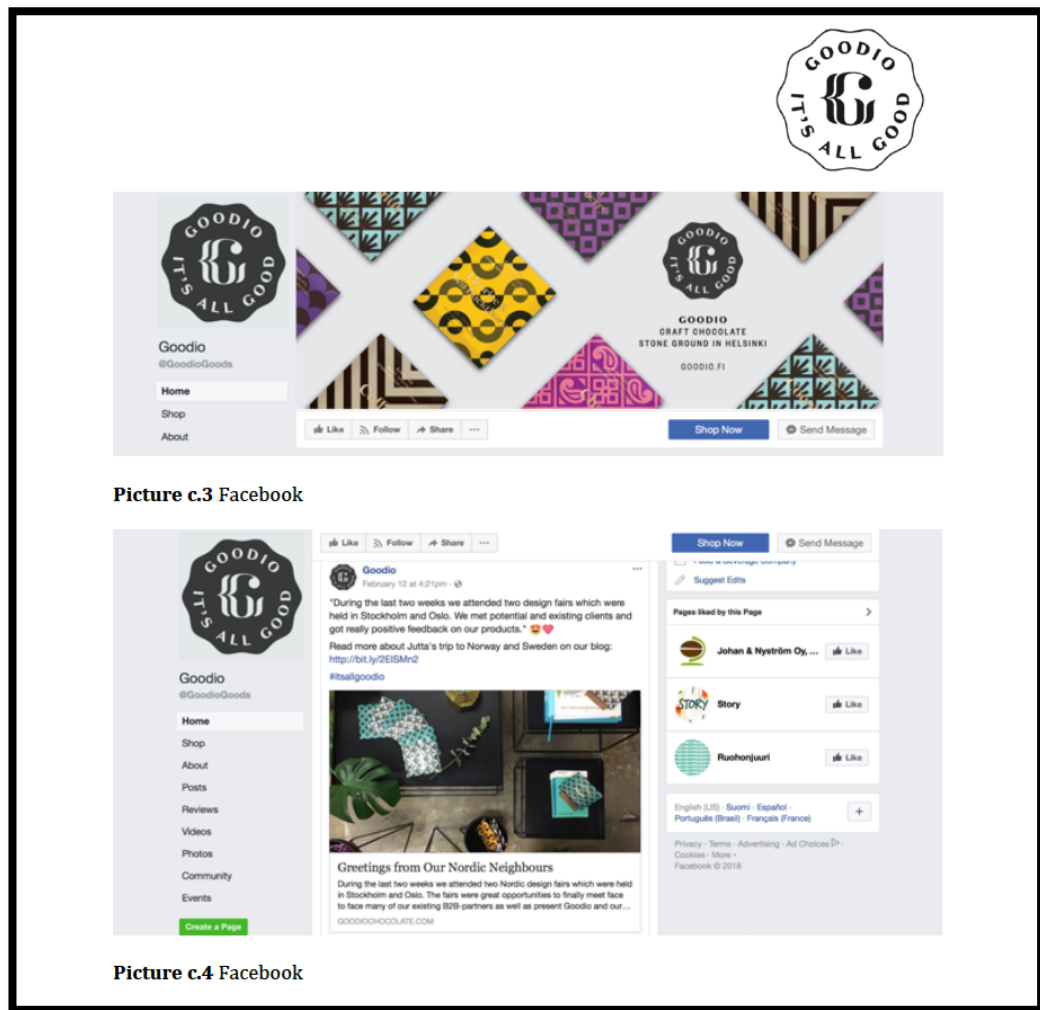
### C. Goodio on social media platforms



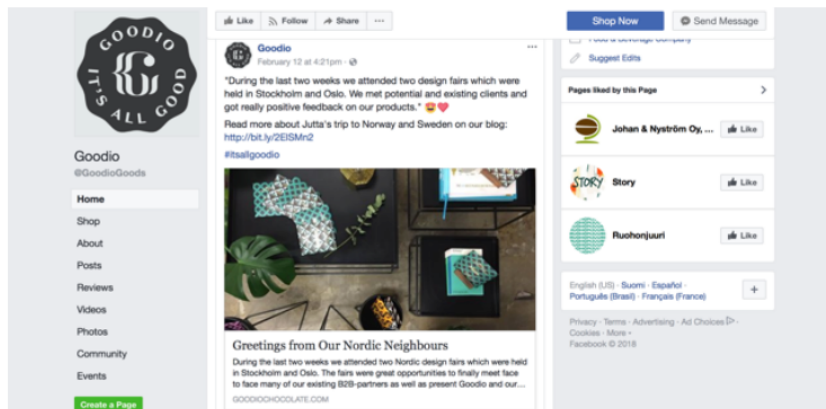
Picture c.1 Instagram



Picture c.2 Instagram



Picture c.3 Facebook



Picture c.4 Facebook



Like Follow Share ...

**Goodio**  
January 27 · 🌐

Indulge yourself with a fudgy and divine Chocolate Cake today because it's International Chocolate Cake Day! 🍫❤️🍰  
#itsalgoodio

Goodio  
@GoodioGoods

- Home
- Shop
- About
- Posts
- Reviews
- Videos
- Photos
- Community
- Events

Create a Page

Picture c.5 Facebook





GOODIO

ABOUT US • PRODUCTS CAFE • CONTACT •   

## Blog

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Picture c.6 Blog layout



Feb 01, 2018

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### DOUBLE CHOCOLATE PRETZEL COOKIES

These cookies are dangerously too delicious. I say this because I made them in the morning and by 5pm they were all gone. Yep, I ashamedly ate the whole tray because they were sooo incredibly good! You know that anything with chocolate gets my vote, especially when it's double but these cookies are even more special thanks to the pretzel addition. That salty, crunchy texture really take these cookies to a next level of deliciousness! Plus they are ridiculously easy to make! Enough said, please go and make them! You will thank me later :)  
Makes about 10-12 cookies depending on the size  
Ingredients: 1 cup of oat flour (just blend some oats in a blender...

Picture c.7 Blog post/recipe



## D. Goodio's production process: from bean to bar

### Our chocolate

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Our chocolate is minimally processed to keep the ingredients as close to their natural state as possible. From Helsinki with love, Goodio chocolate is handmade with care. [Learn more about](#)

#### INGREDIENTS

The story of our bean-to-bar chocolate begins by carefully choosing our ingredients. We use organic, wild and primarily raw ingredients and source as many products as possible locally from Finland. Our wild blueberries, sea buckhorn, mint and cranberries are locally produced in the land of the midnight sun. To sweeten the bars, we use Indonesian and Sri Lankan coconut palm sugar which has a low Glycemic Index.



Our cacao beans originate from organic, non-GMO farms in Peru, Ecuador, and the Congo. We



prefer to use raw cacao as opposed to processed cocoa because of its nutritional content. In our limited edition flavours, we use the Peruvian cacao Pure Nacional, one of the rarest cacao beans in the world and Congolese Mountains of the Moon cacao.

#### STONE GRINDING

To achieve a smooth and silky consistency, our velvety chocolate is stone ground for three days in stone grinders. As a result, cocoa butter is pulverized out of the ribs, and the mixture begins to liquefy.



Once it's reached an appropriate consistency, we transfer the ground cocoa mass to a large bucket to be tempered. Stone grinding is an ancient technique that preserves the nutritional

#### TEMPERING

In the tempering process, melted chocolate is first cooled. Then it's hardened in a crystalline pattern, which leaves the chocolate shiny, and snaps hard. The objective in tempering melted chocolate is to pull the disparate fatty acid crystals of cocoa butter back into one stable form. Once chocolate mass is tempered, it is poured into molds and refrigerated for a brief time.





#### PACKAGING

Once the bars are removed from molds, they are packaged individually in a biodegradable wrapper. After wrapping the chocolate we finalize the packaging by sliding the bar into an envelope and seal everything with a Goodio emblem.





Part 4: Questionnaire

**1. Based on the provided material, what is your first impression of Goodio?**

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**2. Which three adjectives first come to your mind from the visual appearance of the Goodio products?**

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

**3. Describe the Goodio brand with three adjectives that first come to your mind.**

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

**4. From the range of all Goodio products, which three flavors would you be most excited to try? If none, please mention why.**

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_



**5. What is your opinion on the layout and appearance of Goodio's website?**

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**6. What is your first impression of Goodio's social media platforms?**

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**7. Which of Goodio's social media platforms would you be most likely to follow? (Choose up to 3 options)**

Instagram

Facebook

Blog

I would be likely to follow them, if they were on: \_\_\_\_\_

**8. When deciding what chocolate to purchase, which aspects do you mostly pay attention to? (Choose up to 3 options)**

Brand

Taste

Packaging/Appearance

Organic product

Ecological product

Healthiness

Other \_\_\_\_\_



**9. Why do you usually purchase chocolate?**

- To indulge/treat myself
- For cooking purposes
- As a snack
- As a gift to someone
- For holidays/celebrations
- I never purchase chocolate
- Other \_\_\_\_\_

**10. In which stores would you like to see Goodio's products?**

- Whole Foods Market
- Trader Joe's
- Food Emporium
- Coffee shops such as:  
\_\_\_\_\_
- At my gym:  
\_\_\_\_\_
- Organic stores
- Specialty stores
- Other \_\_\_\_\_



## Appendix 3: Specialist interview questions

### **Specialist interview (name of the interviewee)**

#### 1. Background

Time of the interview:

Place of the interview:

Name of the interviewee:

Position of the interviewee:

Name of the interviewer: Vivien Rintala

Position of the interviewer: B.B.A. Student at Haaga-Helia University of Applied Sciences

## 2. Informed consent for the interview

[Thesis: A guide for Finnish companies planning to enter the U.S. markets - How to Americanize your marketing?]

I, \_\_\_\_\_, agree to be interviewed for the thesis: A guide for Finnish companies planning to enter the U.S. markets - How to Americanize your marketing? This thesis is being produced by [Vivien Rintala] of [Haaga-Helia University of Applied Sciences].

I agree to participate in one electronically and/or textually documented interview for this thesis. I understand that discussions happening outside the interview will be kept completely anonymous. I understand and consent to the results of this study being published in Theseus (online service that provides access to theses and publications from Finnish Universities of Applied Sciences) and that the interviewees name might be used in this thesis to highlight the specialist position.

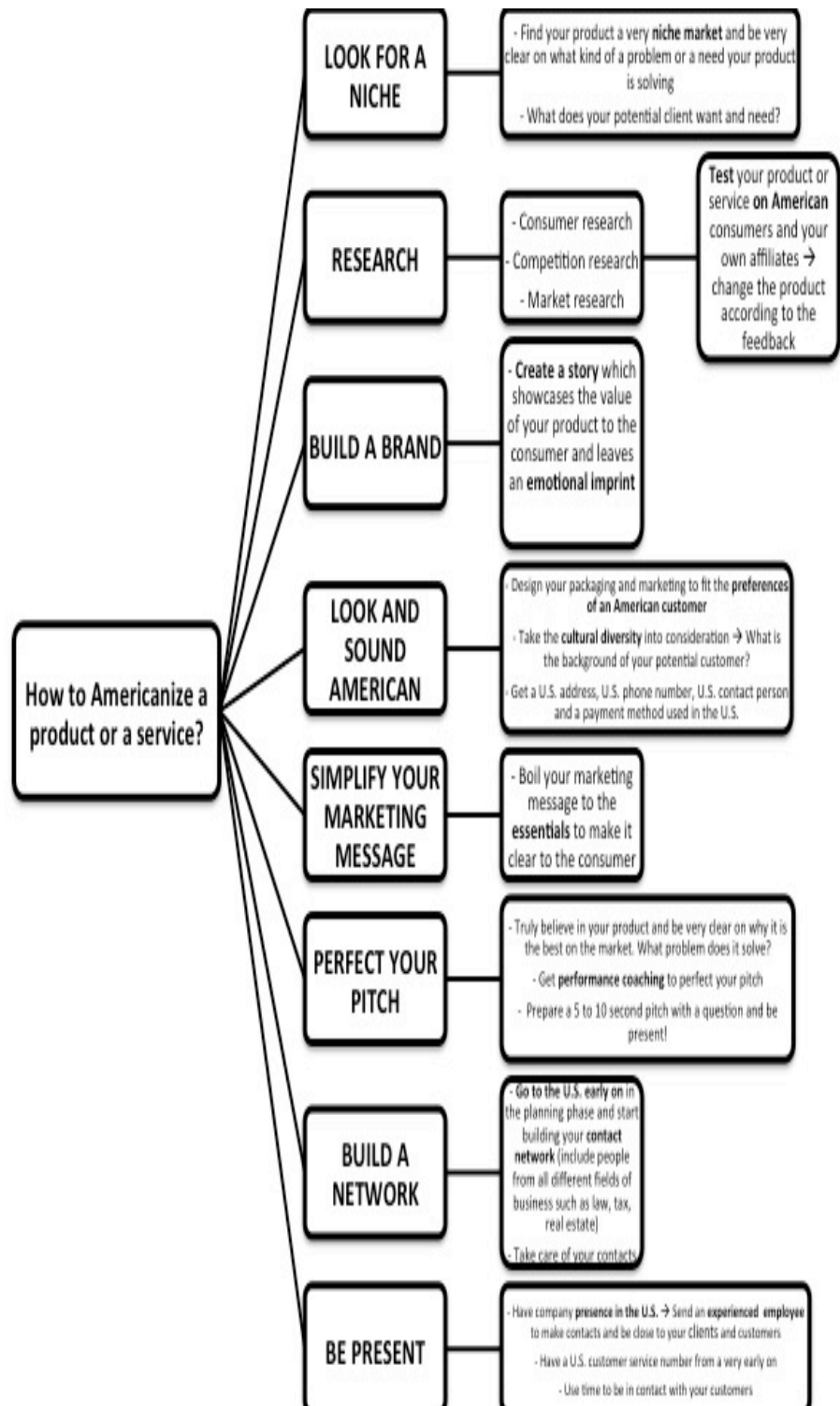
I agree that any information obtained from this research may be used in any way thought best for this study/thesis.

\_\_\_\_\_ Date \_\_\_\_\_ Place \_\_\_\_\_  
Signature of Interviewee

### 3. Interview Questions

1. What is your **background** in Global Commerce?
2. What is your **personal experience** in working with Finnish companies entering the U.S. markets?
3. What do you find to be the main **cultural differences** between Finns and Americans?
4. In which ways do you think the **business culture** in Finland and in the U.S. differ from each other?
5. What do you believe to be the **top 5 (general) most important ways to Americanize a Finnish product/service**?
6. When a Finnish company starts to formulate their entry method/plan to enter the U.S. markets, what would be **the most important first steps/precautions to take**?
7. Entering the U.S. markets is a long process for any foreign company; if concentrating on Finnish companies entering the U.S. markets, **which obstacles** do you believe are the most **challenging to overcome**?
8. In your opinion, what are the **most common mistakes** for a Finnish company to make when expanding their business to the U.S. markets and would you have any advice on how to overcome it?
9. It has been said that Finns have some of the worlds' highest level of education and their technological knowledge enables them to create top quality products and innovations. At the same time it has been said that most Finns are truly lacking in communicational and marketing skills, which leads to them not being able to successfully pitch their product/services to U.S. investors and possible partners.  
  
Do you find this to be true and if so, do you think that it might be beneficial for Finnish companies to hire a trained professional from outside of the company to do their pitching for them?
10. What do you think would be the **best general advantages/selling points** for Finnish companies when launching their product/services in the U.S. and when trying to gain market share in the U.S.

## Appendix 4: How to Americanize a product or a service



## Appendix 5: Most common points of entry failure

