



Localizing a Finnish Digital Platform in Sweden

Case – Lainappi Oy

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ABSTRACT

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This thesis explores the strategic localization of a Finnish home item rental platform for effective market penetration in Sweden. Central to this study is the question: "How can a Finnish P2P and B2C home item rental platform best localize its multi-sided platform for effective market penetration in Sweden?" The research combined qualitative insights from three expert interviews with quantitative data from a survey for potential end users in Sweden, gathering 38 responses in total. Despite yielding rich insights, the study acknowledges its limitation due to the modest survey response rate, which may impact the generalizability of its findings. Nonetheless, the thesis offers actionable recommendations for effective market penetration, with the focus on localization, in Sweden.

The study's key findings revealed distinct user interests in Sweden, which are instrumental in creating tailored buyer persona segments for targeted marketing. These findings validate and extend theoretical frameworks such as Bert Esselink's localization guide and the Uppsala model, emphasizing niche-focused strategies and the importance of cultural resonance in localization efforts. Furthermore, the research identified categorical preferences in item renting, bridging the gap between those with prior P2P platform experience and newcomers, and highlighted the need for strategic adaptations in digital platforms to achieve product-market fit.

Future research is encouraged to delve deeper into consumer behavior and preferences in the Swedish market, with a focus on digital interactions and sustainability practices. The evolving nature of the field calls for continuous exploration of technologies and regulatory landscapes to refine market penetration strategies.

All in all, this thesis sheds light on the intricate process of localizing in a cross-cultural context, contributing valuable insights to academic discourse and practical guidance for international market expansion, particularly for Finnish technology startups eyeing the Swedish market.

Key words: P2P, item rental, localization, market penetration, sustainability, product-market fit, Swedish market

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ABBREVIATIONS

Multi-Sided Platform	MSP
Peer-To-Peer	P2P
Business-To-Consumer	B2C
Business-To-Business	B2B
Product life cycle	PLC

1 INTRODUCTION

The author of this thesis is a co-founder in a Finnish startup operating a P2P and B2C MSP for renting household items. The world is changing towards more sustainable living habits in which a regular consumer's conscious purchase-decision nowadays features sustainability in a growing manner. The startup was originally launched to partially combat the rising environmental concerns, overproduction, and consumption habits.

The startup, Lainappi, was founded in early 2020, has four major co-owners and functions as digital platform in the form of a mobile application. The company upholds two main categories of business, including not only traditional B2C operations, but also has P2P renting included. In the B2C section, the company currently operates four physical self-service boxes, which are fully controlled via the mobile application. Within the application the consumer can independently reserve, pay, pick up and return rental items. These boxes are located in populated areas, such as a metro station, a shopping mall, and a hypermarket. The main categories of items rented throughout the platform are different tools, cleaning equipment, sports equipment, and electronics.

The company currently conducts operations in their local market in Finland. The most notable areas, where a renting network is established in the B2C and P2P sectors are Tampere and Helsinki, with other major cities having minor renting transactions.

According to Pratt (2017), a focal characteristic of a startup company is the focus on growth especially through international markets. This case thesis aims to strengthen the knowledge and provide usable frameworks for the case company to utilize in their internationalization endeavors to the Swedish market. The thesis dives into different theoretical frameworks in internationalization and go-to-market strategies, analyzes a survey sent to potential early adopters and end users in the target market, delves deeper in the subject of internationalization and localization by three interviews with market experts, inspects the gathered data and provides conclusions based on all of the above-mentioned areas.

1.1 Research questions, objectives, and purpose

Research questions and objectives are a vital part of any research and are meant to guide and narrow down the subject and structure. By the following research questions, this thesis aims to provide theory based, actionable strategies for a localization strategy in Sweden. The main objective is to distinguish possible bottlenecks, risks, market needs, develop and construct applicable methods to conquer new markets by utilizing effective localization strategies. By creating a localization strategy to the case company, it saves the company's resources, as they will not have to conduct such large-scale research about the subject and localization, which is in the core of the purpose of this thesis.

The thesis has one primary research question:

How can a Finnish P2P and B2C home item rental platform best localize its multi-sided platform for effective market penetration in Sweden?

Secondary and assisting research questions are:

- How should Lainappi execute localization to Sweden?
- What aspects need to be localized and changed?
- Main target segmentation – is it the same as in local markets?
- What are the market differences?
- Market needs / market readiness?
- Cultural differences in Finland versus Sweden?

1.2 Limitations of the research

The development of the thesis encountered limitations and restrictions. The most notable one was the accessibility to the most impactful data source, the potential customers and end users. Internationalization and localization logically imply structuring the business and product offering to meet the needs and requirements of international markets with the intention to distribute and expand to new markets, it corresponds to an untapped market and customers who are harder to reach due to geographical distance and unfamiliar channels.

The survey accumulated a total of 38 responses, which was less than what the author was striving for and expected. However, insightful data was still received, and meaningful conclusions were able to be drawn. However, a more in-depth research of potential end user needs and preferences in the target market might be beneficial to be conducted to reach a broader understanding of the generality of the target market.

1.3 Delimitations of the thesis

This thesis is based on the potential end users' opinions and preferences, to gain understanding of the market readiness and product-market fit. In addition to the responses of Swedish residents, experts in the field of internationalization and export were interviewed. The aim with the interviews was to understand what is in the core of a successful market entry and localization of a product or service. By having experience of multiple and varying internationalization projects between the interviews, relevant conclusions could be structured.

Market research outside of the survey and interviews was not specifically included in this research to limit the field of data gathering and varying sources of data. Lainappi is a startup, which reliably develops its platform based on the feedback of customers, thus raw data, and information directly from potential end users from the foreign market was conducted and kept vital, thus typical market research was excluded.

2 LITERATURE REVIEW

This chapter of the thesis delves into theories that shed light on strategic factors vital to the company's approach to internationalization and are analyzed from multiple perspectives. Emphasis has been placed on theories related to localization, strategies for entering new markets, and frameworks centered around cultural aspects. This focus stems from the understanding that global expansion is a considerable transformation, requiring the identification of various crucial elements. Furthermore, the use of practical frameworks and tools has been instrumental in formulating actionable insights. The following section will provide a comprehensive overview of these selected theories and frameworks.

2.1 Defining multi-sided platforms

According to Petroni (n.d), a multi-sided platform is described followingly: “A Multi-Sided Platform brings people together around a shared purpose to co-create value in a community-driven marketplace, enabled by systems and data.”

Historically, various forms of multi-sided platforms (MSPs) have been in existence for centuries, serving as intermediaries that bring together different user groups or market participants. These ancient iterations laid the foundation for what would evolve into today's sophisticated digital platforms. With the internet's ascent in the modern era, MSPs have taken on unprecedented significance, emerging as pivotal intermediaries adeptly connecting diverse, interdependent user groups. Renowned entities such as Airbnb, eBay, Uber, Google, and Apple epitomize their integration and success in the contemporary digital economy. (Abdelkafi;Raasch;Roth;& Srinivasan, 2019)

As the digital age has progressed, interest in MSPs has majorly increased due to their intrinsic ability to streamline transaction costs and their dominant stature in the digital marketplace. The underlying mechanics of these platforms revolve around the phenomenon of network effects, which can ultimately either solidify a

platform's growth or contribute to its decline, thus being a double-edged sword. (Abdelkafi;Raasch;Roth;& Srinivasan, 2019)

Although network effects are of utmost importance, they do not exclusively dictate the trajectory of a multi-sided platform. Platforms that have achieved historical success have typically enjoyed the advantages of early market entry, a proficient comprehension of the economics of complementary goods, and a careful equilibrium between maintaining openness and ensuring quality control. A persistent challenge that has transcended time is the "chicken-or-egg" predicament, whereby the attraction of users from one side is contingent on the presence of users on the other. (Abdelkafi;Raasch;Roth;& Srinivasan, 2019)

2.2 Defining the peer-to-peer (P2P) economy

“A peer-to-peer (P2P) economy is a decentralized model whereby two individuals interact to buy sell goods and services directly with each other or produce goods and service together, without an intermediary third-party or the use of an incorporated entity or business firm” (Investopedia, 2021).

According to Pereira (2023), “Usually, the peer-to-peer business model involves a kind of platform that provides contact between both sides, while establishes rules and regulations, payment systems, and any kind of process that may be necessary for the transaction to work out”.

By upholding a P2P platform, the business owner is considered merely a middleman of matchmaking both demand and supply and enabling the interaction between the associated parties. A typical monetization method for these P2P platforms is through commissioning fees, which are included in transactions completed on the platform. This method is only applicable to platforms, which encourage and offer payment via their platform. Other business models involve subscription-based pricing, pay-as-you-go, freemium, listing fees, lead fees, advertising revenue and sign-up fees. (Kashnikova, 2022)

The by-product of a P2P economy, where individuals are the parties mainly involved with the exchange of goods and or services, is that there may be increased risk factors, such as failed delivery, quality differences or other factors, which may occur in a consumer-oriented market. Regardless of the aforementioned factors, the potentially lower prices affect the persuasion of these services. (Investopedia, 2021)

Within the P2P economy, the distribution of responsibility and risk is divided between individual consumers, thus it transforms the landscape of responsibility when comparing to traditional B2C commerce. In B2C, a consumer purchases a product or service directly from the business, which establishes a legal base on the responsibility distribution and setting different legal bindings between the parties. For instance, the consumer protection act has set legislation and rights for refunding and item returns. However, the P2P business model has a grey zone when it comes to the legal contract and who is responsible, and the consumer protection act is not applied. These factors are usually determined by the platform's terms and conditions or other separately communicated understanding between the parties. P2P platforms majorly utilize enabling user reviews to increase trust and transparency, which bolsters the overall credibility of the platform and its users.

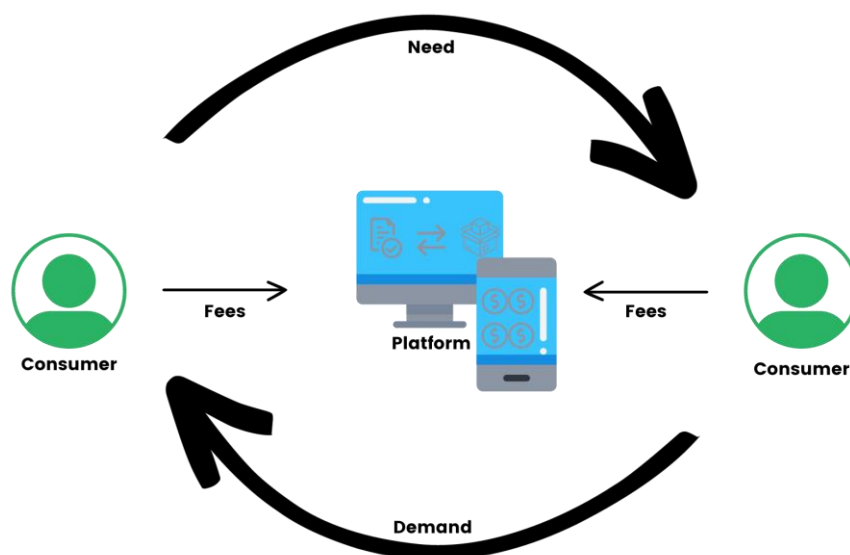


Figure 1. Illustration of a P2P platform. (Eskola, 2023)

2.3 A practical guide to localization by Bert Esselink

Bert Esselink's "A practical guide to localization" serves as one of the foundational works in the field of localization. The framework provides a thorough examination of the method, complexities, and importance of customizing content or goods to meet the distinct cultural, linguistic, and technical needs of target markets. (Esselink, 2000)

Esselink (2000) argues that localization is greater than just a simple translation to fit the country's language. A word-for-word translation, without proper interpretation of slang, local expressions, and idioms, might result in misinterpretations and potentially offensive expressions. The local content must also be updated regularly, as cultures and language are constantly developing and evolving. Furthermore, localization includes the transformation and optimization of the product or service to adequately suit the cultural, technical, and linguistic needs and nuances of the market. (Esselink, 2000)

The localization process is thoroughly examined by Esselink (2020), who emphasizes its multidisciplinary aspect. It involves testing, software engineering, translation, and frequently calls for the cooperation of professionals from these different professions. For the final product to be effective and resonate with the target audience, it is important to analyze the source text, adjust the graphic elements, and test it after localization. Technology is the focal point of localization, as it streamlines the localization process, improves consistency and cost-efficiency.

Esselink (2000) highlights the importance of adapting cultural aspects in localization. It is vital to considering the target market's differences in linguistics, customs, and norms. Furthermore, for proper localization to resonate with the local audience, in-depth understanding is a necessity. This in turn assures best return on localization investment and to drive higher profit margins. A company aiming to localize should adapt their brand to meet the requirements of the target market to resonate and feel relatable, while simultaneously adhering to the global brand identity, thus careful adjustments must be made.

By adapting to the target market niche needs and developing the product or service further, the business may gain new insights and product development opportunities on a global scale. Simultaneously careful quality assurance and product testing must be maintained while adjusting the product. (Esselink, 2000)

2.4 Hofstede's cultural dimensions

In a world marked by heightened global commerce and complex cross-cultural interactions, gaining a deep insight into the cultural pillars that shape societal behavior, perceptions, and values is of utmost importance. The linchpin in this intellectual endeavor is Geert Hofstede's cultural dimensions. This comprehensive framework, developed from Hofstede's detailed examination of cultural contrasts, provides clarity on the essential dimensions that typify and distinguish cultures worldwide. Beyond its academic relevance, Hofstede's findings offer real-world value for enterprises and organizations navigating the challenges of a multicultural landscape. The dimensions include power-distance index, collectivism versus individualism, uncertainty avoidance index, femininity versus masculinity, and short-term versus long-term orientation. With further research of Hofstede's cultural dimensions, restraint versus indulgence was added to the framework. (Hofstede, 1980)

2.4.1 Power-distance index

The power-distance index refers to the level of status or hierarchy and distribution of power. Cultures on the high-end of the power-distance index are more susceptible to approving hierarchies, where individuals are compartmentalized based on their rank or level without questioning the authenticity of the ranking system. In a workplace located in a high power-distance country, superiors are expected to make decisions and are considered higher ranked than their subordinates, who may also be expected to show signs or gestures of respect. (Hofstede, 1980); (Nickerson, 2023)

In a low power-distance country, employees are more likely to be involved in decision making, are allowed to give feedback and employees no matter their position are seen as equal. In general, power distribution is aimed to be distributed equally and evenly and parents have less authority in a sense where a child is allowed to “talk back” without it being unacceptable or offensive. (Hofstede, 1980); (Nickerson, 2023)

2.4.2 Collectivism versus individualism

Collectivism versus individualism revolves around the inclusion of individuals into groups. An individualistic society highlights an individual’s achievements, individual rights, the needs of close family members and self-image is referred as “I”. Furthermore, the communication in an individualistic society is referred as direct. (Hofstede, 1980); (Nickerson, 2023)

On the other hand, a collectivist society focuses on the joint effort of individuals, well-being as a whole and self-image is referred as “We”. A characteristic of a collectivist society underlines loyalty, relationships and the communication gravitate towards more of an indirect tone. (Hofstede, 1980); (Nickerson, 2023)

2.4.3 Uncertainty avoidance index

The uncertainty avoidance index highlights the tolerance for uncertainty and ambiguity. It measures how change is perceived and the level of uncertainty minimizing. The basic measurement of the uncertainty avoidance index is high-to-low, where being on the high end of the index refers to low tolerance for uncertainty, ambiguity and risk-taking. Individuals with and societies with a high level in this index aim to diminish uncertainty by relating to different regulations or other set rules. (Hofstede, 1980); (Nickerson, 2023)

By being on the low-end of the uncertainty avoidance index, the culture embraces uncertainty and adapting environments, which supports having the least rules possible. This reflects the fact that cultures belonging to the low-end of the index

are more willing to experience and cope with change and the unknown is not perceived as threatening. (Hofstede, 1980); (Nickerson, 2023)

2.4.4 Femininity versus masculinity

Femininity versus masculinity revolves around gender role differentiation. This aspect of Hofstede's cultural dimensions measures the amount societies place on the importance of traditional masculine and feminine roles. The characteristics of a high masculinity culture are competition, strength, courage, and assertiveness. (Hofstede, 1980); (Nickerson, 2023)

A highly feminine culture involves having superior maternity leave arrangements and childcare may be less expensive. In a culture with low femininity scores, it is reasonable for women to be in leadership positions and countries to have higher female participation in entrepreneurial activities. (Hofstede, 1980); (Nickerson, 2023)

2.4.5 Short-term versus long-term orientation

The cultural dimension of short-term versus long-term orientation discusses a culture's promotion of delayed gratification of different needs. Cultures that are more long-term oriented are willing to sacrifice the short-term gains in order to have a greater benefit or success in the long-term. Present characteristics for long-term oriented cultures include persistence, long-term orientation, saving, thrift and rationality towards adaptation. (Hofstede, 1980); (Nickerson, 2023)

However, short-term orientation leans more towards embracing near future, attaining short-term goals, and living in the present rather than in the future. (Hofstede, 1980); (Nickerson, 2023)

2.4.6 Restraint versus indulgence

The final cultural dimension of Hofstede's paradigm is restraint versus indulgence, which implies a culture's willingness to fulfill their desires. The main divider between the two extremities is that restraint-oriented cultures are more inclined to save money and consider what are important practical needs and what are not. The restraint may also be impacted by the society's efforts to regulate gratification of different needs. High indulgence refers to a culture where individuals are freer to enjoy freedom of spending money on leisure activities, luxury, and other corresponding desires. (Hofstede, 1980); (Nickerson, 2023)

2.5 Product life cycle (PLC)

A product lifecycle is defined by the various stages a product encounters during its existence when introduced to the market. The stages are introduction, growth, maturity, and decline. Define separate sections and countermeasures to achieve the highest possible revenue and product relevancy for each stage. (Kotler & Keller, 2011).

2.5.1 Introduction stage

Introduction stage refers to when a product is introduced to a market. Introduction phase usually has a slowly progressing sales growth, as the product has not yet been perceived by all potential customers. To achieve a successful introduction and market entry, a company should conduct a thorough market research. The aim is to gain a complete and deep understanding of the market and its consumers' needs, and behavior while striving on finding unique selling points. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Develop a compelling value proposition:

Leverage and communicate the value proposition to the customers and how your product is distinguishable and superior when comparing to competitors. Try to

display superior and convenient features included in your product. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Build brand awareness:

When entering a new market, it is important to have a clear and appropriate brand. By building brand awareness and recognition, customers are more likely to connect your product to their specific needs when the need occurs. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Utilize effective digital marketing:

By excelling at digital marketing, a company is able to effectively and directly display the brand and products to their target segment. Digital marketing channels include social media advertising, search engine optimization, email marketing and other digital online presence methods. Create engaging and thrilling pre-release sneak peeks and other relevant posts to keep customers excited and engaged. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Engage with early adopters:

By identifying possible early adopters, the company is able to target them more effectively. Early adopters may be a great word of mouth channel to market the product. By engaging with early adopters and bringing them slightly onboard into the product development, it allows the company to understand the consumer needs better and makes the customer feel like they have an impact on the product. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Implement effective pricing strategies:

The company must have a carefully thought of pricing strategy. By optimizing the price, the company increases revenues without missing out on potential customers. Pricing may also result in a competitive advantage depending on the market. Pricing strategies may also include various promotions, referral systems and other trial options. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Remarkable customer experience:

When in the introduction stage, it is a focal point of providing memorable customer service and by trying to serve customers in the best possible way increase

positive word of mouth advertising, supports loyalty, and also prevents retention. Depending on the scale of the product launch, the customer quantity might be low, thus excellent customer service should be achieved and focused on. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Collaborate with organizations, influencers, and experts:

By doing collaborations, the company places themselves in a positive light with influencing entities, who may leverage a positive conception of the product and brand by communicating it to their followers. An industry expert who may recommend the product is highly valued in the customer's eyes who seek for a professional opinion on a product before a purchase decision. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Utilize other public relations:

If a company is able to have a news article written about them, it reaches a different, nationwide attention, which may be an effective way of spreading the news. By having your product reviewed by news channel's personnel or other public departments, it creates impactful leverage towards your company. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Monitor and adapt:

Never forget to assess your results and continuously seek on improving your performance. If certain aspects are clearly not working or not providing expected results, adapt to the situation. (Kotler & Keller, Marketing Management (14th Edition), 2011)

2.5.2 Growth stage

Growth stage is a period where customers begin to grasp the product and it usually transforms into rapid market acceptance, which increase the profitability. To achieve a successful growth stage, a company should expand market research. Strive to find new market segments or market areas to penetrate and expand to. Develop the market research with factors learned during the introduction phase.

Develop new and engaging marketing campaigns for the new target segments. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Develop the brand:

By focusing on branding, the company may further differentiate from competitors. Utilize customer feedback, reviews, customer amounts, products sold and other metrics to boost your brand. Keep adapting your brand and strategies to the new markets. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Keep implementing effective pricing strategies:

Utilize the information gained through the introduction stage with pricing and keep developing optimal pricing strategies and shift the mindset towards increased profitability. Find windows to cut costs or to increase the sales margins. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Expand and develop new products:

By achieving a customer base, the company is able distinguish market needs or product development needs more precisely. By expanding the product offering, the company may offer more value to the existing customers by simultaneously profiting and serving new customers. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Enhance customer relations and prevent retention:

Make the customers feel valued. This may be accomplished by providing them with additional value, discounts, product development opportunities, referral systems and by continuing to provide excellent customer service. By caring for your customers, the company may prevent retention. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Reinvest profits to marketing:

By increasing effective marketing, the company may naturally achieve more customers if conversation rates remain satisfactory. By analyzing and utilizing the data gathered to this point, the company can make informed decisions based on the data. By implementing the core parts of the analyzed data to their marketing,

the company may also achieve higher return on investment and customer satisfaction. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Monitor the market and potential competitors:

When a product is doing well, it is unavoidable to gather attention from competitors and they might start developing rivaling products. By continuing to leverage a unique selling point and competitive advantage, the company holds its market position. (Kotler & Keller, Marketing Management (14th Edition), 2011)

2.5.3 Maturity stage

Maturity stage either shows signs of stabilized profits or first signs of decline in sales, as customers have grasped the product, which in turn draws competition from other companies. In this stage majority of the potential buyers have made a buying decision already. To achieve a successful maturity stage, a company should enhance segmentation by further developing the buyer persona and segmentation, as it helps the company increase its profitability. The company should also seek to discover new market niches and other potential markets to expand to and uphold the revenue streams. With the collected data, the company should be able to tailor customer communications and marketing messages to increase relevancy and customer satisfaction. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Product development and innovation:

To stay ahead of the competition, the company should make necessary changes and customer requested features to the product to maintain matching needs. By innovating the product, it keeps the product fresh and interesting to the consumers. By releasing new product variations or versions, it increases customer loyalty and profitability. A downside of this might be product cannibalization. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Review pricing strategies:

Optimize pricing strategies and promotions to keep customers hooked to your product or service. Keep introducing customer loyalty benefits or new customer

acquisition campaigns. By further reviewing costs and profitability the company may maximize revenue. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Optimize the distribution channels:

Keep exploring new distribution channels and partners for your products. This in turn allows the company to tap into markets, which might be out of reach otherwise. By gaining new distributors, the product offering grows broader and establishes mutually beneficial partnerships. (Kotler & Keller, Marketing Management (14th Edition), 2011)

2.5.4 Decline stage

A decline stage indicates declining sales volumes. To overcome the decline stage, a company should assess product offering. Choose the winners and losers of your product portfolio. Assess and analyze, which products are doing well, and which are not. Further iterate or find profitability windows on products, which are not performing as expected. If profitability is hard to achieve, keep the winning products only. If possible, find market gaps for new products. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Cost optimization:

Optimize costs. Assess costs required for each product and link it to performance. Streamline the operations and cut unnecessary services and costs. If possible, negotiate new deals with service providers and leverage your market position and influence. Make a complete overhaul on the company operations and processes. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Market exit:

Explore possibilities for market exits, new partnerships, joint ventures, or alliances, or consider selling some part of your organization to a third party. Possibly the whole business, certain intellectual property, or processes. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Assess experience and knowledge to turn the decline in to positive and analyze the process, which lead to the decline stage. Assess what went well, what went poorly, points of improvement, dos, and don'ts to learn from the stage and improve for the future. (Kotler & Keller, Marketing Management (14th Edition), 2011)

Summary of product life cycle characteristics, objectives and strategies				
	Introduction	Growth	Maturity	Decline
Characteristics				
Sales	Low sales	Rapidly rising sales	Peak sales	Declining sales
Costs	High cost per customer	Average cost per customer	Low cost per customer	Low cost per customer
Profits	Negative	Rising profits	High profits	Declining profits
Customers	Innovators	Early adopters	Middle majority	Laggards
Competitors	Few	Growing number	Stable number beginning to decline	Declining number
Marketing objectives				
	Create product awareness and trial	Maximize market share	Maximize profit while defending market share	Reduce expenditure and milk the brand
Strategies				
Product	Offer a basic product	Offer product extensions, service, warranty	Diversify brands and items models	Phase out weak products
Price	Charge cost-plus	Price to penetrate market	Price to match or best competitors	Cut price
Distribution	Build selective distribution	Build intensive distribution	Build more intensive distribution	Go selective: phase out unprofitable outlets
Communications	Build product awareness and trial among early adopters and dealers	Build awareness and interest in the mass market	Stress brand differences and benefits and encourage brand switching	Reduce to minimal level needed to retain hardcore loyalists

Figure 2 Recreation by Aukusti Eskola (2023) based on the Summary of Product Life-Cycle Characteristics, Objectives and Strategies. (Kotler & Keller, Marketing Management (14th Edition), 2011).

2.6 The Uppsala internationalization model

Swedish researchers (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977) conducted and assessed research regarding four Swedish companies to understand the internationalization methods and objectives businesses execute when conducting expansion to foreign markets. The Uppsala Model emerged as a result of this research. (Zohari, 2021)

The model suggests that expansion operations should be conducted in gradual increments resulting in a growing manner of involvement in the foreign markets. Furthermore, to support this, companies should choose a foreign market rather close to their country of origin. When required information and proper market assessment has been attained, only then should a company progress and increase market involvement and operations in the foreign market. It implies that direct knowledge and market involvement go hand in hand. Moreover, by the market knowledge and experience gained prepares the companies to expand to more distant markets. Market specific knowledge is only attainable by conducting operations in a specific market; thus, it is unobtainable through market research. (MBA Knowledge Base, n.d)

As the Uppsala Internationalization Model provides insights into how companies should gradually expand, it emphasizes four stages on how the company should increase involvement in the foreign markets. (MBA Knowledge Base, n.d)

Stage 1:

Initially, companies often engage in sporadic export activities, which means they only occasionally sell their products in foreign markets. (MBA Knowledge Base, n.d)

Stage 2:

Progressing from sporadic exports, companies may begin exporting through independent representatives or agents, which is a less risky entry method and allows them to learn about new markets through experimentation. (MBA Knowledge Base, n.d)

Stage 3:

As companies gain experience and resources, they may decide to establish foreign sales subsidiaries. This signifies a greater commitment to the market and provides more control over their operations. (MBA Knowledge Base, n.d)

Stage 4:

At the highest level of commitment, some companies may even choose to set up foreign production manufacturing units in the target market. (MBA Knowledge Base, n.d)

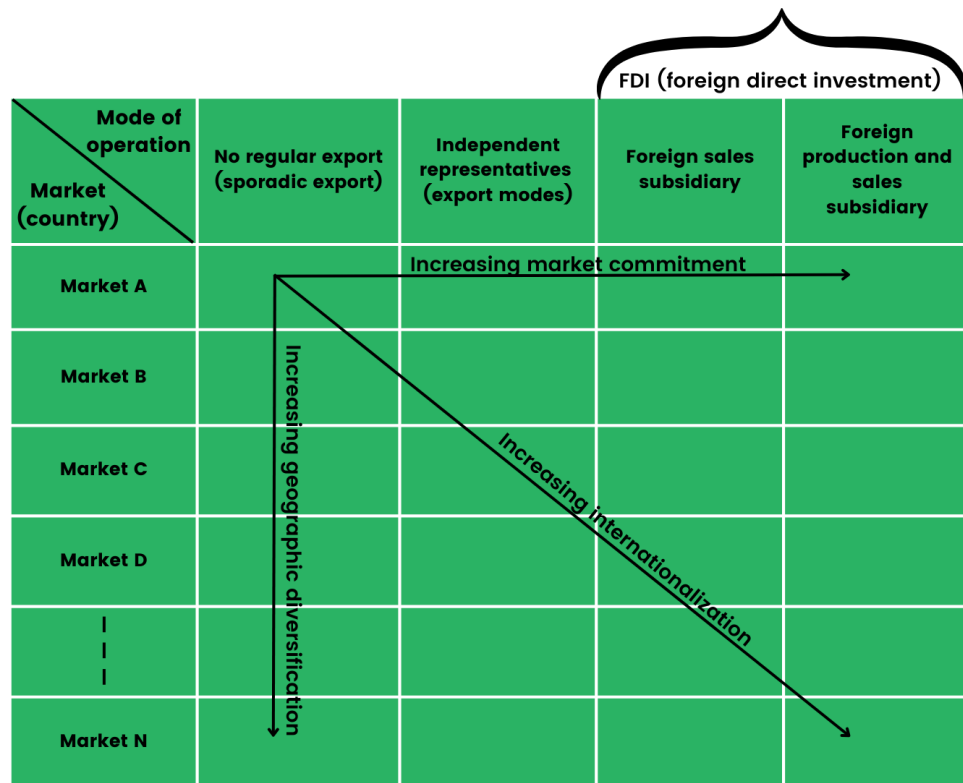


Figure 3. Recreation by Aukusti Eskola (2023) based on The Uppsala model visualization. (MBA Knowledge Base, n.d)

The Uppsala Model emphasizes the importance of learning through experience. Companies start by exploring nearby markets, where they have better market knowledge and more control over resources. As they become more experienced and resource rich, they gradually expand into more distant markets. These distant markets may involve cultural, language, political, geographical, and knowledge-related challenges. (MBA Knowledge Base, n.d)

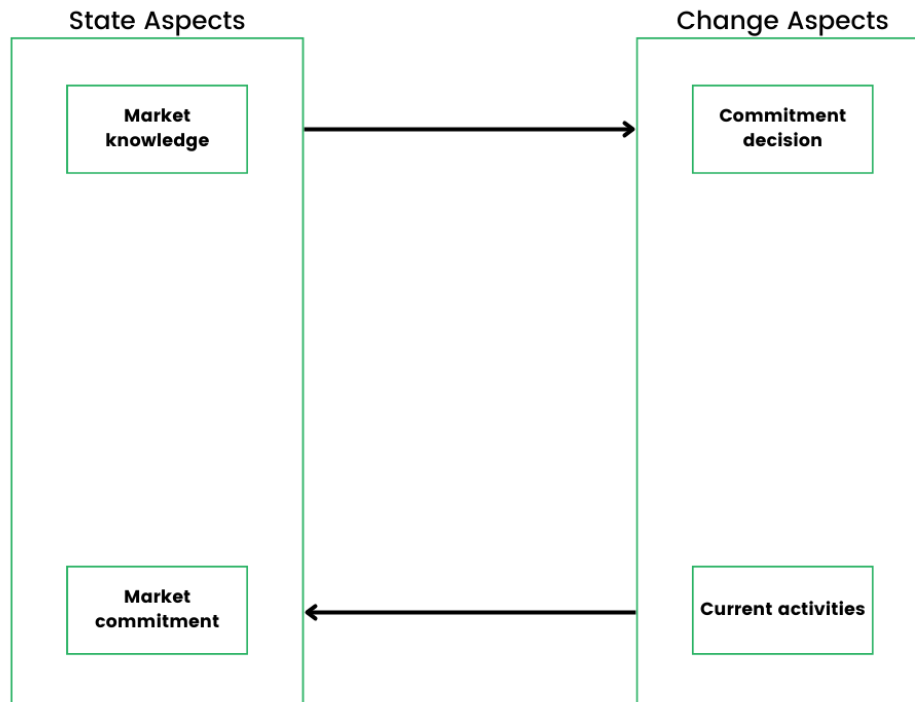


Figure 4. Recreation by Aukusti Eskola (2023) based on The Uppsala model visualization. (MBA Knowledge Base, n.d)

In this model, the relationship between market knowledge and commitment is crucial. Enhanced understanding of the market leads to greater commitment to it, and similarly, increased commitment cultivates market knowledge. Companies tend to enter a new market through exporting before considering options like establishing foreign sales subsidiaries or foreign production. (MBA Knowledge Base, n.d)

The distinction is made between general and specific knowledge. General knowledge, which pertains to operating in foreign markets in general, can be transferred from one market to another. On the other hand, specific knowledge, which is unique to a particular market, can only be acquired through direct involvement in that market and is challenging to apply elsewhere. (Zohari, 2021)

This approach to internationalization underscores the importance of people involved in the process and highlights that successful expansion is often a gradual, step-by-step process, with each stage building upon the previous one. (Zohari, 2021)

2.7 Market follower concept

Kotler and Armstrong (2017) describe a market follower as “A runner-up firm that wants to hold its share in an industry without rocking the boat”.

According to the market follower strategy in the broader context of competitive positioning paradigms, predicated on the principle of circumventing the inherent risks and uncertainties associated with pioneering innovations. By opting to align with, rather than diverge from, established market trajectories set by market leaders, firms can strategically position themselves to capitalize on existing market dynamics. This strategic choice is informed by several theoretical perspectives, ranging from risk management to cooperative game theory. (Kotler & Armstrong, 2017)

From a risk management perspective, the follower strategy can be viewed as an exercise in risk aversion. By adhering to established market norms, firms reduce the potential variability associated with consumer reception and market acceptance. This strategy suggests that the volatility inherent in pioneering can be mitigated by aligning with existing market trajectories. (Kotler & Armstrong, 2017)

Economic efficiency is another lens through which the follower strategy can be understood. This perspective posits that significant economic advantages can be derived from leveraging the extensive research, development, and market testing investments made by market leaders. By eschewing the high resource demands and uncertainties of pioneering, follower firms can potentially achieve a more immediate and secure path to profitability. (Kotler & Armstrong, 2017)

However, the market follower strategy is not devoid of innovation. A crucial component of this approach is the balance between imitation and differentiation. While the primary trajectory of the strategy is to align with established market trends, there is an imperative for subtle differentiation to carve out a unique market niche. Such differentiation, albeit nuanced, becomes essential for firms to avoid direct competitive frictions and to resonate with specific market segments. Within this strategy, followers can be further categorized based on their degree and nature of alignment with leaders. (Kotler & Armstrong, 2017)

2.7.1 Imitators

Entities in this category endeavor to reproduce the leader's product, incorporating only slight modifications. This ensures non-infringement of intellectual properties while offering a similar value proposition, often at a competitive price point. (Kotler & Armstrong, 2017)

2.7.2 Counterfeiters

These entities operate at the periphery of legal frameworks, producing close replicas of the leader's offerings, albeit frequently at compromised quality tiers. (Kotler & Armstrong, 2017)

2.7.3 Adapters

This category of followers takes the seminal idea from leaders and introduces significant modifications, either improving the original or tailoring it to resonate with disparate market segments. (Kotler & Armstrong, 2017)

2.7.4 Cloners

These firms meticulously replicate both the product and branding strategies of leaders, targeting markets characterized by low brand loyalty and pronounced price sensitivities. (Kotler & Armstrong, 2017)

3 METHODOLOGY

This section outlines the methodological decisions regarding to the research structure and the empirical method. It further delves into research philosophy, the case selection, data collection, and the analysis of the case. Furthermore, the section presents the validity and reliability of the thesis.

3.1 Research philosophy

The author resembled pragmatism research philosophy. The pragmatism research philosophy incorporates qualitative and quantitative research strategies. It is typical for pragmatism research to cover multiple views to gain the highest possible accuracy regarding the research, as a single point of view is unable to discover and handle the entirety of the research. The research remains in the core of this research philosophy, and it is thought to contain hints of both positivism and interpretivism research philosophies. Pragmatists are keen on disclosing different research methods to achieve answers to the research question(s).

(Business Research Methodology, n.d)

3.2 Research methods

A quantitative research method uses mathematical formulas to analyze the gathered numerical data. A quantitative method's main objectives are to measure, make comparisons, examine relationships, test hypotheses, and make forecasts. The quantitative methods aim to answer how many or how much.

(Walliman, 2021)

A qualitative research method utilizes different techniques, such as interviews, focus groups and observations. Qualitative methods are appropriate for in-depth explorations on a specific or sensitive subject. Qualitative methods aim to answer how and why. (Tenny;Brannan;& Brannan, 2022)

Based on the broad field of internationalization and localization, both research methods, quantitative and qualitative were chosen. These two research methods are distinct from one another, as the quantitative focuses on numerical data, whereas the qualitative side utilizes non-numerical data. They are both used in data collection and data analysis. (Creswell, 2023)

3.3 Data collection

As one of the two primary data collection methods, the author conducted a questionnaire aimed towards the potential target groups of Swedes and Swedish residents to gain insights regarding localization, Swedish culture, preferences on digital platforms and item renting. The objective of the survey is to gather information regarding the potential end users and their preferences so that the company is able to adjust their product and localization strategy accordingly to match market and customer needs. The survey was distributed through various groups and posts on other digital platforms.

To gain experts' knowledge on the subject of internationalization, three interviews were held to dig deeper. The interviews also are a primary data collection method. The interviewees have been a part of internationalization and localization of a company, thus being perfect sources for valuable wisdom on the matter. The persons interviewed were also chosen with the criteria of having been a part of internationalization to ensure prevention of false positive narratives.

Furthermore, as a secondary data collection method, data was collected via numerous digital sources to bolster the understanding of localization and the cultural differences between Sweden and Finland.

3.4 Sampling techniques

The author introduced different sampling techniques, which include purposive sampling, snowball sampling, convenience sampling, cluster sampling and multistage sampling. They each played their own role in how the data was collected and sampled.

3.4.1 Interview sampling

The interviews were chosen based on different criteria, thus being a mix of a few sampling techniques. First and foremost, the author based the sampling on the relevance of the interviews, as they were the primary method of data collection on experts' analysis on internationalization and localization. Furthermore, the data collected was purposefully gathered as precise and meaningful as possible to display accurate results, which helps to pinpoint relevant recommendations.

Thus, the interview sampling introduced tints of purposive sampling, snowball sampling and convenience sampling. Purposive sampling refers to the author's understanding and expertise to carefully select the most meaningful samples for the research. It is usually used in qualitative research, as samples size might be rather limited, but offers depth and detailed knowledge. (McCombes, 2019)

Snowball sampling occurred during the data collection, as one of the interviewees referred and introduced their colleague as a potential interviewee. Snowball sampling is definitive from its name and is introduced as a domino effect; the more contacts you have correlates to further contacts as the initial contact may connect you with another person. Snowball sampling may lead to sampling bias, but in this scenario, the referral was perfectly adequate to match the theme of purposive sampling. (McCombes, 2019)

The interview sampling began with convenience sampling, as the author contemplated on possible interviewees from their own network. Convenience sampling is described as the most convenient and accessible contacts to the researcher.

Luckily enough, convenience sampling and purposive sampling were both involved, as the author had contacts that were convenient enough, but also purposive to the research. (McCombes, 2019)

3.4.2 Survey

The survey's main priority was to gather quantitative data without undermining the meaningfulness and importance of data and gathered responses. The audience was carefully chosen, as the limitation of the research was narrowed down to Sweden respectively. Thus, the respondents for the survey had to either be Swedes or Swedish residents. For this specific purpose, cluster sampling was introduced, as it aspired to divide and compartmentalize the respondents to the category of Swedes and or Swedish residents. Cluster sampling involves dividing population to subgroups. The aim is to retain similar characteristics throughout the subgroups.

Furthermore, stratified sampling was utilized. Stratified sampling divides the respondents based on their characteristics, which in this research the divider was whether the person had used peer-to-peer platforms for item rentals or not. Depending on their answer, they were redirected to a different set of questions to seclude false positive replies. Moreover, the survey strived to gather crucial data on real life events with proven examples of item rentals and separate these responses from hypothetical answers from respondents who had never used a peer-to-peer platform for item rentals. (Cint, 2022)

3.5 Validity and reliability

Reliability is a crucial aspect when it comes to drawing conclusions from the different research methods. Without reliability, the research serves no purpose, as it transforms the research in to possible false-positive, which negatively impacts the perception of verified results. To preserve the reliability factor, the author bottom lined anonymity regarding the survey questions. The main intention was to encourage honest and open responses. However, over to an extent, guaranteed

reliability is impossible to achieve, as the author has no control over the number of answers recorded or the truthfulness of the respondents.

The interviews were conducted with go-to-market and internationalization experts, who are experienced in the field; thus, are reliable sources. The survey was conducted and aimed at Swedes and Swedish residents to accumulate the most reliable and validated data possible. The author distributed the questionnaire solely in channels, which were generally regarded to be mainly reaching the target group in question.

To extract the false positives out of the responses, the author categorized the respondents based on their responses and previous experiences. Thus, factual data of actual events that had taken place was collected. Furthermore, hypothetical perspectives were explored in the responses of respondents, who were unable to demonstrate that they had participated in item rentals previously.

4 FINDINGS

In this section, the findings of the two primary data collection methods, interviews and the survey results are presented. In the quest to unravel the complexities of international market entry and the underlying factors that determine its success, this research employed a two-pronged methodological approach: surveys and in-depth interviews. This dual-method design is instrumental in providing a comprehensive view of the subject, melding both quantitative and qualitative insights to present a realistic overview.

4.1 Interviews

The interview chapter assesses all the three interviews, which were conducted between 20.10.2023-31.10.2023. The duration varied between interviews. The general consensus and questions were sent to the interviewees in advance to allow them to prepare beforehand, if needed. The participants were in the following order:

Interview 1

20.10.2023 11:10-12:30

Antti Aalto, CEO, GTM Guide, abbreviated as A.A in the thesis.

Interview 2

26.10.2023 11:00-11:45

Jonne Pöyhtäri, Founder, Export Maker, abbreviated as J.P in the thesis.

Interview 3

31.10.2023 11:00-11:30

Henri Karhu, Project Manager, Sweden, Export Maker, abbreviated as H.K in the thesis.

4.1.1 Interview 1 A.A

Entering a foreign market is a challenge that many companies face, and the insights offered by A.A (2023) in this interview shed light on the complexities involved. At the foundation of every successful international foray lies a well-structured strategy. As A.A stated, "It needs to be at the core of the strategy that we go there, to foreign markets." This strategy should not merely be a side note but should be embedded at the core of a company's ethos. The company's aspiration to venture into international terrains should be complemented by an inherent mentality that craves growth and internationalization.

The financial robustness of an enterprise cannot be ignored. The significance of cash flow planning emerges as a crucial aspect of a company's readiness to face the uncertainties of foreign markets. But it is not just about having the funds; it is about fostering a culture that supports experimentation and innovation. As A.A emphasized, "A culture of experimentation is a very important readiness." A.A paints a picture of a vibrant company culture, one that is not afraid to venture into the unknown, to innovate, iterate, and if need be, to retreat if a particular strategy does not pan out.

However, strategies and finances, although vital, are not enough. A profound understanding of cultural nuances stands out as a recurring theme throughout the interview. A.A cites the Finnish experience, highlighting how companies can sometimes be blindsided by their ingrained perceptions, noting, "Lack of cultural understanding is the biggest challenge or pitfall." What might work brilliantly in Finland, underlined by its unique history and geographical disposition, might not resonate similarly elsewhere. The challenges faced by Finnish companies, especially in terms of multiculturalism, offer a broader lesson: the need to genuinely understand and appreciate local cultures.

One might argue that the digital age has made the world a global village. Still, A.A astutely points out that when products or services transcend borders, they often need to be reframed to fit the cultural tapestry of the new market. It is a dance of adaptation, where companies must find the right balance between retaining their essence and appealing to foreign sensibilities.

The conversation about branding in the interview is particularly enlightening. While companies might have carved a strong brand identity in their domestic markets, foreign markets present a blank slate. As A.A insightfully pointed out, "Customers create a brand for a company, and the previous brand does not matter as much because it is unknown to new customers." This organic, bottom-up approach to branding can help companies find their footing in unfamiliar territories.

A deeper dive into the mechanics of internationalization reveals the potential role of partnerships. The nature of a company's product or service dictates the extent to which partnerships can be leveraged. Whether it is the intricate web of logistics for physical products or the digital pathways for online services, collaborations can offer a buffer, smoothing the transition into foreign markets.

The idea of narrowing down one's target audience comes forth as a solid strategy. Contrary to the notion of casting a wide net, A.A suggests the precision of a targeted approach, stating, "You have to have a narrow target group. I cannot think of any example or case where it would make more sense to start go-to-market with a large market rather than a narrow target market/target group." Companies might be tempted to appeal to broader demographics, but honing a specific segment can lead to better marketing efficiency and organic growth.

One of the most poignant takeaways from this interview is A.A's insights on localization and internationalization. A.A notably introduced the linguistics and other cultural factors, which should be modified adequately to match the market requirements.

The market's receptiveness to a product or service can be significantly influenced by existing behaviors and transactions. Instead of reinventing the wheel, companies might find it more fruitful to focus on enhancing existing market transactions, reducing friction, and adding value.

4.1.2 Interview 2 J.P

From the onset, J.P (2023) emphasized the importance of financial readiness, stating, "A company needs to have enough money to be able to go international. The first year in a new market is almost always a loss." These words served as a reminder that expanding overseas is not for the faint-hearted. It is a long-term commitment, demanding patience to weather initial challenges in anticipation of future gains.

But, as J.P elucidated, it is not just about money. He added depth to the discourse, saying, "Internationalization takes a lot of time... Shared responsibility never works, you need to have enough personnel." This calls attention to the fact that the real essence of international success often transcends monetary metrics. For many platform companies, the real victory is marked by how effectively they can establish their user base in the new territory.

However, a recurring theme in our conversation was the treacherous terrain of assumptions. J.P identified a frequent oversight: "Companies think that internationalization is the key and shortcut to happiness... No one knows anything about a new company trying to enter the market." This paints a vivid picture: a successful domestic brand does not directly translate to similar presence in the foreign markets. Every new market is essentially a new beginning, demanding humility, research, and strategy.

When it came to market selection, J.P's insights were illuminative. Citing Sweden, he shared, "Sweden is the largest and most desirable market in the Nordic countries, but at the same time it is also the most competitive." This underlines the significance of not just chasing large markets but also understanding the competitive landscape. In such scenarios, a franchise-style model might be a strategic fit.

J.P's take on branding was particularly compelling. He emphasized a dual approach. Firstly, he advised on the universality of brand names, suggesting, "A global brand should have a name derived from English so that it is applicable

everywhere." He also highlighted the significance of localization: the art of adapting a product or service to a particular locale or market. It is here that J.P.'s insights took a deep dive into the intricacies of international expansion.

"Localization is more than just translating your content," J.P. brought upon a fundamental aspect that many companies overlook. "It is about understanding the cultural, social, and economic dynamics of the target market." He highlighted the pitfalls of not considering cultural sensitivities. As an example, he noted, "Swedes may look down on Finns a bit, so in this case the Finnish name of a Finnish company might not necessarily work that well in Sweden." Such intricacies can make or break a brand's image in a new market.

J.P. went on to discuss the multifaceted nature of localization. "From the language used in marketing campaigns to the design and functionality of products, every aspect needs to be tailored to resonate with the local audience." (Pöyhtäri, 2023). He stressed the importance of market research, saying, "Without comprehensive research into local customs, traditions, and preferences, companies risk alienating potential customers."

Delving into the practical aspects, J.P. shared instances where even giants stumbled due to localization oversights. He observed, "Brands, at times, introduce products without considering local dietary restrictions or preferences. This not only leads to poor sales but can also damage the brand's reputation irreparably." The essence of his message was clear: localization is a continuous process of learning and adapting.

On forging partnerships, J.P. was assertive about their necessity, especially in branding. "Local partners can provide invaluable insights" (Pöyhtäri, 2023). "If the company does not have a partnership or a person who can help specifically with branding and creating a specific feeling locally, then it will be a problem before long" Collaborating with local entities ensures that a company's offerings align with the tastes, preferences, and values of the local populace.

Towards the conversation's culmination, J.P. offered strategic advice for companies with limited resources. He remarked, "It really depends on the budget and

resources. If there are less resources, it is definitely worth focusing on a specific target group." It is a testament to the fact that a targeted, well-researched approach can sometimes outweigh widespread, generic strategies.

In reflection, J.P summarized his insights on international expansion: "Too few markets are compared... Product market fit, and market size are the biggest indicators for market selection." Yet, beyond the numbers and strategies, he hinted at an underlying theme: the importance of empathy, understanding, and respect for the cultures and communities a company seeks to serve.

4.1.3 Interview 3 H.K

A foundational element to any expansion, as emphasized by H.K (2023), is the battery of capabilities and resources that an entity must amass. He contends, "After all, expanding abroad requires human resources", underlining the need for in-house expertise about international trade. But this, he posits, is just a fraction of the broader spectrum. The gravitational pull towards understanding the cultural, economic, and market dynamics of a new region becomes paramount. Achieving a symbiosis between one's inherent expertise and the external climate of the target region is often a litmus test for a successful overseas endeavor.

Yet, a comprehensive understanding must also be underscored by financial robustness. H.K elucidates, "The company also needs financial resources to open the market. Opening the market costs a lot." From budgets for marketing campaigns and partnerships to the continuous financial nourishment required for sustained market presence, financial acumen becomes indispensable.

But the path is filled with pitfalls. A recurrent challenge, as H.K observes, is companies venturing out without adequate preparation or resources. There is a cautionary tale in his words about chief executive officers initiating expansions based on fleeting associations with the target country. Such over-simplified assumptions are perilous. Misjudging the market, not accounting for required resources, or

expanding without clear intent can have repercussions. As H.K reflects, sometimes companies expand internationally merely because "the domestic market is just so full", a strategy that could backfire without due diligence.

Central to the idea of expansion is localization, a subject that is the cornerstone of this thesis. At its core, localization is about resonating with the local populace, not just in terms of language but emotions, values, and cultural ethos. The concept encompasses a broad range, from brand presentation to product customization. H.K's insights on this are particularly illuminating. He cites the example of Finnish companies that are globally recognized for their excellence. But while their reputation precedes them, it is essential that their brand resonates at a local level. As H.K suggests, making the brand "look as domestic as possible, even in the international market", underscores the importance of localization.

Localization is not just an operational requirement but a strategic imperative. It is about striking a harmonious chord between a company's global persona and the local flavor. This dance between global identity and local resonance is where many stumble. It is not just about translating a product's user manual into the local language, but about ensuring that the product, in essence, speaks that language.

The role of partnerships in the arena of international expansion and, by extension, localization, is profound. As H.K postulates, strategic partnerships can serve as force multipliers. They offer an on-ground perspective, which is invaluable for nuanced localization strategies. Whether it is collaborating with local entities or understanding local competition, the crux lies in the mutual value derived from such alliances. H.K emphasizes that the core objective of any partnership should be to ensure it "brings added value to you."

Moreover, as companies globalize, they often confront the dilemma of niche versus broad-based strategies. H.K is a proponent of the former, advocating the merits of specialization. He believes that by understanding a specific segment intimately, companies have a more considerable opportunity to resonate with their target demographic. As he aptly puts it, a narrow focus can sometimes yield broader dividends.

4.2 Survey results

The survey was distributed via social media and through Facebook's private groups and communities. All the responses were recorded from 17.10.2023 until 27.10.2023. The survey gathered 38 responses in total. Although the number of responses was fewer than initially expected, the data was highly accurate. The data presented will be demonstrated as graphs, charts and explained more detailed in text. The data is discussed thoroughly, as the author deems it to be necessary for the overall assessment of the subject.

For reading clarity purposes, a further explanation, regarding the logic on how the questionnaire was constructed, is narrated. Throughout questions 1-7, all the respondents had the exact same questions. However, question 7 was the determining factor on what questions the respondent would see following question 7. From question 7 onwards, respondents were presented with adequate questions through questions 8-11, depending on if they had previously rented via a P2P platform or not, resulting in questions 8-11 having two different sets of questions. From question 12 onwards, the respondents were once again introduced to mutual questions. Furthermore, due to this fact the survey question numbering might be initially confusing.

The survey was thoughtfully constructed with a focus on the potential end users and Swedish residents, shedding light on their inclinations and encounters in the environment of item rentals, the sharing economy, and digital platforms. Carefully tailored questions sought to perceive clarity on subjects such as:

- What drives consumer habits when it comes to item rentals?
- How familiar are consumers with the concept of the sharing economy and how do they engage with it?
- Assumptions for needs and customer demands in the item rental market.
- Pivotal factors in consumer decisions trusting and overall assessment of digital platforms.

4.2.1 Gender

The gender distribution of participants from the survey, equated to the majority of respondents, 65.8%, identifying as women, and 34.2% identifying as men, as displayed in Figure 5.

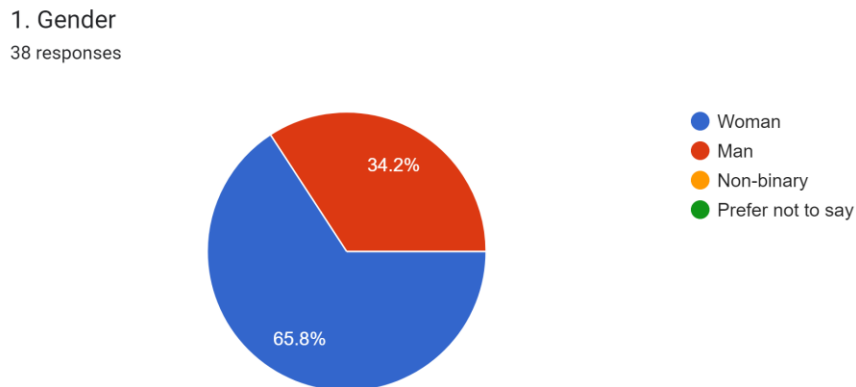


Figure 5. Survey question number 1. (Eskola, 2023)

4.2.2 Age

Figure 6 displays the age distribution of the respondents. Most of the participants, 55.3%, fall within the 25-34 age bracket. The next largest group is the 35-44 age category, comprising 21.1% of the respondents.

The survey also shows representation from other age groups, albeit to a lesser extent. Both the 18-24 and 45-54 age brackets are equally represented by 10.5% and 2.6% of the respondents were 65 or older.

2. Age
38 responses

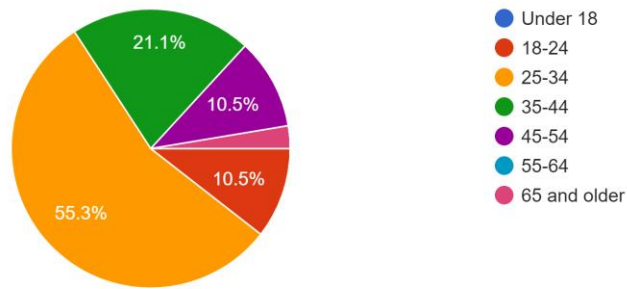


Figure 6. Survey question number 2. (Eskola, 2023)

4.2.3 Occupation

Figure 7 illustrates the occupation distribution. The largest group, represented by 65.8% of the participants, are employed. Following this, 13.2% of the respondents are students.

A smaller portion of the survey population, 10.5%, identifies as entrepreneurs or self-employed, indicating a moderate representation from independent workers or business owners. The remaining occupations, such as unemployed, retired, homemaker, those who prefer not to say, and volunteers, constitute a smaller fraction of the total responses.

3. Occupation
38 responses

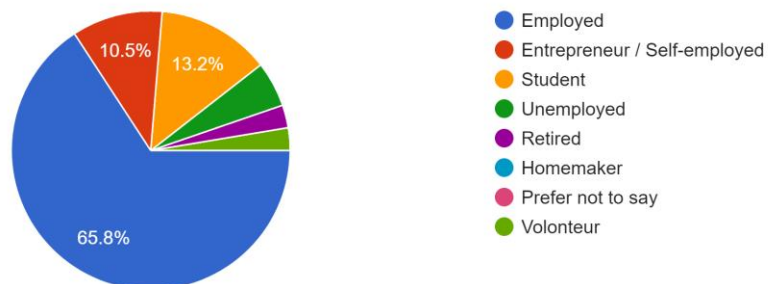


Figure 7. Survey question number 3. (Eskola, 2023)

4.2.4 Location

Figure 8 presents the geographical distribution of the survey participants within Sweden. The bar chart demonstrates a clear concentration of respondents in Stockholm, with 42.1% located there, indicating that the capital city is the primary area of residence among the participants.

The city of Malmö also shows a notable number of respondents, 18.4%. Uppsala was represented by 7.9%. The remaining cities represented in the survey, such as Eskilstuna, Gävle, Göteborg, Gothenburg and Kungsbacka, had lesser participation.

4. Where in Sweden are you located?

38 responses

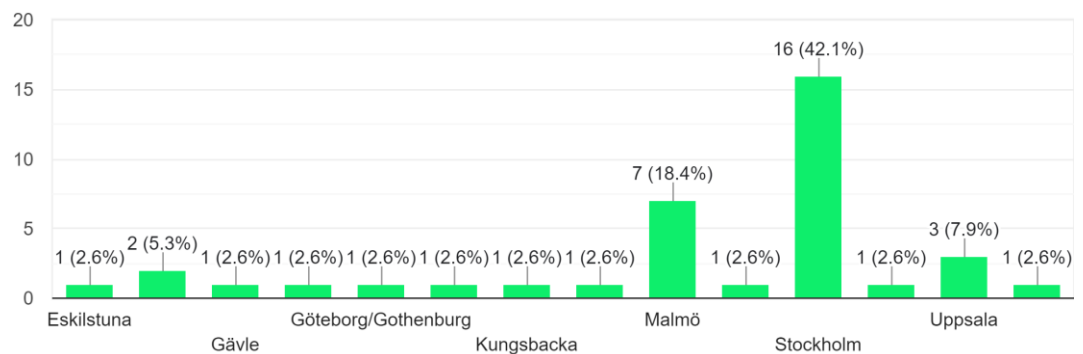


Figure 8. Survey question number 4. (Eskola, 2023)

4.2.5 P2P platform usage frequency

Figure 9 displays the usage frequency of online P2P platforms. The data illustrates a spectrum of engagement levels with these services. A notable proportion of the respondents, use P2P platforms either monthly or even weekly (23.7% for both), suggesting that a considerable number of individuals rely on these services for occasional, but repetitive needs on a weekly and monthly basis. Furthermore, the quarterly usage amounted to 21.1%, which could translate to surges of renting needs varying between seasons.

Conversely, there is a parallel 13.2% of participants who have not adopted P2P platforms into their lifestyle, opting never to use them. In addition, the yearly usage of these platforms stood at the same percentage. The daily usage of P2P platforms amounted up to 5.3%.

The diversity in usage frequency underscores the multifaceted role that P2P platforms play in the lives of the survey participants. Monthly usage emerging as the most common frequency may be indicative of the platforms' utility in meeting sporadic yet recurring needs, while the broad distribution across other frequencies emphasizes a wide range of personal preferences and lifestyles. It also emphasizes the persistent and repetitive usage of said platforms, thus indicating market readiness.

5. How often do you use online Peer-To-Peer (P2P) driven platforms? These include Uber, AirBnB, Hygglo, GoMore etc. (See P2P platform definition in survey info box above.)

38 responses

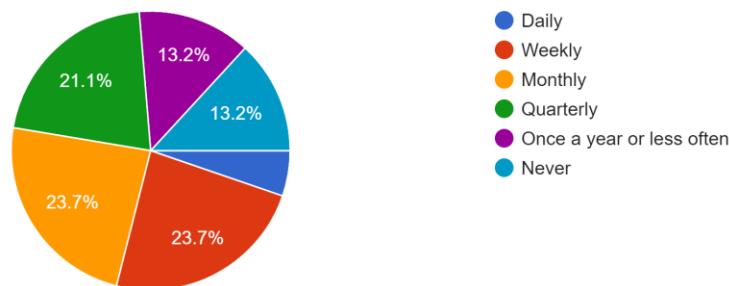


Figure 9. Survey question number 5. (Eskola, 2023)

4.2.6 P2P platform usage purposes

The sixth question of the survey probes into the specific uses of P2P platforms. The range of answers points towards a broad utilization of P2P services across various aspects of daily life, showcasing the platforms' versatility and the way they have become interwoven with contemporary consumer behavior. It was conducted as an open-ended question, to highlight the possible broad variety of answers. Due to that fact all of the answers were not able to be presented in the figure.

P2P platforms serve as a popular conduit for acquiring transportation services, as highlighted by responses amounting to 29.4%. Most notable were "Taxi," "to move around," and "Transportation." This indicates a significant reliance on these platforms for daily commuting needs or occasional travel. Accommodation is another primary use, with respondents mentioning "Housing," "Rent apt when travelling," and "Travel, holiday." This aligns with the surge in popularity of platforms like Airbnb, which offer alternative lodging options to traditional hotels. Renting services overall amounted up to 14.9% and tourism and travel-related activities was represented by 26.5%

The purchase and sale of private items, especially second-hand goods, also feature prominently in the reported uses, reflecting a consumer shift towards more sustainable practices and the economic benefits of a shared economy. Responses like "Buy, sell and give away stuff" and "Buy second-hand things" underscore a trend towards reusing and recycling goods through these community-based marketplaces. It was represented by 20.6% of the respondents.

6. What purposes do you mainly use P2P driven platforms for?

34 responses



Figure 10. Survey question number 6. (Eskola, 2023)

4.2.7 Have you rented items before using a P2P platform?

44.7% of the respondents have rented items from or to others using a P2P platform, whereas 55.3% of the respondents have not engaged in said activity. This specific data was slightly surprising, but brilliant to grasp on how many were already engaged in item renting activities via a P2P platform in the target market. The high participation in item renting in Sweden indicates the consumers' willingness and know-how to utilize a P2P platform in regards of item rentals.

The purpose of this question was to divide the respondents in to two subcategories, those who have rented items via a P2P platform and those who have not. Depending on their response to this specific question, they were redirected to either more engaging questions considering their past experiences in item renting, or correspondingly being led responding to relatable questions, but on a more hypothetical approach. Furthermore, it was to segregate the false positives of hypothetical scenarios and preferences from factual data of events that have occurred regarding item rentals. The author aimed for as precise data as possible for it to be relevant, thus the compartmentalization was conducted.

7. Have you rented items from or to others using a P2P platform?
38 responses

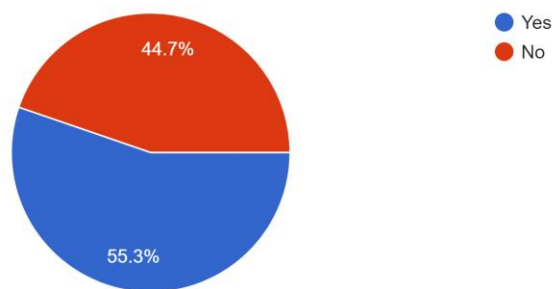


Figure 11. Survey question number 7. (Eskola, 2023)

4.2.8 Reasons that prevented item renting (Directed to this question based on answering NO to question 7.)

The majority of respondents, 82.4% indicated that they have not rented items because they have not come across a suitable opportunity or need. This suggests that there may be a lack of awareness of opportunities or that the opportunities available are not appealing to them.

A significant portion, 35.3% stated they do not know how to or where to rent from. This response points to a potential information gap or a lack of user-friendly platforms that facilitate the rental process. This response may also be tied to the awareness of P2P renting platforms, implying that proper marketing could have an impact on creating a need for such services.

Tied for the third most selected reason, 29.4% prefer to buy and own items rather than renting them and I feel like I do not own suitable items to be rented. This preference for ownership over renting could be due to various factors such as perceived value, convenience, or a cultural inclination toward ownership. Furthermore, uncertainty regarding the suitability of rentable items was concerning for almost of a third of the respondents. This potential bottleneck could be addressed by compelling and encouraging communication and marketing.

Other responses, which received 5.9% of responses expressed concerns about P2P exchanges, highlighting issues such as potential damage to items, perceived high costs and moral doubts, lack of awareness or interest, insufficient platforms for renting and indicated inadequate monetary compensation as a barrier.

The remaining options, "Trust," "Fear of theft," and "Renting is not for me" received 0% of responses, indicating that these were not concerns for this group of respondents, which was quite surprising to find, as more notably trust and the fear of theft regarding own items have been a recurring concern in the Finnish market.

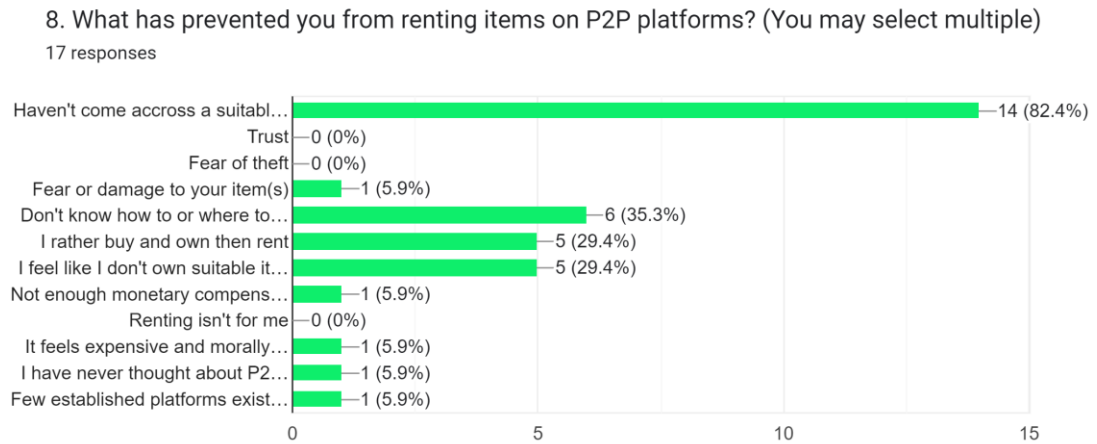


Figure 12. Survey question number 8. (Eskola, 2023)

4.2.9 Compelling reasons for renting items to others

Figure 13 displays the motivations for those who have not rented items on a P2P platform but are considering what might compel them to do so in the future. The respondents could choose multiple reasons.

Earning extra income is the most popular potential motivator, with 76.5% of respondents selecting this option. This suggests that the financial benefit is a significant incentive for users considering participating in the P2P economy and could be the leading factor in marketing activities.

To help others or a community is another strong motivator, 64.7% indicating that altruism or community spirit could be a reason for them to rent out items to others. This shows a considerable number of people see value in the communal aspect of P2P platforms.

Environmental reasons are also a notable motivator, chosen by 41.2% of respondents. This reflects consciousness about the sustainability and environmental impact of their choices, suggesting that the shared economy is seen as eco-friendly.

Minimalistic reasons were the least chosen, with only 11.8% of respondents choosing them, proposing that a desire to live minimally could be a reason to rent

items to others. This suggests that while minimalism is a factor for some, it is not a widespread motivator in the context of P2P renting.

None selected renting is not for me, which implies that all are open to the idea of renting items to others for various reasons. This openness could be beneficial for the growth of P2P rental platforms, as it indicates potential market expansion opportunities.

9. If you would rent items to others, what could you imagine the reason being? (You may select multiple)

17 responses

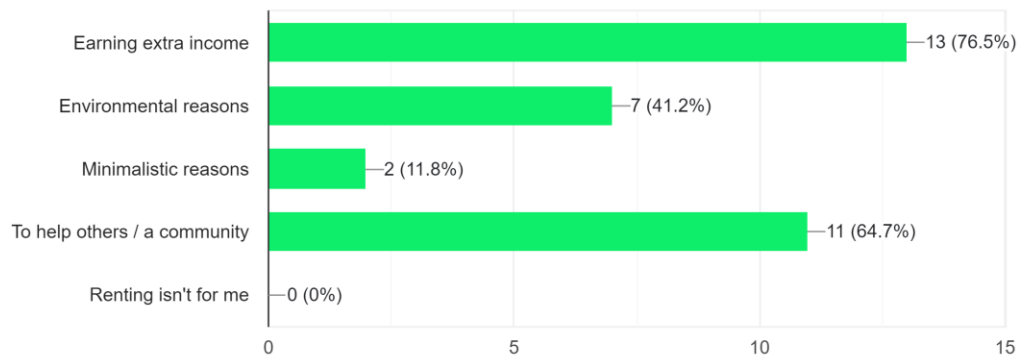


Figure 13. Survey question number 9. (Eskola, 2023)

4.2.10 Compelling reasons for renting items from others

The motivators for respondents who have not rented items from others but are contemplating the reasons they might do so are presented in figure 14.

To save money was the most selected potential motivator for renting items from others with 76.5% of respondents choosing it. This suggests that cost-effectiveness is a key factor that could drive people to engage in P2P rentals. Such strong indication serves as a valuable insight into the trajectory of communications and marketing.

Would only need an item or a service once was the second most popular response, 64.7%, it indicates that the low frequency of use or need would drive

consumers towards renting instead of buying. Needing an item once is highly related to the saving money aspect, and together they form a solid statement on the consumer preferences in Sweden.

23.5% of the survey respondents would consider renting to try out an item before committing to a full purchase. This highlights a practical approach to P2P rentals as a way to make more informed buying decisions.

Echoing the sentiments from the previous question on renting out items, 41.2% would rent items from others for environmental reasons. It indicates a consistent value placed on sustainability among the participants in both renting from others and to others.

23.5% see minimalism as a reason to rent from others. This implies a desire to avoid ownership of items that are not frequently used, aligning with minimalist lifestyle choices. When comparing to the previous question, where only 11.8% were highlighting minimalistic reasons, it reveals that minimalistic reasons are more prominent when renting from others.

A necessary need gathered 35.3% of the responses. This might cover situations where owning an item is not practical, but a need for an item exists, such as tools or equipment needed for a one-time use.

In line with the previous question, none of the respondents implied that renting is not for them, which repeatedly suggests that all participants are at least somewhat open to the idea of engaging in P2P rentals from others.

10. If you would rent items from others, what could you imagine the reason being? (You may select multiple)

17 responses

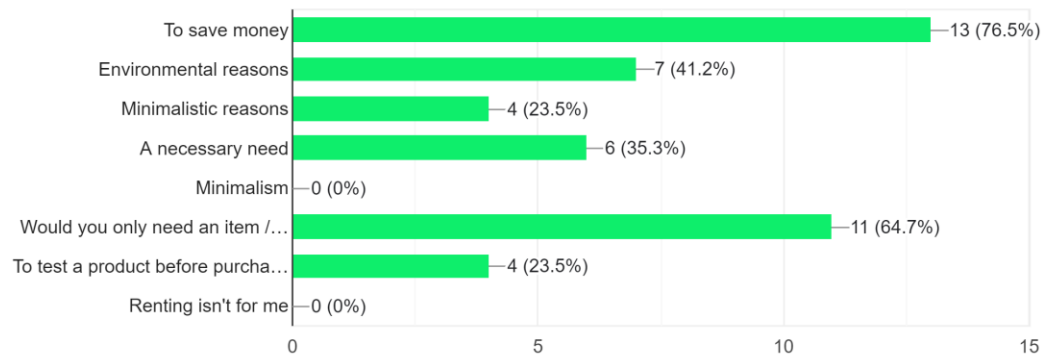


Figure 14. Survey question number 10. (Eskola, 2023)

4.2.11 Potential categories to rent from

Figure 15 explores the categories of items respondents who have not used a P2P platform might consider renting from.

Tools is the most popular category among respondents, with 94.1% indicating they could imagine themselves renting tools. This overwhelming interest suggests a strong potential market for renting tools on P2P platforms, perhaps due to their typically occasional use, high purchase price and sometimes cumbersome storage factors.

The second most selected category home and garden (52.9%), points to a significant interest in renting items for home and garden use. These could include furniture, lawn care equipment, cleaning equipment or gardening tools, which are often needed for short-term or seasonal tasks.

35.3% would consider renting items in the sports and leisure category. This includes sports equipment, outdoor gear, or recreational items that are often used sporadically, making them suitable for a rental model.

Electronics and technology were included by 29.4%. Given the rapid obsolescence of technology and electronics, this suggests some consumers see value in renting over purchasing these types of items.

Only 5.9% showed interest in renting clothing & accessories and children's accessories, suggesting low appeal in these categories, possibly due to preferences for other items or unawareness of rental options. Additionally, the same percentage of respondents indicated a general disinterest in renting despite considering its benefits earlier, hinting at underlying hesitations or selective preferences in rental categories.

The data suggests a high level of interest in the tools and home and garden categories, which may be due to their higher cost and less frequent use, making them ideal for the P2P rental market in Sweden. Conversely, the low interest in categories like clothing and children's accessories may highlight challenges or opportunities for P2P platforms specializing in those areas.

11. Which of the following categories could you imagine yourself renting items from? (You may select multiple)

17 responses

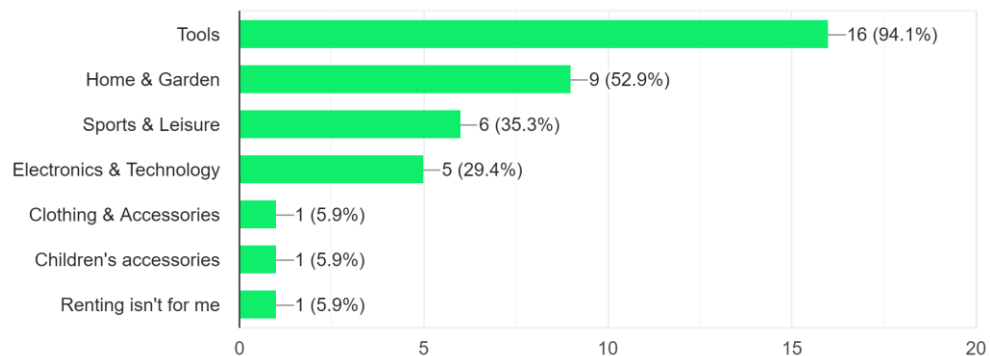


Figure 15. Survey question number 11. (Eskola, 2023)

4.2.12 Categories respondents had rented from previously (Directed to this question based on answering YES to question 7.)

The most frequently rented category was tools with 57.1% having used a P2P platform to rent or share tools. This partially backs up the hypothetical data from the survey question asking from which categories consumers could see themselves renting from, where 94.1% perceived tools as the most prominent category.

The home and garden category is also a popular category, with 38.1% using P2P platforms for renting or sharing home and garden items, indicating a good market for these types of items on P2P platforms. This data aligns with the fact that the hypothetical question of categories implied a similar preference.

28.6% have rented or shared items from the sports and leisure category, which shows a reasonable interest in renting sports and leisure items among the P2P community. Rented or shared by 23.8%, electronics and technology hold a decent portion of interest in P2P sharing. 19% have rented from clothing and accessories, which suggests there might be a niche for clothing and accessories rentals. Furthermore, it is alluring, as only 5.9% from those, who had not previously rented via P2P platforms, considered this as an adequate category to rent from.

9.5% have rented items from children's accessories, suggesting a smaller but specific demand within the P2P rental market. In the survey, each of the following categories was chosen by one respondent (4.8%): car rental, travel-related item rental on P2P platforms, using informal Facebook groups for sharing or renting, and renting toys from a library. These responses, which were added under "other," project lesser categories how or what consumers had rented previously.

Understanding that these respondents have engaged with P2P platforms changes the context of the data. It suggests that P2P platforms have penetrated a variety of markets in Sweden with tools and home & garden items being particularly popular. It also shows that there is a diverse range of items that people are willing to rent through P2P platforms, highlighting the flexibility and potential of the sharing economy within these communities in Sweden.

8. From what categories have you previously rented/shared from? (You may select multiple)

21 responses

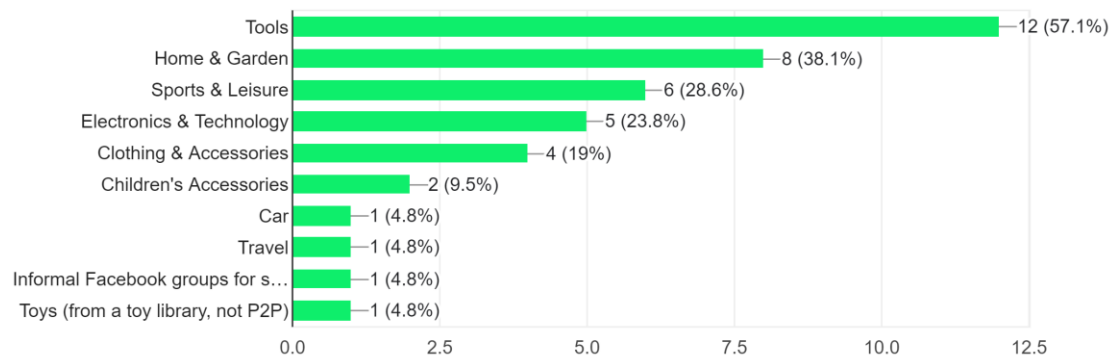


Figure 16. Survey question number 8. (Eskola, 2023)

4.2.13 Factors encouraging renting

Figure 17 displays the factors encouraging renting. The respondents to this question had already conducted renting via P2P platforms. The most significant reason as an encouraging factor in renting was based on the fact of needing an item or service once or a few times. 76.2% believe that the occasional need for certain items influenced their decision to rent rather than purchase outright.

Another majority, 61.9%, indicated that saving money was a key motivator for them to rent through a P2P platform. Combining this acknowledgement with the question to those who had not previously rented, but were asked hypothetically, establish a strong fundamental motivator, which is to save money. This is also a core aspect of renting, especially when the need for an item is a one-time use or generally considered short-term.

23.8% considered environmental benefits as their encouragement to participate in the rental economy, which often leads to reduced waste and resource conservation.

A necessary need and earning extra income both were represented by 19% of respondents, which both imply a strong enough motivator to encourage participating in P2P activities.

Rest of the responses for motivations for using P2P platforms varied: 9.5% preferred renting for minimalism, another 9.5% rented to test products before buying, 4.8% aimed to help others or their community and 4.8% exclusively used Airbnb for its value and personal touch, suggesting a plethora of unique preferences for reasons encouraging renting.

From these results, it is clear that the practical aspects of cost-saving and the necessity of occasional use are primary drivers for people to engage with P2P rentals. Additionally, some are motivated by the potential for income generation and environmental considerations, while others see it as a way to fulfill immediate needs, test products, or contribute positively to their communities.

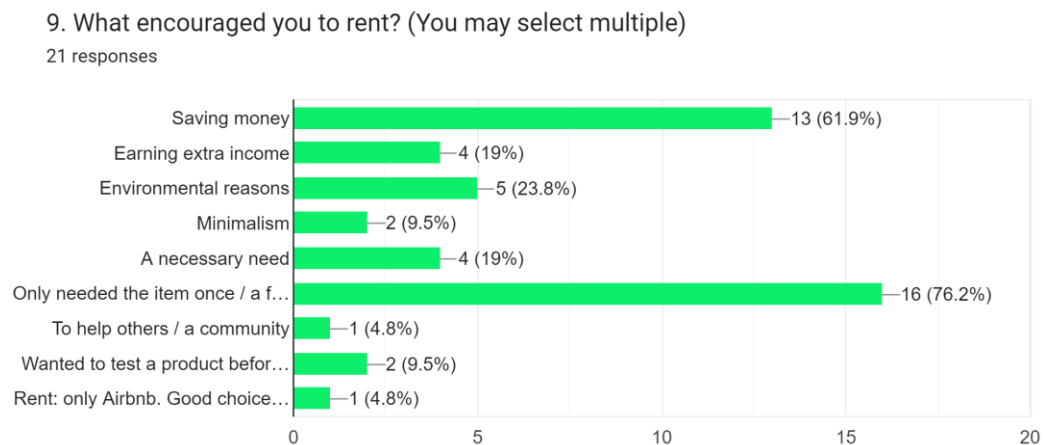


Figure 17. Survey question number 9. (Eskola, 2023)

4.2.14 Factors and functionalities to change in P2P platforms

With this survey question the author was aiming to receiving some niche, but potentially valuable insights on the user experience part of P2P platforms and applications. This question was presented as an open-ended question; thus, the figure below limits to showcasing only a minuscule part of the responses since not all of the responses could be fit in one figure.

As the answers were quite specific and had no indications of P2P platforms having definitive or similar problems respondents could relate to, no clusters of opinions were formed. However, a few most singularly notable aspects in consideration of the potential improvements of P2P platforms respondents were hoping for were the usability of the application, a better calendar functionality, better customer experience, suggestion for background checks, pricing clarity, and improvements in regulation and oversight to ensure safety.

10. Anything specific you dislike or would change in the P2P platforms you have previously used for renting?

14 responses

The following table represents the responses shown in the survey screenshot:

No
no
All the extra fees occurring on top of the actual usage of the product/service.
-
No, I think they work well. Have not had to use the insurance they include but I hope they are good :)
Usually the usability of apps
A better calendar to see when popular items are available, for example to be able to plan a bicycle holiday with a rented electric bicycle
Better customer experience
Backaround checks

Figure 18. Survey question number 10. (Eskola, 2023)

4.2.15 Importance of insurance in P2P renting

More than half, 57.1% gave the highest importance rating by responding 10, to having insurance included, which signifies a strong desire for protection and risk mitigation when engaging in P2P renting.

14.3% rated the importance as 8, indicating that insurance is highly important to them, just slightly less than the highest rating. 9.5% rated insurance as having low importance with the rating of 3, suggesting that they may not see much risk

involved or they may trust in other methods of protection. Ratings 4,5,7 and 9 received 4.8% of the response. The remaining ratings of 1, 2, 5 and 6 received no responses.

Overall, the results suggest that insurance is deemed a critical component of P2P renting for most users, with a significant number of them rating it at the utmost importance, as 76% of the respondents rated the importance of an insurance at 8 or higher. This insight could be invaluable for P2P platforms, emphasizing the need to offer robust insurance options to address the risk concerns of their users.

11. On a scale of 1-10, how important is it for you to have an insurance included in P2P renting?
21 responses

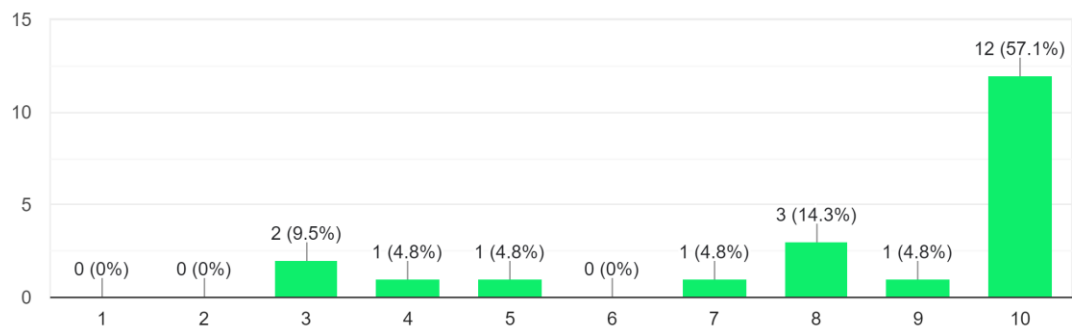


Figure 19. Survey question number 11. (Eskola, 2023)

4.2.16 Importance of local language versus English in P2P platforms

The most selected rating, with 44.7% of the respondents stating that local language is not important at all with the rating 1. This could be due to the fact that the respondents' age diversification was pointing towards a younger audience, which correlates to standard knowledge of the English language.

Ratings 3,5,8 each received 10.5% of answers, displaying varying importance of need in having a platform in their local language. Slightly less important to these respondents, rating 2 received 7.9% of responses, suggesting a minor preference

for local language options. 5.3% thought local language as an extremely important factor, choosing the importance of 10. The rest of ratings 4,6,7 and 9 received 2.6% of responses each.

The data indicates a strong leaning towards English being an acceptable primary language for the platform, with less concern overall for local language availability among the majority of respondents. However, there is still a notable spread across the scale, reflecting a diversity of preferences within the user base.

12. On a scale of 1-10, how important is it for you that the platform is available in your local language instead of only having it in English?

38 responses

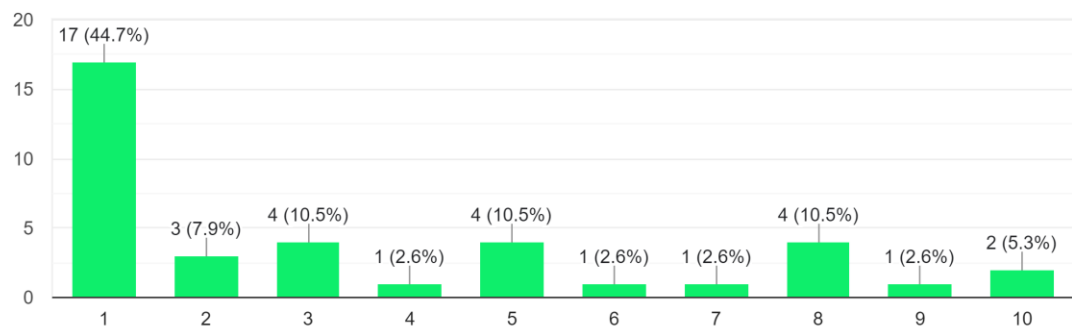


Figure 20. Survey question number 12. (Eskola, 2023)

4.2.17 Importance of cultural aspects in P2P platforms

The most common response, by 26.3% of respondents, suggests that a significant portion of users consider it quite important for international platforms to reflect local cultural customs, traditions, stating it with a rating of 8.

Rating 5 formed to be the second-most common rating, given by 23.7% of respondents, implies a moderate view where users are neither strongly for nor against cultural reflections in the platforms. Another factor for the neutral response could be how the question was formatted, as it could reflect as tough to interpret the meaning behind it.

21.1% reflects a notable portion of users who do not find it important for international platforms to incorporate local culture at all judging by their rating of 1. By not placing value on cultural factors, it could express the inclination on utilizing digital platforms for a sole purpose of a specific need or subject, undermining the remaining context not as relevant.

Ratings 3 and 4 each received 7.9% responses in total. These ratings suggest that there are users who lean towards cultural reflection being less important, though not completely disregarded. The rest of the ratings 2,6,7,9 and 10 each individually accumulated the votes of 2.6%.

Overall, this question had the respondents clustered in to three main opinions. The question on importance of cultural indicators' importance split opinions, thus making it quite difficult to extract a correct vision or conclusion to attain to, as a large group thought it was not important at all, another significant portion was neutral with it and the rest placed high relevance to it.

13. On a scale of 1-10, how important is it for you that an international platform reflects other local cultural customs, traditions and nuances?

38 responses

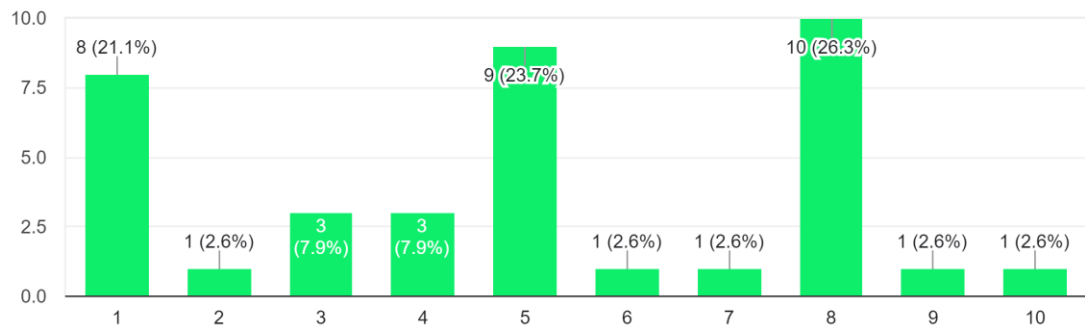


Figure 21. Survey question number 13. (Eskola, 2023)

4.2.18 Importance of customer support being in local language

A significant portion of respondents, amounting up to 42.1%, rated the need for customer support in their local language as not important at all with rating 1, suggesting they are comfortable with customer support in English or another language.

The rating 5 was the next most common response with 15.8% of respondents selecting it. This reflects a neutral position on the importance of local language customer support.

Only 10.5% consider having customer support in their local language to be extremely important at rating 10. 7.9% feel that having support in their local language is important (rated it either 7 or 8). The remaining ratings 2,3,4,6 and 9 received 0% to 5.3% of responses.

The respondents do not prioritize local language customer support, with a significant number indicating it is not important at all. Smaller groups hold neutral or important views, and only one considered it moderately important. This suggests that while language support may be a critical feature for a minority of users, most are either indifferent or satisfied with the existing language options for customer support on digital platforms. In addition, local language customer support might be present and more prominent within countries, which retain inferior overall knowledge on English language. However, in this scenario around 86% of Swedes can speak English. (How Widely Spoken, n.d)

14. On a scale of 1-10, how important is it for you to have customer support in your local language when using an online platform?

38 responses

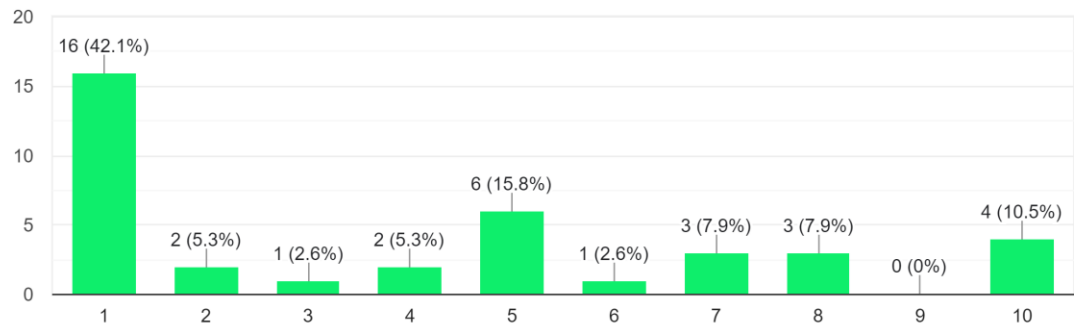


Figure 22. Survey question number 14. (Eskola, 2023)

4.2.19 Influence of local reviews versus international reviews

The highest scoring rating with 26.3% of the responses was the rating 9. Following that, ratings 10 and 8 got 23.7% of the responses each, stating a clear and coherent interpretation of trusting local reviews over international ones.

15.8% have a neutral stance on the trustworthiness of local versus international reviews, indicating they may weigh reviews based on content rather than origin. 7.9% feel somewhat more inclined to trust local reviews, placing a moderate level of importance on the reviewer's proximity. Only 1 respondent (2.6%) is somewhat unlikely to trust local reviews over international ones, suggesting a greater skepticism towards regional bias.

The survey data indicating a strong preference for local reviews in a foreign market highlights a key insight: users place significant trust in local experiences and perspectives. This trend reflects a deeper cultural and regional relevance attributed to local reviews, possibly stemming from language familiarity, authenticity, and a sense of community trust. The implication for a digital platform in this context is the necessity to focus on local user experiences and feedback. Emphasizing and prioritizing local reviews can be a pivotal strategy in building credibility and trust within the market. This approach underscores the importance of

not just linguistic but also cultural localization, ensuring that the platform resonates with the specific needs and preferences of the local user base.

15. On a scale of 1-10, how likely are you to trust reviews on a platform if they are from people from your own region or country rather than international?

38 responses

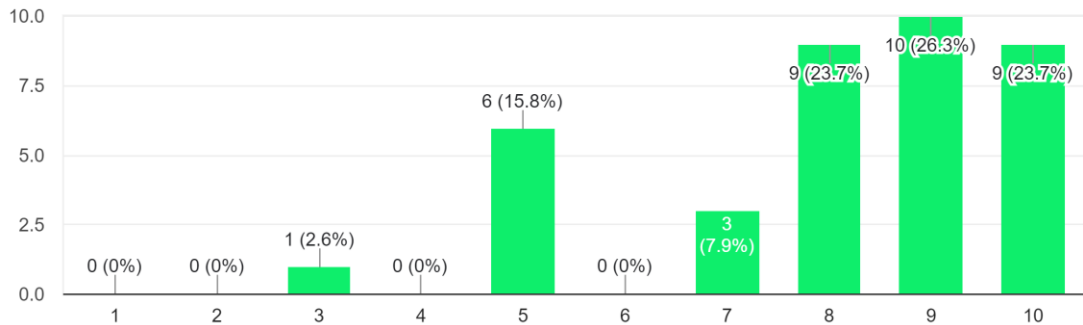


Figure 23. Survey question number 15. (Eskola, 2023)

4.2.20 Preferred payment method(s)

The most preferred payment method by 60.5% of the respondents, suggests that the majority of users prioritize the ease and security that mobile payment options like Apple Pay and Google Pay offer.

Both, debit card and PayPal and similar services, receiving an equal preference by 50% of the respondents, indicate that these traditional and established methods of payment are still highly favored for their reliability and widespread acceptance. Swish, included by choosing "other" in the response, was preferred by 15.8%, which proves the point of trust and preference towards payment service providers and is considered to be equivalent to PayPal, thus increasing the overall preference of said services.

However, paying with a credit card was only preferred by 39.5%. This could prove that consumers are slightly less hesitant to input their debit card information for payments rather than credit cards. This may entail reasoning of being doubtful of providing their credit card information, or that consumers just in general have

more debit cards in comparison to credit cards, which would explain the greater inclination towards paying with a debit card. 15.8% preferred direct bank transfers. It shows some level of trust and preference, though they are less favored compared to instant payment options.

In summary, while mobile payment methods are clearly at the forefront of user preferences, traditional methods like debit cards and PayPal services are equally trusted. Credit cards are moderately preferred, and less traditional methods like direct bank transfers, local payment solutions, and cryptocurrencies are less favored, reflecting the varying levels of comfort and trust users have with different payment technologies on international platforms. This could be in reflection of the increased security precautions and regulations implemented with online purchases in the recent years.

16. Which payment methods do you prefer using on an international online platform? (You may select multiple)

38 responses

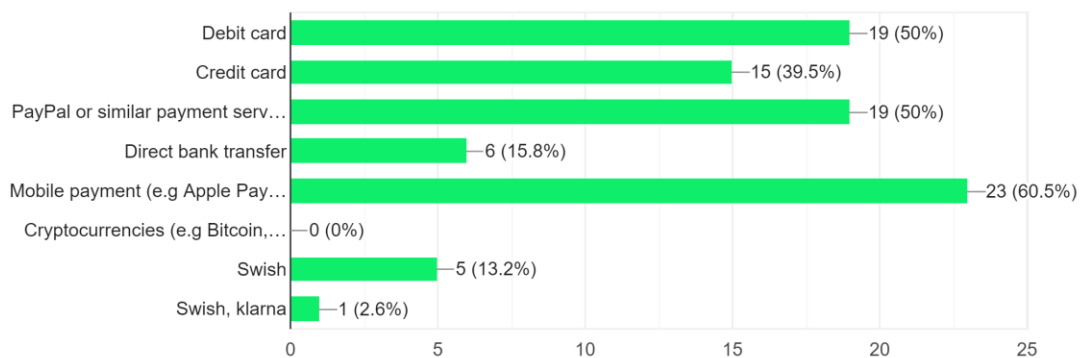


Figure 24. Survey question number 16. (Eskola, 2023)

4.2.21 Willingness to try new online platforms

23.1% of the respondents stated they are very willing to try new online platforms with the rating 8. Closely following, 20.5% indicate they are extremely willing to explore new online platforms by answering with the rating 10. Rating 5 implies, which was selected by 15.4% that the respondents are neutral about trying new platforms, neither particularly eager nor resistant.

12.8% express a fair amount of willingness to engage with new platforms with rating 7. Both ratings, 6 and 9 were each responded by 10.3%, showing that these users are open to new online platforms, with some being highly inclined to try them. The remaining of the ratings received lesser support. Rating 4 received 5.3% of the responses, whereas rating 3 received 2.6% and ratings 1 and 2 got 0%.

The graph on willingness to try new online platforms, where 53.9% of the respondents responded with a rating 8 or above, clearly indicates the rising interest and openness of early adopting new platforms as they arise. This is sincerely a great sign for an online platform, such as Lainappi, endeavoring and entering the Swedish market, where consumers are evidently not hesitant on trying new platforms.

17. On a scale of 1-10, how willing are you to try new online platforms?

39 responses

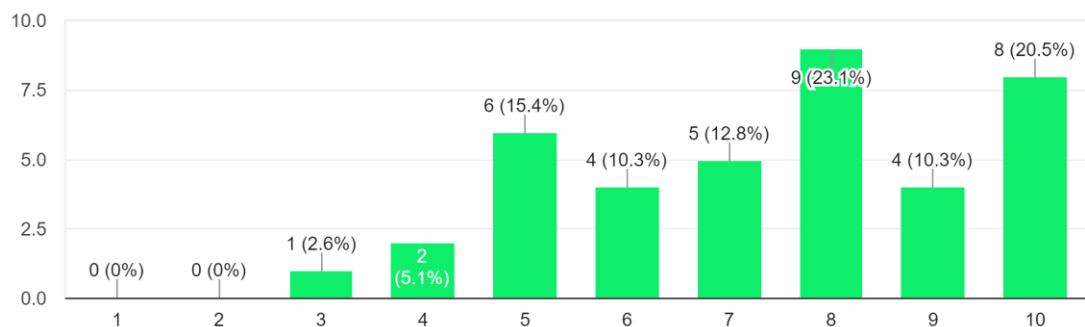


Figure 25. Survey question number 17. (Eskola, 2023)

4.2.22 Trust related to the origin of the country

Question 18 assessed whether the origin country of a platform influences the trust consumers place on the platform. As this question was an open-ended question, the percentages are not described more in detail, as most of the responses were recorded only once, excluding simple no or yes answers. The subject split opinions, as multiple respondents answered that it has no impact on their prejudice of trust on a platform. However, some of the most notable findings on the subject

include that it could be pure prejudice that consumers base trust on the platform if it is a local or in this case a platform of European origin. A few responses highlighted the trust in the perspective of Swedish consumers that they incline on trusting a Swedish platform more than foreign ones, because of possible dispute resolutions, validity in following the Swedish laws and regulations, quality, and legitimacy. The aforementioned factors can be related to a consumer making their buying decision or decision to trust a platform.

18. Does the origin (country) of an online platform influence your trust in it? If YES, please explain how.

33 responses



Figure 26. Survey question number 18. (Eskola, 2023)

5 DISCUSSION

In this chapter the author will discuss past research, the correlations between the findings, theoretical frameworks and delve into recommendations for the case company Lainappi Oy. The objective is to draw conclusions regarding the localization of the Lainappi application in Sweden based on the previous research and the research findings of this thesis.

5.1 Prior research compared to findings

Prior research, such as the Uppsala model, in the internationalization and localization suggest that expansion should primarily focus on geographically closely related countries. However, during the interviews it was evident that this theory was contradictory to the modern experts on the field. During the interviews J.P (2023) and H.K (2023) both mentioned that Sweden is a competitive market and that it would be the most natural expansion target market for a Finnish company. However, they highlighted that the geographical location does not necessarily translate into better odds of success in terms of expansion. Rather the product market fit should be monitored and evaluated more closely.

Esselink (2000) argues that adapting cultural aspects in localization is vital to resonate with the local audience. However, as the world is changing fast and becoming more globalized, the research, which was conducted in the early 20th century, might not hold true anymore. Based on the survey, a rating of 8 was given by 26.3% of respondents regarding the preference of an international platform reflecting on cultural aspects, which indicates that consumers place value to international platforms involving cultural aspects. However, the second largest response group amounting to 23.7% of responses, was neutral with the rating of 5 and 21.1% did not place any value at all on the subject by answering 1 out of 10. Based on the author's research and the responses by Swedish residents, they do not seem to hold that much value on a platform reflecting cultural norms,

as Esselink might suggest. Nonetheless, we do have to keep in mind the proportional sample size. However, the respondents were quite concentrated and relative to the target groups of the what the case company is targeting.

Furthermore, only 10.5% of respondents answered 10 out of 10 rating for the importance of customer support in local language, whereas the majority of 42.1% responded with 1 out of 10 on the same question suggesting quite the opposite what prior research had indicated.

For further comparison regarding Esselink's (2000) research, he emphasized value on the local branding aspect in localization. Branding was a long subject of interest during the interviews. The interviewees as a collective highlighted the importance of branding in localization. In the branding aspect, the mutual quota seemed to be aligned, which is logical. Linguistics and language play a huge role in the branding of a foreign company. In the case company example of Lainappi, the name resonates with the Finnish audience quite well, as it is a combination of loaning and application. However, the branding and name especially needs to be modified to the target market of Sweden.

Kotler and Armstrong (2017) discussed a market follower concept regarding localization and internationalization. Part of the theoretical framework suggests that companies adapt different styles of market entry and benchmarking competitors. More precisely the cloner concept resonates with the feedback of the survey respondents and with the interviewee's point of views. Cloners, as Kotler and Armstrong (2017) suggest, replicate the product and branding strategies of market leaders. As a new company aiming for a market entry, this opens vital pathways of understanding the target market and audience in-depth. The interviews shed light on the competitive analysis section of market entry, where benchmarking competitors and their habits, style and operations may potentially reflect critical adjustment needed to execute for a proper market entry. As an example, from the survey, the respondents who had rented items via a P2P platform majorly deemed insurance being a crucial aspect of P2P renting. 10 out of 10 rating received supportive responses totaling up to 57.1%.

The market leader in Sweden regarding the P2P household item renting involves insurance in all their rentals. In this aspect, following or cloning the market leader would be suitable, which was verified by the survey respondents.

5.2 Further research of the subject

This chapter delineates several key areas where future research could significantly contribute to a more comprehensive research of a Finnish technology company and its market penetration to the Swedish market, internationalization, and localization. These recommendations are predicated on the findings of the current study and aim to address potential gaps and emerging trends in the field.

The author recommends deeper user and potential end user segmentation and interviewing based on more specific needs. However, it may be difficult to receive a significant number of responses based on personal preferences by potential end consumers. However, it is vital to understanding market needs and product-market fit. As an inducing factor, a by-product could comprise of potential cost-savings as the market entry is executed in a prepared manner, where market needs are understood. However, without undermining the fact, as stressed by Johanson & Vahlne (1977), that market knowledge may only be grasped by increased market involvement.

Future research could delve into specific consumer behaviors, preferences, and digital interaction patterns within the Swedish market. This could involve empirical studies or qualitative research to gather nuanced insights into the Swedish consumer psyche.

Further studies could also conduct a detailed analysis of the competitive environment in Sweden or the target market, focusing on P2P, B2C and potentially B2B sectors. This research could aim to map out competitive strategies, market shares, and positioning of existing players. With the rapid evolution of technology, subsequent research could explore how emerging technological trends, such as artificial intelligence and blockchain, are shaping the P2P and B2C sectors in Sweden.

Given the global emphasis on sustainable practices and by sustainability evolving as a mega-trend, future research could investigate how sustainability and corporate social responsibility initiatives can be embedded in business models and their influence on consumer preferences and the involvement of consumers in correlation with sustainability in Sweden or the target market of a company.

A detailed examination of the regulatory landscape governing digital platforms in the target market, Sweden in this case, would be valuable. This research could focus on legal compliance, data protection laws, and the regulatory implications for international platforms. This could further be researched in regards of comprehensive risk mitigation strategies.

Analyzing real-world examples of companies that have successfully penetrated the Swedish market could offer practical insights about market entry strategies and go-to-market intricacies. These case studies could serve as a benchmark for best practices and strategic planning.

Research could also be directed towards developing a long-term strategic vision for international platforms in Sweden, examining potential avenues for growth, diversification, and scaling.

The proposed areas for further research underscore the dynamic and multifaceted nature of international market penetration strategies. These studies would augment the existing body of knowledge and provide practical insights for businesses looking to enter or expand not only to the Swedish market but also any other target market. Furthermore, research regarding specific niche geographical areas and their relation to communism, sharing and item renting could provide vital data and examples of the daily norms reflecting potential operational efficiency improvements regarding market entry.

5.3 Recommendations

The author conducted several recommendations for the case company based on the interviews, survey results and the theoretical frameworks. The recommendations are aimed at providing the case company with actionable and relevant strategies and tasks to further endeavor to the insights of a market entry to Sweden. Recommendations involve considerations such as product localization, different cultural angles, and potential end user segmentation.

5.3.1 Localization versus internationalization

The conducted interview results suggest that internationalization and localization walk hand in hand. However, niche market entry was relentlessly highlighted, which in turn weighs more towards localization. The main purpose of the research was specifically to tailor recommendations to the market penetration in Sweden, which indicates towards localization instead of internationalization. In a way, internationalization is a larger scale format of localization, where the product or service is more tailored to suit a broader audience and target market, which is not necessarily tied to a specific country or language. Internationalization develops the company's product to suit the international markets, but localization develops it further and designs it to match the market and consumer needs in that specific market niche. (Rod, n.d)

Specifically targeting the research of the case company Lainappi and their market penetration to Sweden, the product could in a sense skip the internationalization phase of the product, and rather mirror the product with some market specific tweaks to match the product-market fit in Sweden. The product's name is already developed into a local format in Finland, as the name suggest. By adhering to markets needs in Sweden the case company should focus on altering their services in those areas, which are deemed important. For instance, for some specific areas it may be unwise to spend resources, such as customer support in local language, Swedish, as they survey statistics indicate rather low importance of that matter. However, some important aspects such as the name, Lainappi, is a

mandatory change. An analysis of the meaning of a Swedish variant of the company name should not only be brainstormed, but also research on local linguistics and meanings should be conducted to avoid unnecessary or surprising backlash due to poor name selection.

Esselink (2000) underlines the value of language and linguistics in the process of localization and holds it as a cornerstone for a successful market entry. Lainappi should emphasize the local language angle, even if factors, such as customer support is not supported in the local language. Furthermore, other cultural aspects should be considered, as it was partially showcased by the survey results to support Esselink's (2000) claims.

In addition, specifically for localization, the author suggests, supported by the interview responses, to initially commence from a small niche within the Swedish target market. The niche may be a specified target group or groups, a community, a smaller geographical hub, or anything relevant for potentially penetrating a niche market within the P2P household item rental business. As Johanson & Vahlne (1977) suggest, companies should start their exporting endeavors by gradually increasing the involvement in the foreign target market. This further suggest and strengthens the aspect of starting niche. As the target market in Sweden is virtually unknown for the case company, it is smart in the beginning to tread with minor steps into the market and start by understanding a singular niche. When adequate understanding of one specific niche or area has been accomplished, Lainappi should aim to explore other expanding possibilities, whether that would be expanding the initial segmentation or a geographical area. To begin with, Lainappi could aim for areas such as Stockholm, Malmö and Uppsala as results indicate there is already a somewhat established market in the item renting sector based on the survey results.

Furthermore, supported by the claims in the interviews and Johanson & Vahlne (1977), networks or partnerships may seem to prove being vital. During the interviews, partnerships were a crucial part of the market entry strategy. The options are essentially infinite, but the partnership should prove to be a win-win scenario for both parties. Such partnership could be a local market or area expert, who could help with deeper market assessment and product-market fit. In other cases,

it could be a logistics company if that is deemed necessary or beneficial. Other ideas include having promotions with local supported brands or even item manufacturers if there happens to be one. Another great approach would be introducing influencer marketing for a local audience to ensure a trusted atmosphere for promotion and user acquisition. However, the core of networks and partnerships is the localization and promotion of the brand during market entry. Every market is different and there is a point where market research does not solve all the problems or questions regarding market entry or market penetration. In the end, it may require extensive testing in the market, which is evidently becomes more straightforward with increased market understanding and involvement.

5.3.2 Hofstede's cultural dimensions: Finland versus Sweden

Both Finland and Sweden score high on individualism. This means that in both cultures, individual rights and personal autonomy are highly valued. Since both countries value individualism, the platform should continue to emphasize personalization and individual user experiences highlighting local reviews. However, subtle differences in how individualism is expressed may require localized marketing messages.

Finland has moderate uncertainty avoidance, which could be a relieving factor when endeavoring to the Swedish market, as Sweden has considerably lower uncertainty avoidance in comparison. The survey results reinforce this perspective, as the Swedish residents expressed concern neither about theft nor about their own items breaking during rental, nor about other factors that could be associated with uncertainty. Based on the aforementioned insight and the fact that Swedish residents are quite willing to try new online platforms, Swedish residents as a generalized target audience might demand less persuasion for them to become active customers when compared to the Finnish market.

Lower scores in uncertainty avoidance indicate a tolerance for ambiguity and innovation. The approach used in Finland regarding flexible and innovative service offerings can likely be successfully replicated in Sweden. Both Finnish and Swedish consumers are open to new experiences and less rigid structures.

Both countries are considered more feminine, valuing quality of life, consensus, and caring for the community. Strategies focused on community, environmental responsibility, and quality of life should be effective in both markets. Emphasizing sustainability and social values will likely resonate with Swedish consumers.

The author recommends maintaining an emphasis on local traditions and social norms in marketing and platform features. However, be mindful of specific local traditions and societal norms unique to Sweden. Sweden is characterized by a high degree of indulgence, thus strategies that promote ease of use, enjoyment, and contribute to leisure and pleasure should be effective in both markets. Highlighting how the platform enhances life enjoyment can be a key selling point, such as “Lainappi is making it possible and affordable to access unique experiences by trying new potential hobbies and other activities.”

Given the cultural similarities, many of the strategies and approaches successfully applied in Finland are likely to be well received in Sweden. However, the key to effective localization lies in understanding and incorporating specific local nuances and preferences within the broader cultural framework. For instance, while both countries value individualism, the specific ways in which this value is expressed and experienced might differ, calling for tailored marketing messages or platform features.

Understanding these subtle differences will be crucial in effectively adapting the platform for the Swedish market, ensuring that it resonates well with local users while maintaining its core brand identity and values.

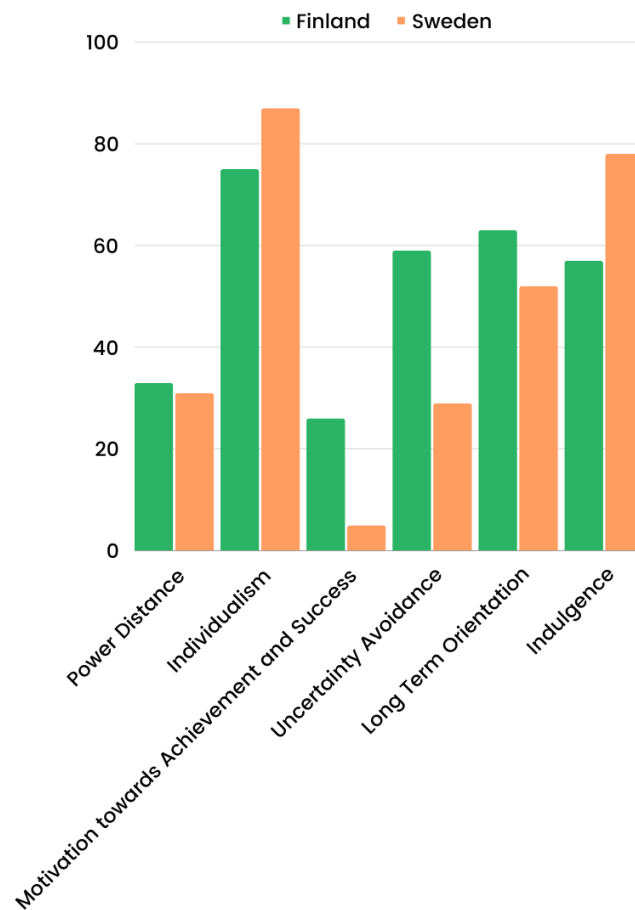


Figure 27 Recreation by Aukusti Eskola (2023) based on Hofstede's country analysis Finland versus Sweden. (The Culture Factor Group, n.d)

5.3.3 Risks assessment and mitigation in internationalization

In the context of internationalization, it is imperative to acknowledge and address various inherent risks that persist regardless of the organization's size. There underlies the necessity of risk mitigation and heightened awareness for a case company venturing into international markets. Several key risks associated with internationalization are identified.

Economic risk is an ever-present concern in business operations. Reduced sales can lead to a decline in turnover. This risk is amplified in foreign markets due to uncertainty and necessary adaptations in product offerings and operations. (Matchplat, n.d)

Political decisions and regulatory changes can adversely impact the company's operations. These risks require in-depth understanding of the host country's political landscape. Although the likelihood of armed conflicts affecting the company in target country is low, awareness of potential political and legal challenges is crucial. While relatively unlikely, force-majeure events remain uncontrollable risks that could disrupt operations.

The execution of an international marketing plan demands adaptability and determination, especially if personnel changes are not feasible. Managing resources, both human and financial, is vital. Currency risk is specific to Sweden, and careful consideration of currency fluctuations is essential.

Economic risk mitigation:

The foremost recommendation is an exhaustive examination of market dynamics to establish precise sales and expense estimations. It is imperative to adapt these projections in response to country-specific variables, such as currency exchange rates and local market nuances.

Flexible budgeting approach is advocated, permitting the recalibration of sales expectations and expense allocation as circumstances dictate. This adaptability serves as a bulwark against the ramifications of unexpectedly diminished sales.

To fortify the organization's resilience against economic fluctuations, the construction of diverse scenarios for assessing potential impacts is advised. This analytical framework facilitates timely decision-making and strategic adjustments.

Mitigation of economic risks necessitates the diversification of the customer base and product portfolio. This strategy curtails dependency on a singular market or product line, thus dispersing risks across multiple sectors. (Primetarget.tech, n.d)

Governmental and legal risks mitigation:

A meticulous review of the political and regulatory landscape in the target country is paramount. Remaining informed and proactive in response to regulatory changes is a cornerstone of risk management.

Where feasible, the engagement of legal experts or consultants well-versed in the target market's legal framework is advocated. Their counsel ensures compliance and adept handling of potential legal challenges, in the case of the case company not possessing adequate resources or required know-how in the legal field.

Establishment and cultivation of productive relationships with pertinent government bodies or industry associations in the target country is strongly recommended. Such engagement serves to maintain current information and influence regulatory discourse.

Force-Majeure Risk Mitigation:

A thorough risk assessment exercise is indispensable for identifying potential force-majeure events that may disrupt operations. Robust contingency plans and emergency response procedures should be devised to mitigate the impact of such occurrences.

Furthermore, a judicious exploration of insurance options covering force-majeure events is urged. This strategic move ensures financial protection in the event of unforeseen and uncontrollable circumstances.

Management and Resource Risk Mitigation:

A critical evaluation of organizational resources, encompassing personnel and financial aspects, is imperative. This introspection assures that adequate liquidity is in place to underpin international expansion. As emphasized by J.P (2023) during the interview, organizations frequently underestimate the resource required when expanding internationally.

Contemplation of strategic partnerships or alliances with local entities in the target market is proposed. Such collaborations enhance organizational capabilities and serve as a buffer against resource-related risks. In addition to partnerships, the implementation of currency risk management strategies, such as hedging or prudent currency reserve management, is recommended. This serves to mitigate the impact of adverse currency fluctuations effectively. (Beers, 2023)



Figure 28. Risks of internationalization. (Eskola, 2023)

5.3.4 Market cloning

Drawing upon the concept of market cloning, which involves replicating a successful business model in a new market context, the author assesses the potential efficiencies, risks, and strategic considerations inherent in such an approach.

The market cloner strategy, as delineated in the field of strategic management by Kotler & Armstrong (2017), involves the replication of a successful business model from one market in another, ostensibly similar market. This strategy hinges on the premise that a business model's success can be emulated in a different geographical or demographic context with minimal modifications.

The core idea behind being a market cloner is to reduce risk and to replicate operations and procedures of a company currently operating in the desired target market. Adopting a market cloner strategy for the case company's entry into Sweden involves several key strategic actions.

Determine what makes the P2P platform in Finland or other comparable markets successful, then apply those lessons to the Swedish market. This covers service provisions, platform design, and operating procedures. It is crucial to adjust to

specific cultural and legal aspects of Sweden even while processing and replicating a competitor or a business model.

This strategy takes use of the current knowledge and acceptance of the business model, saves time and money, and lessens the risks connected with entering a new market. Potential risks include perceived lack of originality, intellectual property rights lawsuits, and failing to fully account for peculiarities of the local market. Intellectual property laws should be carefully trodden to ensure that replication does not confront into intellectual property rights or other legal considerations.

All in all, the market cloner strategy presents, at least by deriving some elements from it, a viable pathway for the case company to conduct a market entry into Sweden, particularly given the similarities between the Finnish and Swedish markets. Furthermore, the case company should eye and benchmark one of the key competitors in the target market and seek to finding opportunities, which could be replicable and scalable to the case company's current business model. This involves spying on their marketing activities, marketing channels, communication style and user acquisition in general. Furthermore, researching concepts such as their insurance provider, business model intricacies and other factors, which results them to being the market leader is recommended.

The market cloner strategy necessitates a careful balance between replication and adaptation, respecting legal boundaries, and ensuring sufficient localization to meet the specific needs of the Swedish consumers.

5.3.5 A culturally resonant marketing engagement action plan

From the interview with A.A (2023), insights were gathered about the importance of understanding cultural nuances. For the case company, it is crucial to craft marketing campaigns that align with Swedish cultural preferences and social norms.

Begin with by creating marketing content that reflects Swedish lifestyle, aesthetics, and values. This could involve highlighting sustainability, which is a significant

value in Sweden, minimalistic design, or even local Swedish festivals and events in marketing campaigns. (Wilde, 2016)

Utilize local channels and influencers:

In interview with J.P (2023), the relevance of local touchpoints in marketing was emphasized. Leveraging local influencers and channels that are popular among the Swedish audience can enhance brand visibility and credibility. Collaborate with Swedish influencers, particularly those in home décor, sustainability, or lifestyle segments. Use local social media platforms and community groups to promote the platform authentically.

Adapt branding to reflect local preferences:

Insights from the interview with H.K (2023) indicate the need for branding that resonates locally. While maintaining the core brand identity, subtle changes can make the brand more appealing to the Swedish audience.

Localize the brand name or slogan to have a Swedish touch, ensuring it is easy to understand and culturally appropriate. This could include a Swedish version of the logo or tagline that aligns with local linguistic and cultural nuances.

Tailored communication strategy:

Drawing from the interview with A.A (2023), effective communication that considers local language and cultural context is key. This may extend to customer service, platform content, and promotional materials.

Engage with local communities and events:

Based on the interviews, engaging with local communities can significantly aid in brand building and trust. Participating in local events or community initiatives can enhance local presence. Sponsor or participate in local Swedish events related to home living, sustainability, renting or technology. This could also involve hosting workshops or collaborative events with local businesses or communities.

Engage with early adopters:

Early adopters play a huge role in either the success or failure of a market entry. Early adopters are those, who are among the first to pick up and test a company's

product. Early adopters are crucial in regards of decreasing uncertainty among the masses when it comes to a new innovation or product. Early adopters essentially assist the with the introduction stage of the PLC to reach the next check point in the PLC, which would be the growth stage. Early adopters provide vital feedback, which reinforces product development to more adequately match the product-market fit and enhance the usability of the product on a larger scale. (Luenendonk, 2019)

Early adopters could be described as rational researchers. “Early adopters are exceptionally good at influencing others based on their credibility that is anchored on their authority, knowledge, position or relationship with the target audience which is a part of their often huge fan following” (Luenendonk, 2019).

Luenendonk (2019) argues to “Treat your early adopters as VIPs: Early adopters are your most valued customers given the fact that they have taken the risk of purchasing your product which might be flawed and could become cheaper in the longer-term.” This could be done by giving them access to pre-release features and updates, offer them special benefits, or leverage their feedback’s and usage’s importance to the product development.

Implement feedback mechanisms through the platform and social media:

Actively seeking and adapting to feedback from the Swedish market can help fine-tune the marketing and branding strategy and aid in constructing a deeper comprehension of the market needs. Regularly review customer feedback and market response to adapt the marketing strategy accordingly. Through the survey results it was evident that consumers are more inclined in trusting local reviews rather than international.

According to MarketingCharts (2023), consumers are far more likely to “trust a little” (42%) and “trust a great deal” (10%) regarding organic reviews versus an influencer’s promotion “trust a little” (16%) and trust a “great deal” (3%). The statistic reflects the importance of reliable and number of reviews of a platform. Lainappi should aim to emphasize leveraging local reviews to create a sense of communism and trust.

5.3.6 Target market buyer persona segmentation and strategy in opinion-based segmentation

In this section, the author compartmentalizes and clusters the respondents based on age and opinion-based segmentation with the focus on creating clear buyer personas for the case company. The intention is to constitute more detailed marketing targeting for their market penetration in Sweden for enhanced efficiency. The importance they placed on specific topics in the survey are in essence, thus an average rating is provided for each response for a clearer indication on their perceptions and value.

Opinion-based trends for age group 18-24:

- Reasons preventing renting: Concerns about the lack of need, knowledge, and established platforms.
- Reasons encouraging renting: Saving money and only needing the item temporarily.
- Insurance: Absolutely critical (10 average rating).
- Local language: Negligibly important (1.5 average rating).
- Customer support in local language: Negligibly important (1.5 average rating).
- Cultural customization: Marginally important (4 average rating).
- Local reviews: Fairly important (6 average rating).
- Country origin influence on trust: Varies; concerns about established platforms and scam prevention.
- Categorical preferences in item renting: Tools, Home & Garden, Electronics & Technology and Transportation.

For the 18-24 age group, there is a mix of engagement with P2P platforms. Important factors for this group include the practicality of renting (saving money, temporary need), and high importance is placed on insurance. However, there is less emphasis on local language and cultural customization, indicating that this group may be more flexible regarding international platforms. Trust varies, with some cautiousness about platform origin and scams. Highlight the convenience, flexibility, and cost-saving aspects. Emphasize the platform's ease of use and the temporary nature of rentals, which aligns with their practical needs.

Opinion-based trends for age group 25-34:

- Reasons preventing renting: Most common is not having come across a suitable need. Other reasons include preference for ownership and lack of knowledge or suitable items.
- Reasons encouraging renting: Needing the item temporarily and saving money are key motivators. Environmental reasons and minimalism are also present.
- Insurance: Highly important (8.25 average rating).
- Local language: Negligibly important (2.33 average rating).
- Customer support in local language: Slightly important (3.53 average rating).
- Cultural customization: Marginally important (4.13 average rating).
- Local reviews: Highly important (8.2 average rating).
- Country origin influence on trust: Mixed opinions, some respondents have strong views about platform origin due to global politics and quality concerns, while others are indifferent.
- Categorical preferences in item renting: Tools, Home & Garden, Sports & Leisure, Clothing & Accessories, Electronics & Technology.

The 25-34 age group shows cautious engagement with P2P platforms, with a preference for renting when it is practical or cost-effective. Insurance is important for some, indicating a need for security in transactions. Opinions on language and cultural customization vary, suggesting flexibility. Trust in platform origin varies, with some respondents expressing specific geopolitical concerns. Focus on the practical benefits, such as cost-effectiveness and the utility of renting over buying. Address concerns about security and insurance.

Opinion-based trends for age group 35-44:

- Reasons preventing renting: Prefers ownership over renting due to cost and moral concerns.
- Reasons encouraging renting: Motivations include needing the item temporarily, saving money, earning extra income, and testing products before buying.
- Insurance: Highly important (8.33 average rating).
- Local language: Quite important (6.75 average rating).

- Customer support in local language: Highly important (7.5 average rating).
- Cultural customization: Quite important (6.25 average rating).
- Local reviews: Highly important (8.25 average rating).
- Country origin influence on trust: Responses indicate nuanced views on trust influenced by country of origin, including reliability, communication styles, and insurance considerations.
- Categorical preferences in item renting: Tools, Home & Garden, Children's Accessories.

For the 35-44 age group, practical considerations like cost-effectiveness, temporary needs, and additional income opportunities drive renting behaviors. High importance on insurance suggests a need for secure and safe rentals. Local language and cultural customization are variably important, reflecting diverse preferences. Trust in platform origin varies, with considerations for reliability and details specific to country origin. Stress the platform's reliability, especially in terms of security. Showcase a variety of rental options that cater to their diverse needs.

Opinion-based trends for age group 45-54:

- Reasons preventing renting: Concerns about not finding a suitable need, fear of damage, and inadequate compensation.
- Reasons encouraging renting: Using these platforms for their value and personal touch, saving money, and environmental reasons.
- Insurance: Moderately important (5.5 average rating).
- Local language: Slightly important (3.25 average rating).
- Customer support in local language: Moderately important (4.5 average rating).
- Cultural customization: Marginally important (4.25 average rating).
- Local reviews: Highly important (8.25 average rating).
- Country origin influence on trust: Some are influenced by the country of origin due to previous experiences or perceptions of certain countries.
- Categorical preferences in item renting: Tools, Home & Garden, Sports & Leisure, Electronics & Technology

Balanced engagement with P2P platforms; concerns about suitability and security, mixed views on language and cultural customization, trust influenced by platform origin, and past experiences. Emphasize trustworthiness and the quality of service. Highlight user-friendly features and the benefits of the platform for specific uses like travel or home improvement.

Another notable target group purely based on occupation could be students, as data received from student's responses were quite identical to each other. However, the data was limited. None of the 3 students, who participated in the survey had come across a specific need, which in turn made them respond that they had not rented items via a P2P platform before. Nonetheless, a particularly interesting key find was that their highest priority for using a similar service to rent items to others would be to earn extra income (100%), to help others / a community (100%) and environmental reasoning (66%). On the other hand, attributing reasons for motives for renting from others proved to be needing an item only once (100%), saving money (66%) and environmental reasons (66%). The categories implied a similar indication, as students were inclined on renting from the following categories: tools (100%), home & garden (100%), electronics & technology (33%). In addition, students favored card payments (66%), PayPal, or other similar payment services (66%) and the rising popularity of mobile payments (66%).

By observing these target groups closer, it becomes evident that different target groups and buyer personas demand distinctive marketing communications to cater their specific needs and preferences. By distinguishing and perceiving the diverse opinions of these groups, the case company can highlight personalized unique selling points to their potential consumers in Sweden.

6 CONCLUSION

This thesis aspired to unravel the complexities surrounding the localization of a Finnish P2P and B2C home item rental platform for market penetration in Sweden. Anchored by the research question, "How can a Finnish P2P and B2C home item rental platform best localize its multi-sided platform for effective market penetration in Sweden?", the research introduced a blend of qualitative interviews with market experts and a quantitative survey targeting potential Swedish users to uncover nuanced insights.

The findings revealed distinct interests among potential end users in Sweden, which were crucial in creating different buyer persona segments for targeted marketing. This segmentation is pivotal for tailoring localization strategies and further marketing and communication plan was discussed in the recommendations segment. This aspect offered unique viewpoints for personal and tailored communication approaches to different target groups to resonate more prominently, which could increase conversion rates and streamline user acquisition. One of the key findings introduced the categorical preferences for item renting, where the preferences between ages groups remained similar. Furthermore, the categorical similarities and interests seemed to not differentiate between those who had previously used a P2P platform for item renting from those, who had not experienced before, validating further hypothesis and research based on hypothetical or non-factual based opinions in the item renting field.

The revelations from the three interviews conducted with internationalization and go-to-market experts complemented these findings, offering a practical perspective on the nuances of localization. Notably, the research's outcomes reinforced the validity of theoretical frameworks such as Bert Esselink's localization guide and the Uppsala model, particularly the emphasis on niche-focused market entry strategies in conjunction with strategical localization implementations, such as the name and linguistics of the company to resonate more adequately with the target market of Sweden and its residents. Furthermore, the research highlighted

the significance of cultural differences and potential future customer's preferences regarding digital platforms and item renting and how they should be adjusted appropriately between target markets to reach product-market fit.

The methodology, comprising three expert interviews and a survey, was instrumental in obtaining diverse perspectives and they provided with meaningful explorations. However, the limited reach regarding potential end users in Sweden and response rate pose a constraint, potentially impacting the generalizability of the findings, as there were only 38 responses to the survey in total.

Practically, this thesis offers actionable insights for the case company in regards of an effective market penetration in Sweden. The recommendations outlined in this thesis, including culturally and segmentally resonant marketing strategies with a touch of risk assessment in internationalization and localization, provide a robust foundation and understanding for the case company.

Given the dynamic and constantly evolving nature of the field, future research should delve deeper in to a slightly more invested and broader, in-depth analysis of consumer preferences regarding item renting and P2P or other digital platforms to understand the foreign and broader audience in Sweden. Exploring emerging technologies, sustainability practices, and the regulatory environment in Sweden will further enrich the understanding of market penetration strategies. The methodologies and strategies may be similar, but emphasis on the distinguishing factors, and variations between counties must be blended into the agenda. Additionally, case studies of successful market entries in Sweden could provide practical benchmarks and strategic knowledge.

All in all, this research journey has been enlightening, uncovering the intricacies of localization in a cross-cultural context. The author has attained more perspective understanding of the relevance of product-market fit and how the cultural aspects influence consumer behavior. The knowledge gained not only contribute to the academic discourse but also offer a pragmatic guide for Lainappi to tackling and navigating the complexities of international market expansion.

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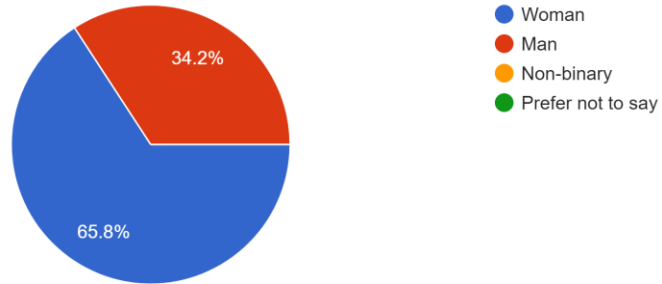
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APPENDICES

Appendix 1. Author's survey results

1. Gender

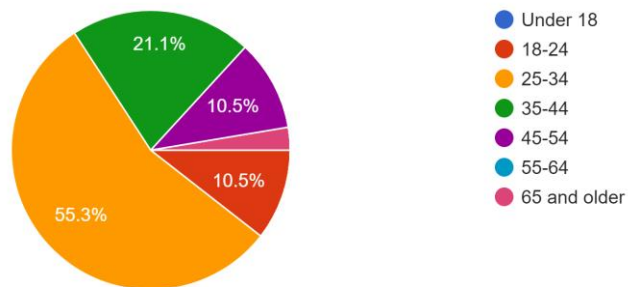
38 responses



Survey question number 1.

2. Age

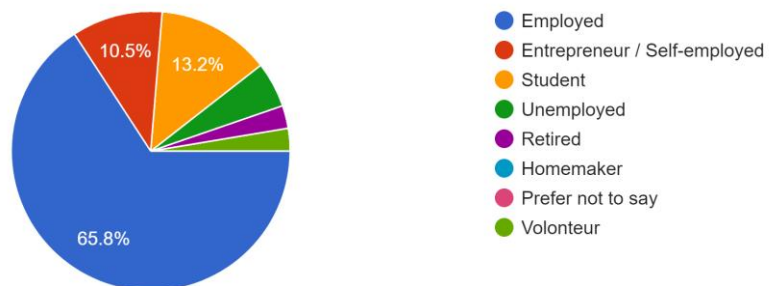
38 responses



Survey question number 2.

3. Occupation

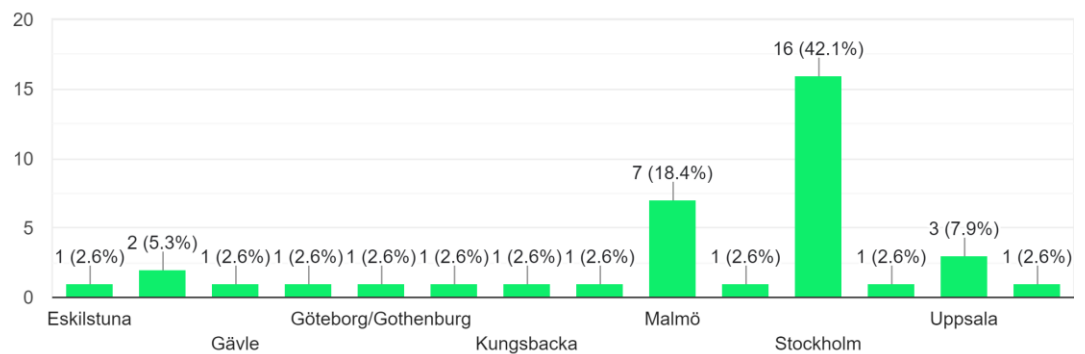
38 responses



Survey question number 3.

4. Where in Sweden are you located?

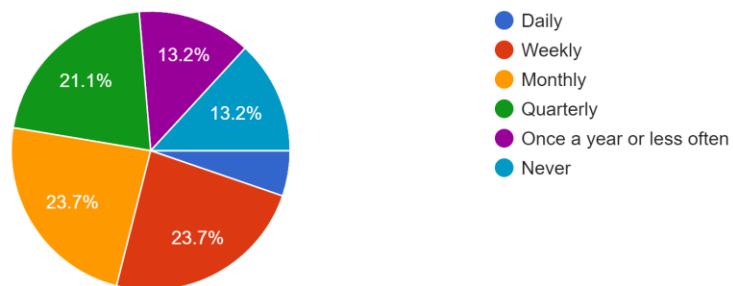
38 responses



Survey question number 4.

5. How often do you use online Peer-To-Peer (P2P) driven platforms? These include Uber, AirBnB, Hygglo, GoMore etc. (See P2P platform definition in survey info box above.)

38 responses



Survey question number 5.

6. What purposes do you mainly use P2P driven platforms for?

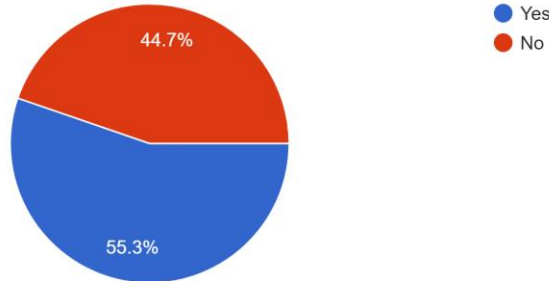
34 responses

- Private item purchasing
- Buy second hand things
- Taxi
- Ordering food / rides
- Cheaper offerings than standard.
- Housing, transportation
- Using AirBnB as the only P2P paltform. Used to be on car pool which would fall under P2P service
- Tourism/Transportation
- Travel

Survey question number 6.

7. Have you rented items from or to others using a P2P platform?

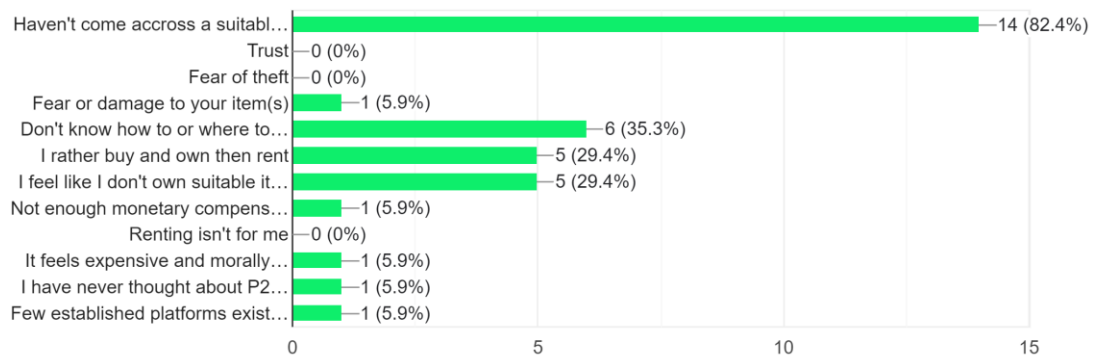
38 responses



Survey question number 7.

8. What has prevented you from renting items on P2P platforms? (You may select multiple)

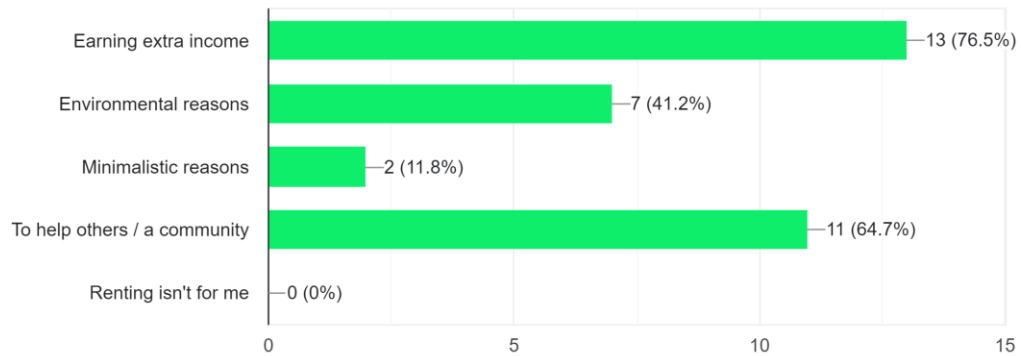
17 responses



Survey question number 8.

9. If you would rent items to others, what could you imagine the reason being? (You may select multiple)

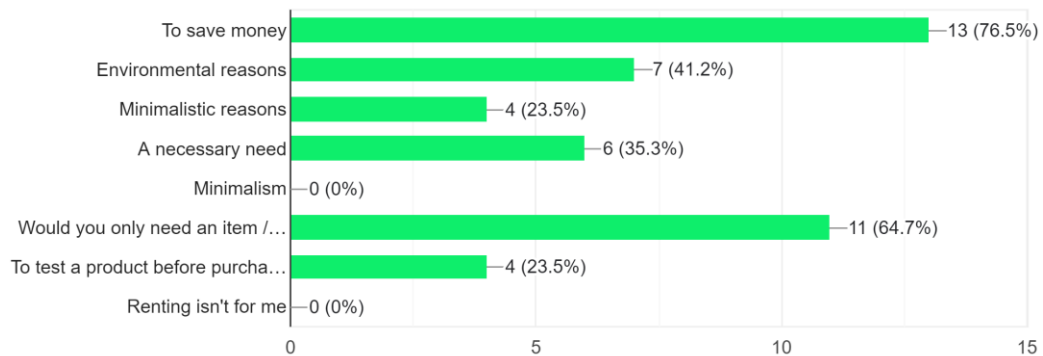
17 responses



Survey question number 9.

10. If you would rent items from others, what could you imagine the reason being? (You may select multiple)

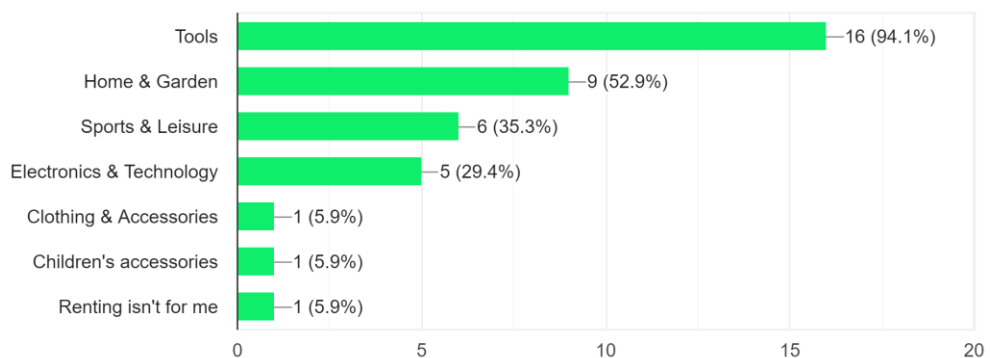
17 responses



Survey question number 10.

11. Which of the following categories could you imagine yourself renting items from? (You may select multiple)

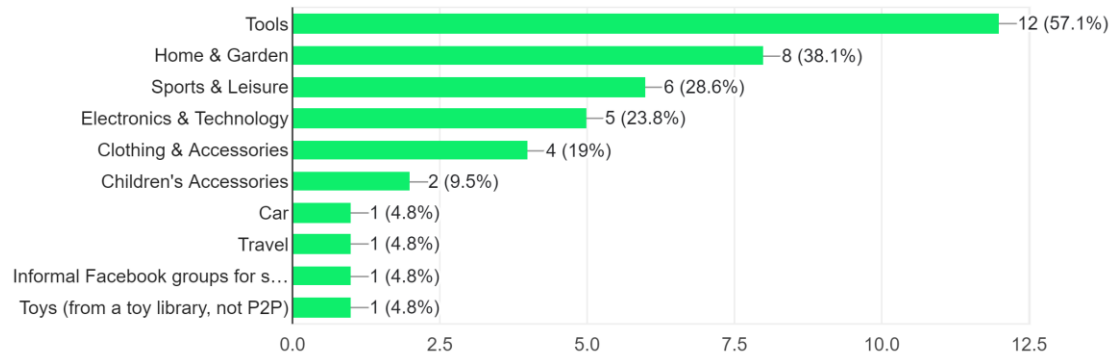
17 responses



Survey question number 11.

8. From what categories have you previously rented/shared from? (You may select multiple)

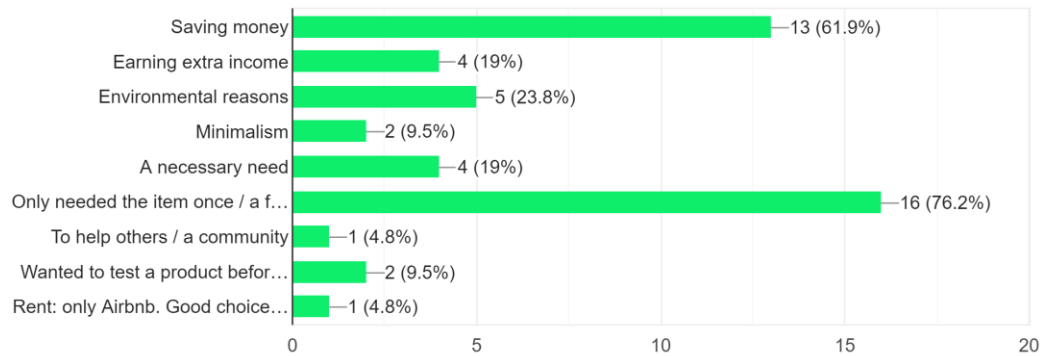
21 responses



Survey question number 8.

9. What encouraged you to rent? (You may select multiple)

21 responses



Survey question number 9.

10. Anything specific you dislike or would change in the P2P platforms you have previously used for renting?

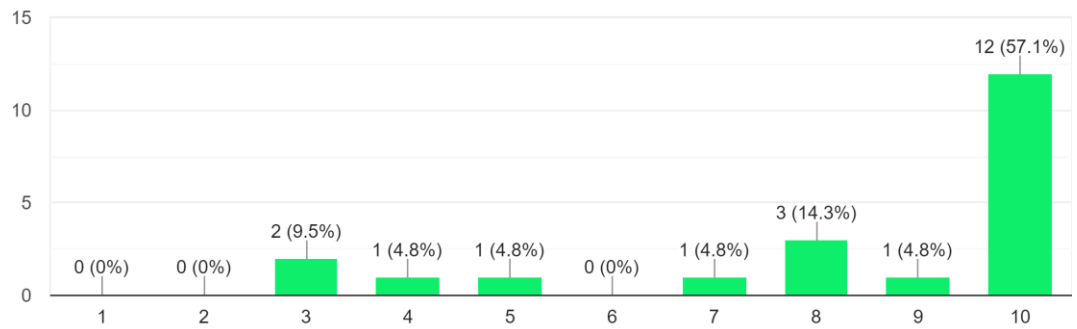
14 responses

- No
- no
- All the extra fees occurring on top of the actual usage of the product/service.
-
- No, I think they work well. Have not had to use the insurance they include but I hope they are good :)
- Usually the usability of apps
- A better calendar to see when popular items are available, for example to be able to plan a bicycle holiday with a rented electric bicycle
- Better customer experience
- Backaround checks

Survey question number 10.

11. On a scale of 1-10, how important is it for you to have an insurance included in P2P renting?

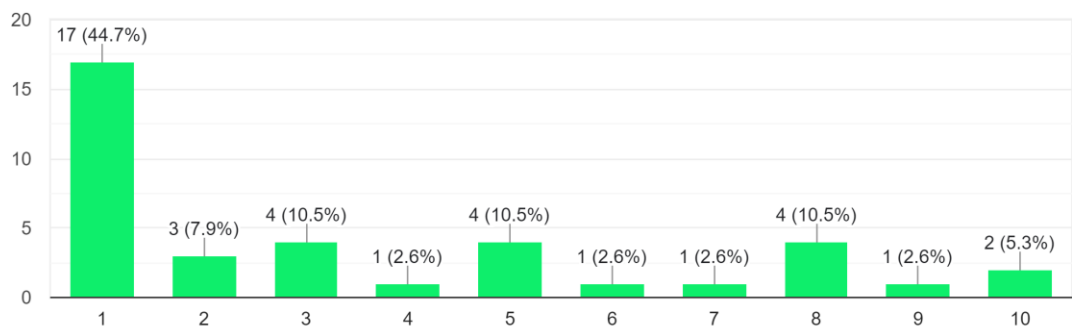
21 responses



Survey question number 11

12. On a scale of 1-10, how important is it for you that the platform is available in your local language instead of only having it in English?

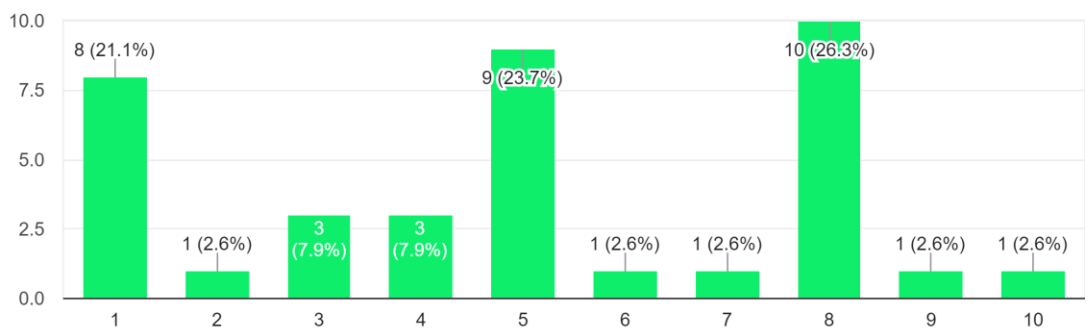
38 responses



Survey question number 12.

13. On a scale of 1-10, how important is it for you that an international platform reflects other local cultural customs, traditions and nuances?

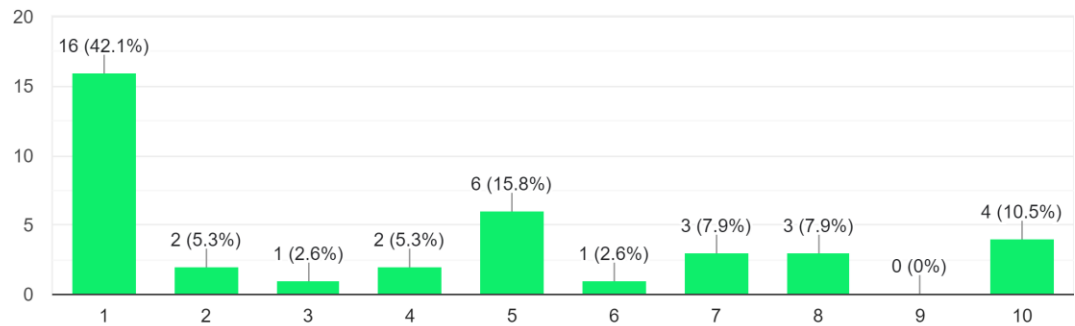
38 responses



Survey question number 13.

14. On a scale of 1-10, how important is it for you to have customer support in your local language when using an online platform?

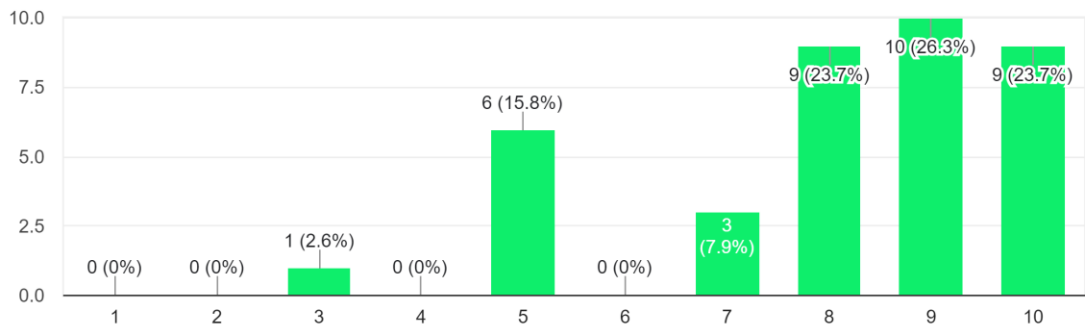
38 responses



Survey question number 14.

15. On a scale of 1-10, how likely are you to trust reviews on a platform if they are from people from your own region or country rather than international?

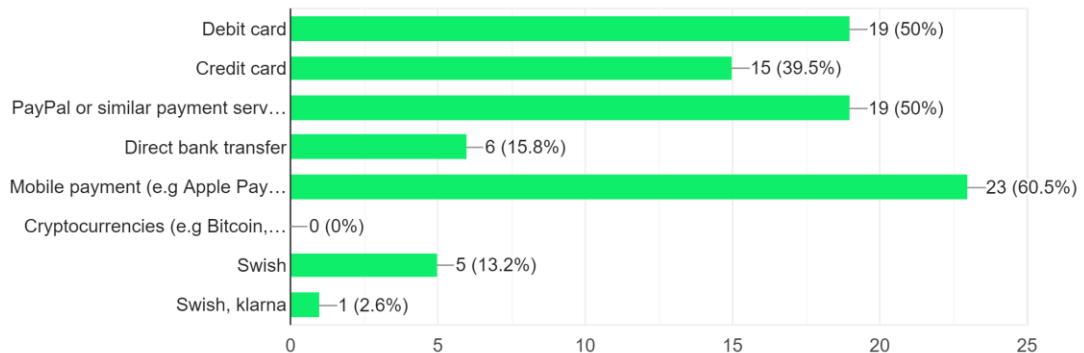
38 responses



Survey question number 15.

16. Which payment methods do you prefer using on an international online platform? (You may select multiple)

38 responses



Survey question number 16.

Appendix 2. Agenda of the interviews

PART 1

1.1 Brief introduction of the subject of the interview to the interviewee.

1.2 Background of the interviewees, background of the company, history in the company and current position.

PART 2

2.1 What kind of capabilities and resources should a company have when they aim for foreign markets?

2.2 What are some common challenges or pitfalls that your company faced/companies face when localizing their platforms, products, or services for a new market?

2.3 What key factors or indicators do you believe are crucial to assess before entering a new market and how should the market be chosen?

2.4 How should a company approach the balance between global brand consistency and local customization of the brand when entering foreign markets?

2.5 From your experience, what are the most common misconceptions companies have about international expansion?

2.6 How do the target market's and the company's local cultural differences impact the localization and internationalization of a firm and its product/service?

2.7 How important is localization assessment and adaption of the product/service offered when expanding to foreign markets and areas and how should it be conducted?

2.8 What is the role of partnerships in internationalization and localization?

2.9 What's your perspective on starting with a niche segment vs. targeting a broader audience in a new market?

2.10 What have been your biggest learning points regarding localization, internationalization, and exportation?

2.11 What would your most critical and top advice be when considering localizing a platform/product/service for a new market?