



Satakunnan ammattikorkeakoulu  
Satakunta University of Applied Sciences

JULIA SUOMINEN

# **Choosing Market Entry Mode to Sweden; Case Company ToimijaNet Oy**

DEGREE PROGRAMME IN INTERNATIONAL BUSINESS  
2024

## ABSTRACT

Suominen, Julia: Choosing Market Entry Mode to Sweden; Case Company ToimijaNet Oy  
Bachelor's thesis  
International Business  
May 2024  
Number of pages: 40

This bachelor's thesis was conducted as a case study-based research with the objective of suggesting a recommended entry mode for the case company of ToimijaNet Oy to expand its operations to a new market in Sweden.

The primary data for this thesis was collected through qualitative, semi-structured interviews and internal documents and reports provided by ToimijaNet Oy. The qualitative research and methods were combined with secondary data gathered through a literature analysis on frameworks such as PESTEL analysis, internationalization strategy, SWOT analysis, and internationalization motives.

The thesis concluded that Sweden offers a favourable market environment for ToimijaNet Oy to expand its operations into. Technological expertise and established market position in Finland were identified as the company's key strengths as well as motives for internationalization to Sweden, while an apparent weakness was found in the company's lack of international experience.

The final recommendation of entry mode was concluded to be direct export with potential for strategic partnerships in the target market. In addition, the thesis concluded a need for further future research in the areas of direct exporting, market localization, and partnership development.

Keywords: Market entry mode, internationalization strategy, direct export, entry mode, international business

# CONTENTS

1 INTRODUCTION .....	4
2 RESEARCH OBJECTIVE AND METHODOLOGY .....	5
2.1 Research objectives .....	5
2.2 Thesis structure and conceptual framework .....	6
2.3 Delimitation.....	7
2.4 Research approach and data collection .....	9
3 SWEDEN AS A TARGET MARKET .....	9
3.1 PESTEL framework.....	9
3.1.1 Political environment.....	10
3.1.2 Economic environment .....	11
3.1.3 Social environment .....	12
3.1.4 Technological environment.....	12
3.1.5 Environmental environment .....	13
3.1.6 Legal environment .....	14
3.2 IoT Market Review.....	14
4 INTERNATIONALIZATION STRATEGY .....	17
4.1 Market entry strategy.....	17
4.2 Market entry modes.....	18
4.2.1 Export .....	19
4.2.2 Contractual agreements .....	22
4.2.3 Joint ventures .....	24
4.2.4 Wholly owned subsidiaries .....	26
5 TOIMIJA NET OY .....	28
5.1 Company background .....	28
5.2 Internationalization motives .....	29
5.2.1 ToimijaNet's company motives .....	30
5.3 SWOT analysis.....	31
6 RESULTS AND DISCUSSION.....	34
7 CONCLUSION .....	38
REFERENCES .....	40

## 1 INTRODUCTION

For companies wanting to go global, the choice of market entry mode has presented itself a critical question as part of the international business expansion process. While globalization has admittedly integrated people and emerging markets to a new, remarkable degree, the importance of careful assessment and choice of market entry mode has not diminished. On the contrary, it could be argued that it is now more important than ever to pay attention to the current nuances and changes occurring in emerging markets with the rapid advancement of technology, trade, and social changes. Moreover, the increasingly competitive, crowded, and dynamic nature of many industries and markets has amplified the significance of the chosen market entry mode as a strategic decision.

This bachelor's thesis is a part of an International Business degree offered by Satakunta University of Applied Sciences. ToimijaNet Oy, a Finnish company specializing in IoT and telecommunications, has a goal of expanding the business into a new market in Sweden. This thesis compiles and provides the case company of ToimijaNet research, data, and analysis for the purpose of finding a viable market entry mode for Sweden. It thus serves as valuable research material that the company can choose to utilize in its ultimate decision for an entry mode in the market expansion to the target country of Sweden.

Determining the most viable market entry mode for a business requires a thorough theoretical review of market entry strategies, an overview of the market conditions in the target country, and extensive insight into the internal and competitive aspects and qualities of the company. Accordingly, this thesis features all three of the aforementioned areas of analysis to gather enough information, context, and evidence to support the final recommendation for a suitable market entry mode for the case company in question. In the process of

internationalization, the evaluation of the opportunities and challenges presented by the business operation both internally and externally is crucial for the tailoring of company strategies accordingly, in order for the company to maximize the chances of success in the new target market.

## 2 RESEARCH OBJECTIVE AND METHODOLOGY

### 2.1 Research objectives

The main research objective of this thesis is to find an optimal entry mode for ToimijaNet Oy to internationally expand its business to a new market in Sweden.

A major focus of the thesis is set on three different subproblems, as examining them provides valuable insight required for tackling the main research problem and objective at hand. These subproblems are mostly examined in their respective chapters for clarity and structural coherence. The first subproblem, identifying external market factors in the target market environment of Sweden, is explored in the form of a PESTEL analysis and a review of the current IoT industry in Sweden. As a research method, PESTEL analysis is further explained and introduced in chapter three. The second subproblem, identifying potential market entry modes, is scrutinized in chapter four in the form of an overview on internationalization strategy and market entry modes. Following this logic, the third subproblem, identifying the strengths, weaknesses, opportunities, and threats of ToimijaNet and its potential new market entry, is tackled in chapter five through a SWOT analysis and an assessment of company motives.

Subsequently, the objectives of the thesis are to conduct a target market analysis, to review and examine international entry modes, and to assess

ToimijaNet Oy's strengths, weaknesses, opportunities, and threats. Ultimately, the main objective of recommending a viable international entry mode for the case company is achieved by the end of the thesis through careful analysis of the sub problems and objectives at hand.

## 2.2 Thesis structure and conceptual framework

The structural logic and flow of the thesis is illustrated in the visual framework model below. The graph in Figure 1 represents and highlights the main concepts and theories explored in the thesis while also providing context to the variables and their relationships with the use of arrows.

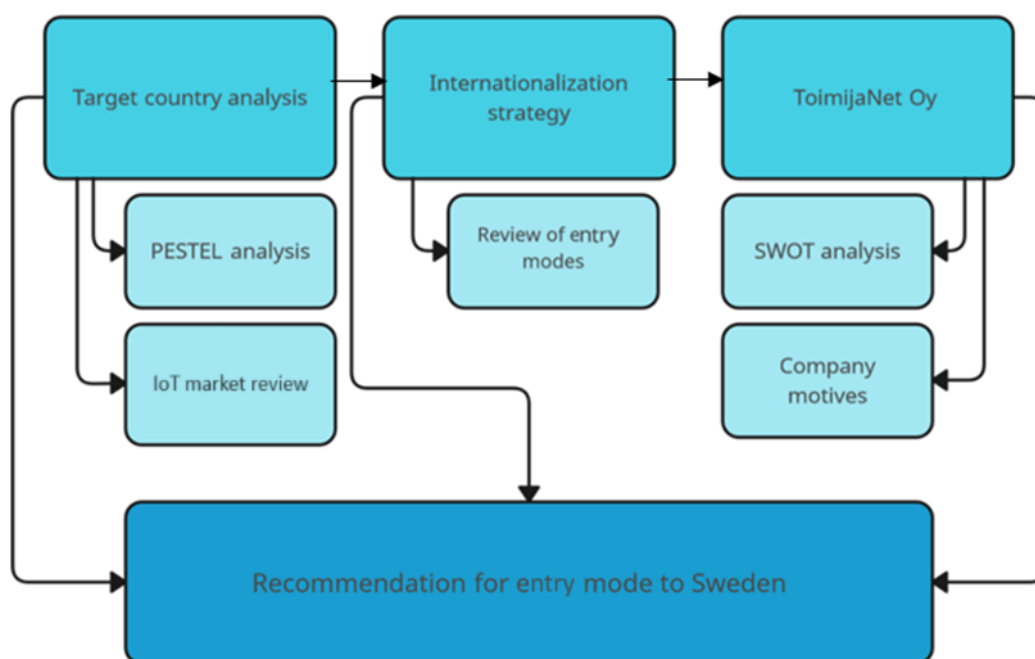


Figure 1. Conceptual framework of the thesis.

The topics of target country analysis, internationalization strategy and the background of the case company ToimijaNet are illustrated in their own separate boxes at the top the illustration. Under these, one can find subcategories illustrated with a lighter colour — these represent the concrete research problems and the methods used to examine them. The subcategories represent

different functions and ideas: PESTEL analysis and IoT market review represent the context needed for understanding the external and environmental factors impacting the market environment, review of entry modes offers a theoretical framework for later assessment and analysis of entry modes, while SWOT analysis and internationalization motives provide information on ToimijaNet's readiness and suitability for the consideration of entry mode strategy.

The main research problem is illustrated below them with a darker box titled "Recommendation for market entry mode to Sweden". The arrows pointing to it illustrate the relationship of the three main concepts at the top which are to ultimately provide enough data and context needed to recommend an entry mode seen illustrated in the box below in the figure.

The structure of the thesis largely follows the logic and flow of the conceptual framework for the purpose of clarity and cohesiveness. The structure is built around seven of the following main chapters: Introduction, Research and Methodology, Sweden as a Target Market, Internationalization Strategy, ToimijaNet Oy, Results and Discussion, and Conclusion.

The first chapter provides background for the thesis and introduces the research question. The second chapter focuses on research objectives and methodology, and provides the information needed to understand the scope and progression of the thesis. Chapters three, four, and five focus on examination of the literature, theory, data, research tools, and analysis around the target market, internationalization strategy, and the case company. Chapters six and seven focus on critical analysis, interpretation, and presentation of the research findings, as well as recommendations and the conclusion of the thesis.

### 2.3 Delimitation

The thesis topic focuses solely on Sweden as a target country and market for the international expansion of ToimijaNet Oy's operations — other markets are

thus outside the scope of this research. Similarly, the analysis concentrates specifically on the IoT industry, therefore excluding other industries or markets in Sweden.

Considering that the thesis functions as a focused analysis and recommendation specifically tailored to the case company of ToimijaNet Oy, its potential benefit to other companies or industries may be limited.

In addition, this thesis does not delve into any detailed strategic planning, financial assessment, or modelling of business or marketing plans for the case company. Consequently, the scope of the research remains within the boundaries of identification of external target market conditions, a review of entry modes, and an assessment of both the case company's internal strengths and weaknesses as well as external opportunities and threats.

It should also be noted that the thesis does not include analysis or further recommendations on entry timing or location-specific goals. When it comes to internationalization strategy and entering a new market, the scope of the thesis focuses solely on the scale of entry, therefore excluding questions of when or where to enter but instead focusing on the method of how to enter a market. As such, the final recommendation of market entry mode is not a comprehensive solution, but more of a recommendation for further research on the entry mode and the operations and external factors that come with it.

When it comes to data collection and application of data and sources, ethical concerns associated with qualitative research have been considered within the thesis. Confidentiality is taken into account with the protection of sensitive internal data of the case company. In the presentation and analysis of research data, the thesis adheres to confidentiality agreements agreed upon by all parties.

## 2.4 Research approach and data collection

The primary data for this case study-based research and thesis has been collected through qualitative, semi-structured interviews conducted with the sales director of ToimijaNet Oy. This internal information functions as a source of valuable data and context as to how the case company operates and what their current objectives and considerations for international expansion are. Data about the specifics of the company's internal operations, motives, strategies, and decision-making has thus been acquired through these semi-structured interviews. Similar data and context have also been collected through examination of internal documents, reports and presentations provided by ToimijaNet Oy. Together, both the interview-based and document-based primary data collected create a foundation for the thesis, upon which qualitative research analysis is conducted through theoretical framework and analysis models.

Subsequently, the secondary data presented in the thesis has been collected from academic literature, case studies, industry reports, and other statistical sources. Together, these secondary data function as a provider of further context and serve a theoretical foundation for the analysis. The secondary data is used together with the collected primary data in analysis and discussion for the thesis. Through this combination, a gained, comprehensive understanding of the thesis topic is used to answer all research questions posed in the thesis.

## 3 SWEDEN AS A TARGET MARKET

### 3.1 PESTEL framework

Business environments tend to come with external factors that will inevitably influence a company and its operations and performance in the market. PESTEL analysis is a business tool that can be used to map out and analyse the external business environment of a target market. This allows a company to

organize information and consider the external influences that will inevitably affect the business expansion and entry to a new market. (Makos, 2024)

According to its acronym, PESTEL provides the following six perspectives of market environment analysis: political, economic, social, technological, environmental, and legal. Together, these six perspectives provide an overview of the target market and the unique qualities that come with it. PESTEL analysis can thus function as a framework for strategic planning around the choice of entry mode. (Makos, 2024)

Additionally, a PESTEL analysis can reveal advantages and challenges present in the target market environment, which instead can lead to a potential gain of competitive advantage for the company (Makos, 2024). Overall, adaptation of strategies and decision-making in the context of the target market environment are an important part of a successful market entry.

### 3.1.1 Political environment

Sweden is a stable democracy, the politics of which can be characterized by social welfare policies and consensus-building. The country enjoys political stability and long-term policy continuity due to negotiation and compromise of major policy decisions in the government (Teorell, 2018). With a parliamentary government and a constitutional monarchy, the country is also a member of the European Union and is thus subject to EU regulations (European Union, n.d.).

The Swedish government also has a progressive tax system, and the tax rates are relatively high (Swedish Institute, 2024). The Swedish government offers support for international trade, and the country has an open market with minimal restrictions and barriers. The country also tends to invest in research and development. As such, the emphasis in politics is also on innovation, digitalization, and entrepreneurship (Regeringen och Regeringskansliet, n.d.-a).

When it comes to foreign policy, Sweden tends to follow a path of neutrality and non-alignment. International cooperation is at the core of Sweden's foreign policy and the country has strong international relationship. (Regeringen och Regeringskansliet, n.d.-b)

### 3.1.2 Economic environment

In 2022, Sweden's GDP was \$591.72 billion USD (World Bank Open Data, n.d.), of which 63% was contributed by the service sector (Statista, n.d.). When it comes to the flow of international trade, Sweden is considered an export-dependent country, and export functions as a driving force for the country. Accordingly, exports take up another significant portion, nearly 50%, of the country's GDP.

Swedish banks are known for their stability and resilience which stems from strict regulations set by financial authorities in the country. The monetary policies enforced by the Riksbank, the central bank of Sweden, are a significant reason for the sustained economic stability of Swedish banks. The Riksbank has kept the interest rate steadily at 4% for the first months of 2024. (Trading Economics, n.d.-a)

The country's strong welfare system combined with active labour market policies aim to reduce unemployment. Consequently, the unemployment rate in Sweden tends to remain relatively low compared to many other countries (Trading Economics, n.d.-b). However, the rate has been rising; in February 2024, the unemployment rate in Sweden was estimated to be 8.5%, which marked a 0.3% increase compared to the previous year (Trading Economics, n.d.-b). Nevertheless, it is important to consider that Swedish unemployment rates tend to fluctuate in parallel with global economic trends. Other significant factors that might continue to impact the Swedish labour market in the future are demographic shifts, policy initiatives, implications for skills development, and advancements in technology. (SwedenExpat, 2023)

### 3.1.3 Social environment

Sweden has a strong social welfare system built upon universal access to healthcare, social services, and education. As such, Sweden has high living standards, leading to a boost in consumer spending. A high disposable income in the population creates ideal conditions for a business in Sweden.

Sweden has an aging population with a current life expectancy of 83.7 years, while birthrates are declining with an average of 1.7 live births per woman (Worldometer, n.d.). This naturally creates challenges and strain in public resources, such as healthcare and pensions. However, Sweden's openness to immigration can compensate for this in workforce growth.

Sweden is known for its progressive values when it comes to environmental sustainability, gender equality and work-life balance. This also comes with a strong, highly educated workforce – a factor which further strengthens the image of an innovative and technologically advanced country.

### 3.1.4 Technological environment

Sweden is known for its high level of innovation and technological advancements. This is once again due to the previously highlighted factors such as social stability, high level of equality, access to government support, and long-term focus on education and research. Pragmatic views on technology and solutions are promoted in education, thus finding their ways into work environments and entrepreneurship on a cultural level. (Swedish Institute, 2023)

Internationally, Sweden has a leading position in research and development (R&D), with more than 3% of the country's GDP going towards R&D (Swedish Institute, n.d.). In 2023, Sweden ranked second on the Global Innovation Index rankings (World Intellectual Property Organization, 2023, p. 193).

With 6,5% of Sweden's GDP in 2019 accounting for the technology sector (TechSverige, 2022, p. 12), the country is well positioned and technologically

advanced from a comparative, international perspective. Combined with Sweden's strong culture of engineering and innovation, the country excels at technology and digitalisation; in 2021, Sweden ranked third in the European commission's Digital Economy and Society Index, right behind Denmark and Finland. (The Agility Effect, 2022)

Sweden fosters a nourishing climate when it comes to digital innovation for start-ups, global companies, and SMEs. With strengths in IoT, data centres, 5G/6G, cloud and edge computing, Sweden drives the development of emerging digital technologies with different tools, e.g., AI, advanced analytics, and VR. In addition to this, Sweden has an advanced internet infrastructure and extensive fibreoptic coverage, surpassing EU averages especially in VHCN and FTTP networks (Analysys Mason, 2020, p. 54).

### 3.1.5 Environmental environment

With a strong international environmental image, Sweden emphasizes sustainability, green technology, and waste reduction. With a share of 54,6%, Sweden has the highest share of renewables in the European Union. Sweden is the largest wind power producer in the Northern Europe and has 30 data centres feeding waste heat back into the district heating system. (Sokolnicki, 2022)

Successful and competitive businesses operating in Sweden must thus consider environmental policies and expectations in place – a focus on reducing environmental impact and carbon emissions is crucial in such a business environment prioritizing sustainable and green solutions. With strict laws and expectations on waste reduction, recycling, carbon footprint, the challenge for a business will come in the form of finding solutions and coming up with new strategies to increase sustainability.

### 3.1.6 Legal environment

Sweden is a country with strictly regulated laws surrounding employment, prohibition of discrimination, antitrust policies, consumer protection, copyright protection, and health and safety. (Fohlin, 2021)

Employees' individual rights are protected through strict labour laws in place, e.g., working hours, vacation benefits, and protection against unfair dismissal. Collective bargaining agreements and trade unions hold a strong position in the legal relationships between employers and employees. In Sweden, fair competition and prevention of anti-competitive behaviour are promoted with the help of strict antitrust laws enforced by regulatory authorities. (Fohlin, 2021)

With a well-regulated legislative core surrounding business, Sweden offers a predictable legal environment for companies to operate in. However, with such a stable legal environment comes the challenge of reporting and complying to these regulations.

### 3.2 IoT Market Review

The Internet of Things (IoT) refers to a network combining physical and virtual devices that interact with each other over the internet to collect and share data. IoT infrastructures and devices can be used for various purposes, many of which are related to monitoring, automation, data analysis, and tracking. IoT devices and applications provide internet-connected solutions for plenty of industries, e.g., in manufacturing, retail, transportation, healthcare, and agriculture (IBM, n.d.). As can be seen in Figure 2, the European IoT industry and its market size has steadily grown in the past 10 years, with further growth predicted for future years.

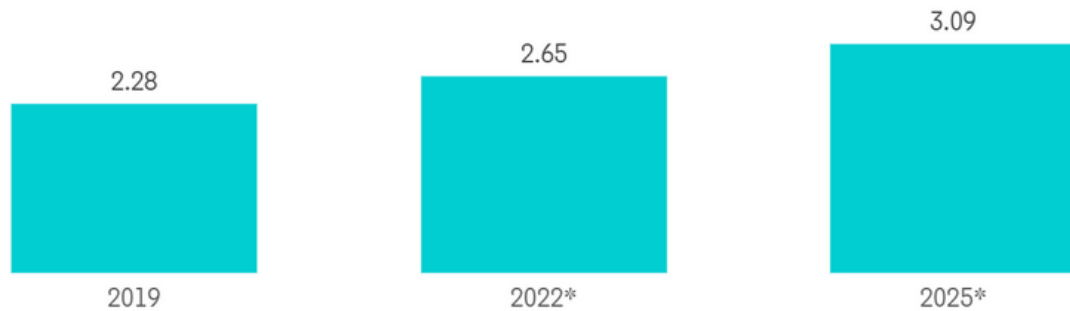


Figure 2. Estimated number (million units) of IoT active Connections in Retail in the European Union. (Mordor Intelligence, n.d.-a)

With an advanced technological infrastructure and a growing demand for IoT solutions and technology, Sweden has earned its place as a significant player in the global IoT industry. The country has achieved a leading position in the IoT market with the strategy of prioritizing sustainable technology and infrastructures with focus on innovation and investment. From the projected revenue of the Swedish IoT market in 2024 being \$9.67 billion USD, the numbers are predicted to continue rising with a high Compound Annual Growth Rate of 11,43% between 2024 and 2028. (Statista, n.d.)

With ToimijaNet Oy's established customer companies and corporations in Finland operating in the hospitality and retail sectors, it is important to review the same sectors in Sweden, specifically from the point of view of their involvement with the IoT industry. This is an important element in the market environment, as identification of competition and possible partners or customer companies in the market provides further context for the eventual choice of market entry mode.

In Sweden, the hospitality sector includes hotels, restaurants, and other accommodation facilities. The three of the biggest domestic players in the hospitality sector – Best Western Hotels & Resorts, Nordic Choice Hotels, and Scandic Hotels – utilize IoT solutions such as smart room controls, asset tracking, energy management, and optimizing resource. (Mordor Intelligence, n.d.-b). As can be seen in Figure 3, the industry is expected to grow in market size, reaching \$7.17 billion USD by 2029.



Figure 3. Prediction market size growth of the Swedish hospitality industry in Sweden. (Mordor Intelligence, n.d.-b)

The Swedish retail sector instead includes retail establishments such as department stores, supermarkets, specialty stores, shopping centres, and e-commerce. With a market size of \$88,5 billion USD, as estimated in 2022, the sector makes up a significant portion the Swedish economy. The market's leading local brick-and-mortar retailers such as Stora Coop, Willys, and ICA group operate with IoT technology in order to find optimized solutions to ensuring quality customer experience and store operations. (Global Data, 2023)

When it comes to the Swedish IoT market, the largest operating providers in the sector include companies such as Ericsson, Telenor Connexion, Telia Company, Cisco Systems, Microsoft Azure IoT, IBM Watson IoT, Schneider Electric, Siemens AG, SAS Sweden, and Amazon Web Services. Additionally, it should be mentioned that the Swedish IoT market seems to have smaller IoT providers with specialized solutions and services to customer companies. These providers may become potential competitors of ToimijaNet Oy in more specific market segments or industries in the process of entering the new market.

Despite the presence of established competitors in the Swedish IoT market, because of growing demand for IoT applications and solutions in several sectors, the industry still offers potential for international companies or startups to tap into the market. In such a developed and competitive market, the importance of innovative and unique service solutions in providing value for the customer becomes crucial, specifically within the retail and hospitality sectors where possible customer companies likely desire more tailored, secure, and centralized solutions to ensure efficiency in productivity, reporting, automation, and tracking.

## 4 INTERNATIONALIZATION STRATEGY

### 4.1 Market entry strategy

In the context of international business strategy, a market entry mode is a form of operation employed by a company to enter a foreign market (Peng, 2022, p. 152). Choosing a fitting market entry mode is crucial, it affects the long-term future of a business and its performance in the target market. To a large degree, the balance of factors such as operational control, risk, uncertainty, competition, equity, and potential political problems in the market is determined by the chosen entry mode. As it stands, the choice of an entry mode is a critical part of decision-making in the internationalization and expansion of business operations to a foreign market. (Morschett et al., 2010)

When facing the process of choosing an entry mode for foreign market expansion, the logic behind a company's decision tends to follow a certain rule set that often falls under one of the following categories: a naïve, pragmatic or strategy rule (Hollensen, 2020, p. 316).

When following the naïve rule set, a company decides not to consider the individuality and diversity that comes with foreign markets, by using the same

entry mode for all markets without localized changes. When a company approaches market entry with this rule, the research done before the choice of entry mode is limited and the potential success of the business operation in a foreign market mostly cannot be forecast due to the performance being highly dependent on luck. This rule often comes with an inability to see the nuance and variation in market conditions, which impacts the success rate of entering a new market. (Hollensen, 2020, p. 316).

Under a pragmatic rule, the market entry mode has been chosen with the word “workable” in mind – in fact, a company might typically end up choosing a low-risk entry mode, especially in the earlier stages of international expansion (Hollensen, 2020, 316). The outcome of relying on the first option that seems of low risk yet profitable, is that the company often will not explore other options and to consider alternative entry modes. The lack of further research may lead to the unintentional dismissal of a potentially more optimal entry mode for the company and target market in question.

The last rule, called strategy rule, is an approach that instead implements a systematic evaluation of all alternative market entry modes. Through comparative inspection and research of all entry modes, a company can reach a decision based on maximization of profit contribution over the strategic planning period which can vary based on availability of company resources, risk, and non-profit objectives. (Hollensen, 2020, p. 316).

The research principle implemented in this thesis is aligned with the strategy rule as it adopts an analytical style of reviewing, comparing, and weighing all market entry modes before suggesting an optimal entry mode to the case company of ToimijaNet Oy.

## 4.2 Market entry modes

In the hierarchical model on choice of entry mode illustrated in Figure 5, market entry modes can be either nonequity or equity based. Nonequity entry modes

entail no involvement of equity used in the entry process and come with smaller commitment to the foreign market. Equity (FDI) modes instead involve the use of equity and entail larger, less reversible commitments to the overseas market. Equity modes generally come with the establishment of independent organizations overseas. (Peng, 2022, p. 152)

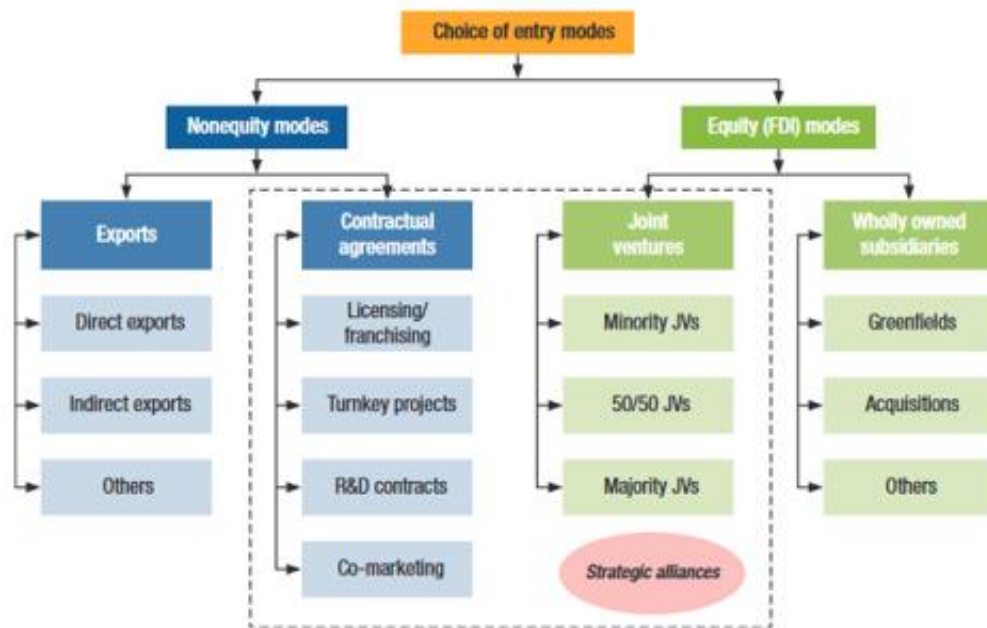


Figure 4. A hierarchical model of market entry modes. (Peng, 2022, p. 152)

Each category of entry mode comes with a different level of control, risk, and flexibility. The optimal entry mode for a business often cannot be blindly chosen – internal and external factors, desired mode characteristics and transaction-specific behaviour are all aspects that should be weighed-in on, making the strategic choice of entry mode a complex process.

#### 4.2.1 Export

Exporting refers to the business operation of a product or a service produced in one country but sold to a buyer in another. Export is perhaps the most common market entry mode chosen specifically at the early stages of internationalization of business operations. As a strategy, exporting functions as a natural extension of domestic demand while still prioritizing the domestic market. As

exporting implements relatively small commitments overseas, it is considered a nonequity entry mode. (Peng, 2022, p. 155)

Exporting can be divided into two categories: direct and indirect export. Both categories have a specific type or number of intermediaries, becoming the main distinguishing feature between the categories. The decision of which functions are the responsibility of external agents, and which are handled by the company itself is a central one in this category of entry mode. (Peng, 2022, p. 155)

As an export mode, direct export extends operations and existing domestic demand to a new, foreign market while still prioritizing the domestic market as a main target area of operations. This method of directly operating with the buyer or importer in the foreign country can provide good control over distribution in the process of international export. This export mode can function well when export volume is kept relatively small and there is no need for the company to be physically and psychologically close to its customers. (Peng, 2022, p. 155)

In addition to taking care of exporting and physical transportation, the manufacturing company can choose to handle other processes such as documentation, pricing policies, and contracts. Characteristically, in direct exporting, the company can decide to divide the responsibility of different functions between the company itself or to include a potential external agent such as a distributor, a sales representative, or a foreign retailer in the process. In general, the level of control, risk and investment proves to be higher for direct exporting compared to indirect exporting. (Peng, 2022, p. 155)

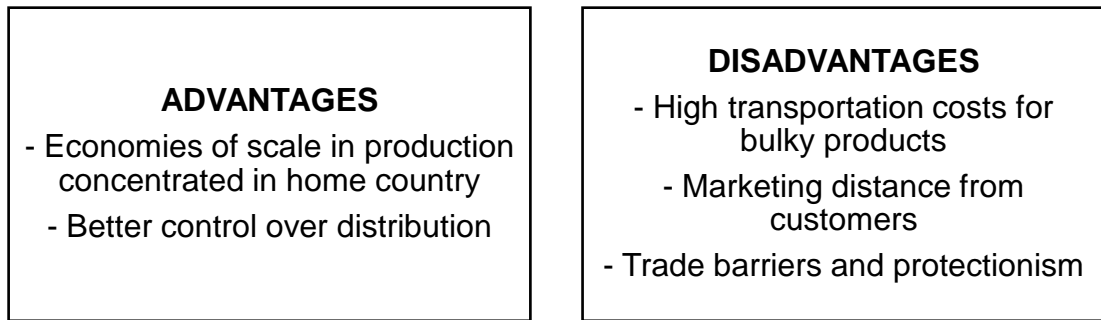


Figure 5. Summary of advantages and disadvantages of direct exports. (Peng, 2022, p. 153)

Indirect export refers to an operation mode where export happens indirectly through an intermediary left in charge of foreign export. There are different intermediary channels that a manufacturer can choose from when planning a business expansion to a new foreign market – some of them which include piggybacking, an export merchant, export management company, export buying agent, or a broker. In any case, this entry mode enables the manufacturer to reach a foreign market without the need to take charge of the export process. With another organization taking charge of the export process, the concentration of resources is reserved fully for production. However, this comes with the cost of less control in the foreign market and less opportunities to learn how to operate overseas. Consequently, while indirect export has potential to be profitable in the short term, it might not be a viable solution in the long run, at least not for a company with a long-term goal of expansion into other foreign markets. (Peng, 2022, p. 155)

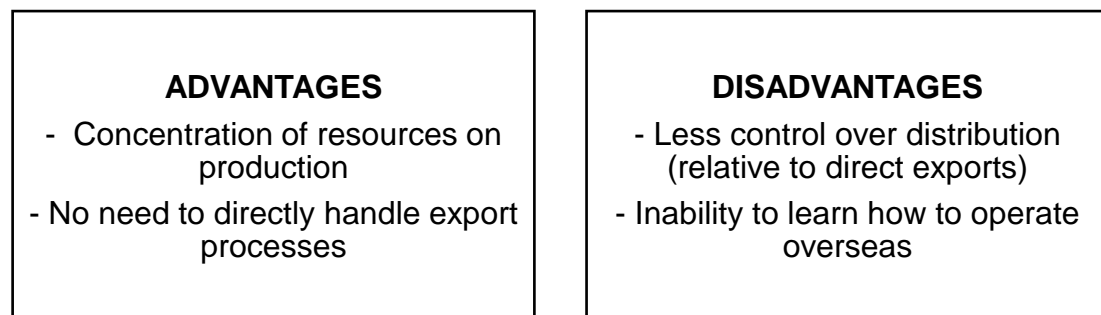


Figure 6. Summary of advantages and disadvantages of indirect exports. (Peng, 2022, p. 153)

While export can represent a cost-effective mode of entry, the choice between direct and indirect operation strategies should be made with careful consideration over several factors such as distribution control, distance between domestic country and foreign market, and production efficiency.

#### 4.2.2 Contractual agreements

When it comes to entry modes, contractual agreements represent arrangements between several parties with an agreement to start business operations in a new foreign market. These can be divided into four main types of agreements: licensing or franchising, turnkey projects, research and development (R&D) contracts, and co-marketing. Contractual agreements are nonequity modes of foreign market entry in that there is no use of equity involved thus also leading to a smaller-scale commitment overseas. (Peng, 2022, p. 155)

Licensing and franchising are similar modes of contractual agreements where the company, a licensor or franchisor, grants another company the right to its intellectual property by selling them as patents or know-how. Franchising is a specific type licensing where the sold intangible property comes with rules to conduct the business. In both cases, the transfer of intellectual property happens in exchange for royalties or fees, and there are thus no risks associated with high development costs or foreign expansion. Conversely, this type of contractual agreements come with minimal control over technology or marketing. This can also create potential competitors in the market while creating challenges for global coordination. (Peng, 2022, p. 155)

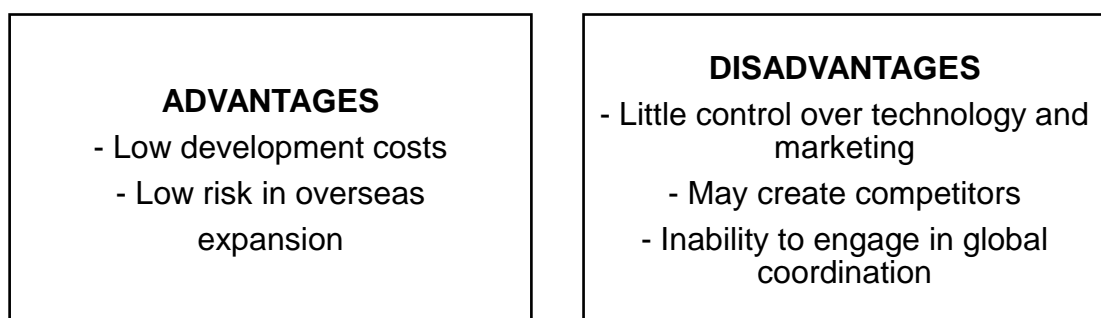


Figure 7. Summary of advantages and disadvantages of licensing/franchising. (Peng, 2022, p. 153)

As an entry mode, turnkey project is a contractual agreement where a contractor provides and constructs a fully operational facility with trained personnel in the target market for the client wishing to expand their business overseas. This can be a useful approach in countries or regions where foreign direct investment is restricted with the idea that a company could thus still be able to earn returns from process technology. However, a turnkey project can enhance market competition and lack the possibility for long-term presence in the target market. Instead of implementing turnkey projects, build-operate-transfer (BOT) agreements have been used to avoid the lack of sustained market presence. In a BOT agreement the constructed facility in the target market is operated by the same organization for a specified time before operations are transferred to a domestic agency or firm. (Peng, 2022, p. 156)

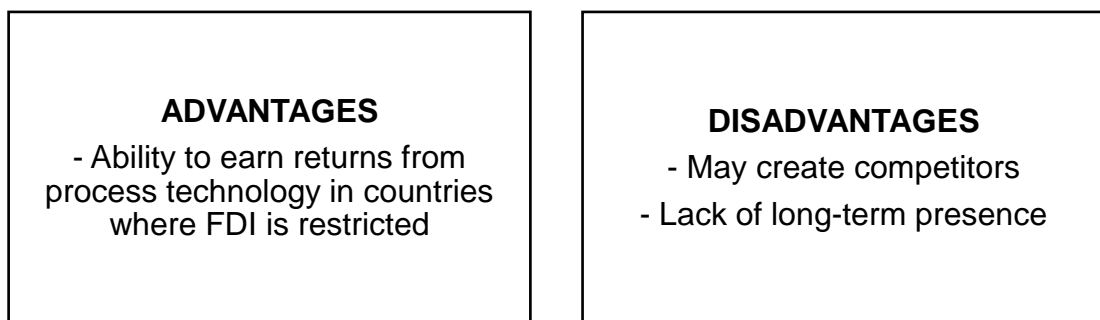


Figure 8. Summary of advantages and disadvantages of turnkey projects. (Peng, 2022, p. 153)

Research and development (R&D) contracts can be characterized as outsourcing agreements between firms. A solution of this kind where one party agrees to perform R&D operations for another enables companies to utilize ideal locations for innovations at a relatively low cost. However, with a less certain and a more multidimensional nature to it, an R&D contract can come with possible drawbacks related to difficulty in contract negotiation, inadvertent cultivation of competitors and possible loss of core R&D capabilities in the long run. (Peng, 2022, p. 156)

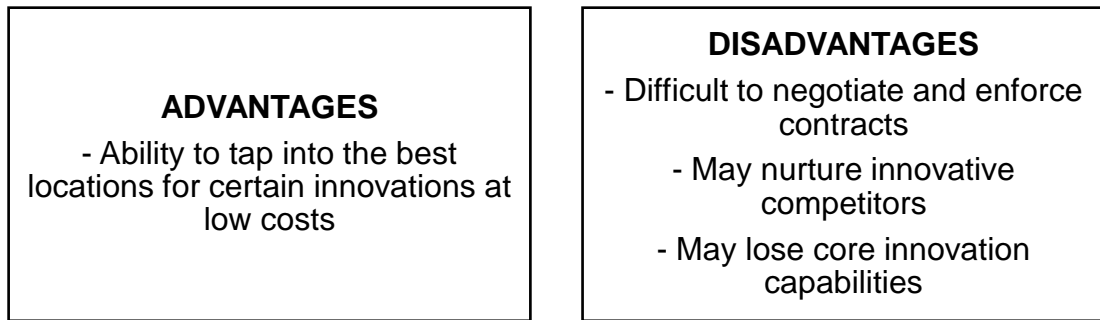


Figure 9. Summary of advantages and disadvantages of R&D contracts. (Peng, 2022, p. 153)

Co-marketing is another type of contractual agreement where multiple companies agree to market their products and services in a joint fashion to reach more customers. While co-marketing offers an expanded customer reach, it can also limit level of control and coordination for a company. (Peng, 2022, p. 156)

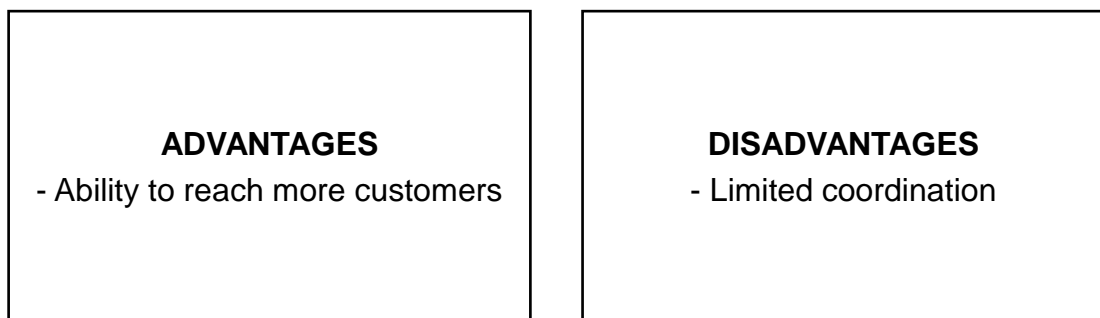


Figure 10. Summary of advantages and disadvantages of co-marketing. (Peng, 2022, p. 153)

#### 4.2.3 Joint ventures

Joint ventures (JV) are cooperative business endeavours between multiple companies where a new jointly owned entity, often referred to as “corporate child”, is established. When entering a foreign market, a joint venture often involves a foreign company expanding to a new country and one or more local partners. In the process of forming a joint venture the parent companies involved also transform into multinational enterprises (MNEs). (Peng, 2022, p. 156)

Joint ventures are equity-based operation modes, and they can be divided into three distinct principal forms based on the balance of equity ownership between parent companies: minority JV, 50/50 JV, and majority JV. A minority JV refers to a joint venture where one partner holds less than 50% of equity ownership, leading to a minority position in decision-making and operational control as well. In a 50/50 JV, two parties share equity ownership of the venture in half, promising a more balanced and equal approach when it comes to decision-making and management. A majority JV instead occurs in a situation where one partner holds more than 50% of equity ownership, thus becoming a dominant party in the operations and strategic direction of the venture. (Peng, 2022, p. 156)

The element of sharing costs, risks, and profits in joint ventures is one of the biggest advantages of the entry mode in question. In addition to this, joint ventures enable the MNE to gain access to partners' knowledge and assets in the target country, while the local company involved can take advantage of the technology, capital and management provided by the MNE. In certain host countries, a joint venture might also be more politically acceptable due to collaboration between a foreign investor and a local entity from the perspective of local development and investment priorities. (Peng, 2022, p. 156). Typically, this can also indicate a lower risk of being subject to government interference or nationalization, as a local partner can potentially influence host-government policy (McGraw Hill, 2022, p. 424)

Sharing an operational strategy through a joint venture comes with a risk of losing control of company technology and know-how to a partner. This threat can be minimized with a well-constructed JV agreement, majority ownership of equity, or by keeping key technologies or intellectual property separate from a partner while still sharing other, less critical, technologies within the joint venture. For the foreign parent company, this entry mode may also present the risk of losing control over the foreign subsidiary, hurting their level of global coordination. Additionally, a joint venture has the risk of occurring conflicts between equity partners if views on strategy change or shared goals. Especially

in the case of partner companies of different nationalities, shifts in relative bargaining power can occur with time due to the foreign partner's increased knowledge about local market conditions. (McGraw Hill, 2022, p. 424)

<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
<ul style="list-style-type: none"> <li>- Sharing costs, risks, and profits</li> <li>- Access to partners' knowledge and assets</li> <li>- Politically acceptable</li> </ul>	<ul style="list-style-type: none"> <li>- Divergent goals and interests of partners</li> <li>- Limited equity and operational control</li> <li>- Difficult to coordinate globally</li> </ul>

Figure 11. Summary of advantages and disadvantages of partially owned subsidiaries. (Peng, 2022, p. 153)

#### 4.2.4 Wholly owned subsidiaries

Wholly owned subsidiaries (WOS) are equity-based strategic entry modes where a parent company owns 100% of the stock of a subsidiary in a foreign market. A wholly owned subsidiary can be established either by setting up a new operation in the country or by acquiring an established company in the foreign country and using it to promote its products. (McGraw Hill, 2022, p. 425)

The operation of establishing a wholly owned subsidiary in a host country by building an entirely new facility is referred to as greenfield operation. As an entry mode, greenfield operation offers the MNE complete equity and with that, full control and management of all operations. With complete control over operations, the subsidiary maintains protection of know-how, company technology, and intellectual property. With the benefit of full control over operations in the foreign market, the MNE has also can coordinate globally. Disadvantages of greenfield WOS come in the form of potential political problems and risks, higher development costs, adding new capacity to the industry as well as a relatively slow entry speed. (Peng, 2022, p. 156)

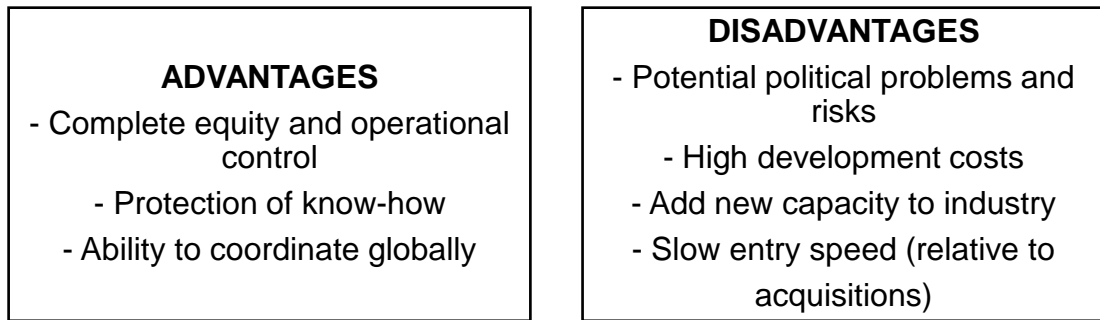


Figure 12. Summary of advantages and disadvantages of Greenfield operations. (Peng, 2022, p. 153)

In addition to greenfield operation, acquisition is another way to establish a WOS. This type of subsidiary enjoys the same benefits and disadvantages as greenfield operations, but also provides additional positives and drawbacks. The two additional advantages to acquisitions are no addition of new capacity to the industry and a faster entry speed. (Peng, 2022, p. 156). The unique disadvantage of acquisition instead is the problems that arise in post-acquisition integration e.g., difficulties in combining divergent corporate cultures (McGraw Hill, 2022, p. 425).

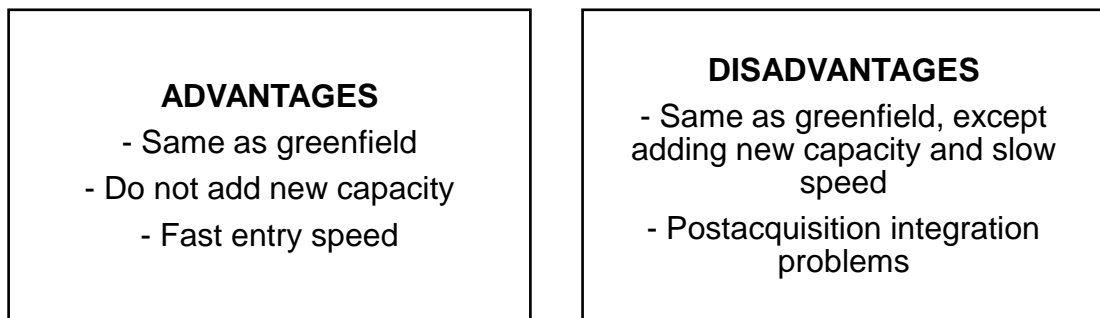


Figure 13. Summary of advantages and disadvantages of acquisitions. (Peng, 2022, p. 153)

## 5 TOIMIJANET OY

### 5.1 Company background

ToimijaNet is a limited company founded in 2013. The company headquarters are in Lahti, Finland. Retail sale of telecommunications equipment in specialised stores can be classified as their one of its main operations. The company currently operates in the Finnish telecommunications market and offers IoT solutions for customer companies in the commercial industry. (Finder, n.d.).

According to ToimijaNet's latest financial statements from 2022, the turnover of the company was €835,000 and the result for the financial year was €53,000. Turnover decreased by 0,9% while the operating profit rate was 2.4% (Finder, n.d.).

The main product line and service of ToimijaNet Oy is T-Net Safety Network. The service offers customers and their suppliers a centralized T-Net secure network service. (ToimijaNet, n.d.-a)

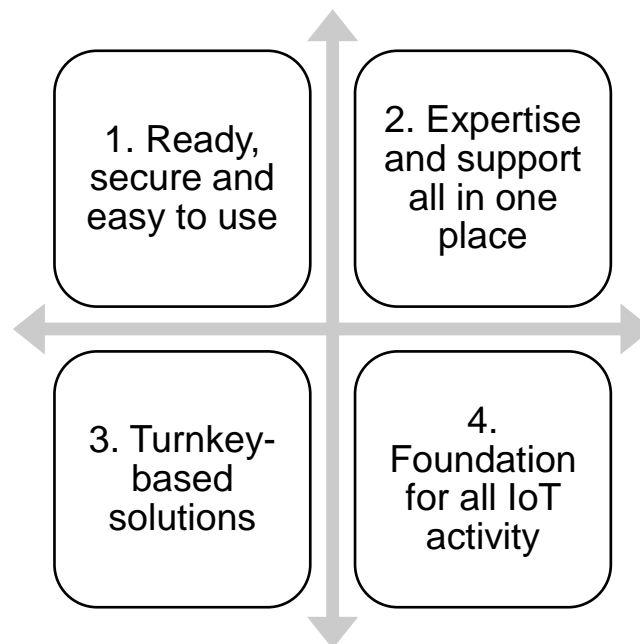


Figure 14. Cornerstones of the IoT services provided by ToimijaNet Oy. (ToimijaNet, n.d.-a)

T-Net Safety Network service is currently used by Toimijonet's customer companies in hundreds of Finnish retail and industrial facilities, and thus also involves suppliers of building automation, alarm systems, refrigeration, digital signage and other similar systems and services. The premises at customer companies' locations come with a variety of technologies from building automation, energy metering and control, refrigeration, lighting, temperature, pressure and air quality sensors, information displays, weather stations to slot machines. (ToimijaNet, n.d.-b)

The centralized T-Net solution enables simultaneous monitoring of thousands of remote terminals, equipment, and facilities. The solution utilizes Fortinet Fortigate firewall appliances and Cradlepoint mobile routers. The T-Net data centre is centrally located in Lahti, and it utilizes the fibre-optic networks in Northern Europe. This enables the potential high-speed fibre-optic connections to locations anywhere in the Nordic region and Europe. (ToimijaNet, n.d.-b)

## 5.2 Internationalization motives

Internationalization, or company, motives describe the fundamental reasons behind the aspiration for internationalization of a business. As can be seen in Figure 17, they can be divided into proactive and reactive motives. Proactive motives refer to the company stimuli to implement strategy changes on the grounds of the internal interest in exploitation of unique competences or market possibilities. Reactive motives instead represent the company's reaction to pressure or threats in a market as well as the passive adjustment to them by changing company activities over time. (Hollensen, 2020, p. 53)

Proactive motives	Reactive motives
Profit and growth goals	Competitive pressures
Managerial urge	Domestic market: small and saturated
Technology competence/unique product	Overproduction/excess capacity
Foreign market opportunities/market information	Unsolicited foreign orders
Economies of scale	Extend sales of seasonal products
Tax benefits	Proximity to international customers/psychological distance

Figure 15. Major motives for initiation of internationalization. (Hollensen, 2020, p. 53)

Identifying and understanding internationalization motives is crucial due to the advantage of gaining perspective on the strategic approach and goals of the business in the new market. The alignment of company motives with the chosen market entry mode can thus increase the likelihood of success in the foreign market.

While external influences in the target market environment largely affect the internationalization of company activities, it has been argued that the internal capabilities and resources of a company have an even greater impact on its international success. (Hollensen, 2020, p. 61). On that account, a balanced reflection on both company motives and external market analysis could provide a more accurate perspective for the implementation of an internationalization strategy.

### 5.2.1 ToimijaNet's company motives

Through primary data provided by the sales director of Toimijanet (Suominen, 2024), it became clear that the company has four main proactive motives that have affected and increased its desire to achieve international expansion to Sweden. First and foremost, the company's interest in expanding the business to overseas is a clear sign of profit and growth goals – entering a new market in Sweden would be a demonstration of leveraging its resources and capabilities to access larger markets and thus increasing company revenue. Secondly, as another proactive motive, ToimijaNet has already established technology

competence and a unique service in the Finnish market. The potential of offering its innovative and value-adding solutions to Swedish customers in a new market and thus finding a competitive edge and a market gap is one of the key ideas behind the business expansion. Related to this, the third proactive motive of ToimijaNet could be considered market opportunities and market information. Previous competence in marketing activities – in ToimijaNet's case its success in the Finnish market – can often create a desire for the company to expand its operations. Lastly, the proactive motive of economies of scale for ToimijaNet comes with the benefit of finding a way to exploit the resources of its competitive advantage in Finland by transferring them to Sweden.

When it comes to reactive motives, three main motives can be identified in the case of ToimijaNet's internationalization strategy. Firstly, while the company does not currently face urgent competitive pressures in the Finnish market, the potential of future competition and challenges in the quickly developing IoT industry creates competitive pressure for ToimijaNet. Expanding the business overseas and staying competitive in the long term is thus a reactive motive with a need to capitalize on growth opportunities to maintain a market position. Similarly, the reactive motive of domestic market saturation for ToimijaNet is demonstrated in the way it intends to internationalize and expand due to the opportunities present in the larger, untapped market in Sweden. Thirdly, a major reactive motive for ToimijaNet's desire for international market expansion is proximity to international customers – as a neighbouring country both physically and psychologically close to Finland, Sweden would be a rather natural choice for a target country of market expansion.

### 5.3 SWOT analysis

SWOT analysis is a tool widely used by companies for the purpose of identifying and the internal and external influences on a company strategy. In the context of the SWOT framework, the categories of strengths and weaknesses are considered a part of the internal environment of a company, while opportunities and threats refer to the external environment and its influences. As a basic tool

of strategic planning, SWOT analysis provides insight into a company's strengths, weaknesses, opportunities, and threats. (Moniz & Bishop, 2016). Specifically in the case of ToimijaNet Oy, it also functions as another piece of foundation for an informed recommendation regarding the company's expansion strategy.

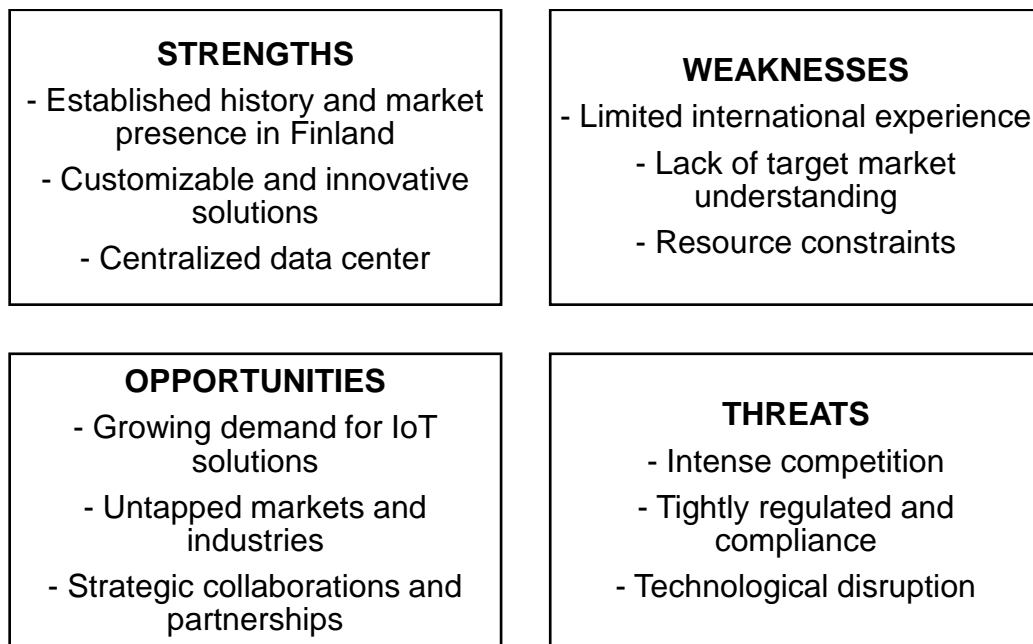


Figure 16. SWOT analysis summary of ToimijaNet Oy.

The case company of Toimijanet has a strong position in the telecommunications sector largely because of its internal, extensive IoT and technology related expertise. ToimijaNet Oy provides significant value to its customers with customizable and innovative solutions, this proving to be one of the most central core advantages for the company. Connected to the technological edge that the company holds, its centralized data centre located in Lahti is a considerable strength, as it enables high-speed fibre-optic connections to European remote locations. With a strong, established presence in the Finnish market that comes with steady customer relationships and contracts, ToimijaNet has the edge of a maintained brand presence in the market. This can also work for the company's advantage in Sweden; an established image and brand can create a sense of credibility and trust in Swedish customer companies.

However, when it comes to internal weaknesses, ToimijaNet has an undeniable lack of international experience, as its only area of business operations thus far has been the local market in Finland. In this case, when implementing an expansion to the Swedish market, the nuances and new challenges that come with a new target market are completely new to the company, which can complicate the goal of initial successful market entry. Another major weakness for the company lies in its lack of market understanding, specifically in the target market of Sweden. With a lack of knowledge regarding market potential and competition, ToimijaNet may struggle to find the confidence and capability needed for a successful entry to a new market with a long-term plan for market longevity and growth. Consequently, for the company to enter a foreign market, a significant investment in time and resources should be put into market research. This will, however, become another challenge due to limited financial resources of the company.

Externally, several opportunities can be identified for ToimijaNet in the Swedish market. Firstly, with Sweden's steadily growing and constantly developing demand for IoT solutions, there is potential for a market entry and significant market growth for ToimijaNet in the market. Another opportunity is the potential leverage in the market knowledge, networks, and resources that local Swedish companies already have – with the possibility of strategic partnerships, potential business partners could provide valuable information and context regarding the market. The third opportunity of potential strategic collaborations and partnerships in the new target market comes with the possibility of access to new markets and sectors due to which ToimijaNet could potentially enjoy factors such as new product development and enhanced brand image.

While the Swedish IoT market provides potential for market entry, the market is also famously competitive and has established local and international companies operating in the field. This factor could be considered one of the major external threats to ToimijaNet's expansion to the market. This could also become a challenge for ToimijaNet in its goal of finding a significant market share and level of profitability in the country. In addition, with Sweden being a global

leader in evolving technology and IoT, ToimijaNet may find a threat in future disruptive technologies of competitors in the IoT market.

## 6 RESULTS AND DISCUSSION

The data and context for finding a viable market entry mode for ToimijaNet to expand the business to Sweden in this thesis was collected from three key areas of research – target market analysis, internationalization strategy, and SWOT analysis together with a review of company motives.

Firstly, with a target market analysis of Sweden conducted, it can be said that Sweden offers a favourable market environment for business and growth in the IoT market. The country maintains a stable and regulated political environment, suitable economic conditions with a strong economy, a progressive social environment, advanced and innovative technologies and research, focus on sustainability and environmental solutions, as well as a well-regulated and predictable legal environment. Sweden can thus be considered a favourable environment for ToimijaNet Oy to enter the market with IoT solutions to offer. With a politically stable and economically favourable market environment, the market conditions may specifically support the idea for a potential resource-based entry mode such as a wholly owned subsidiary. Instead, when looking at the legal environment and regulations in the country, a contractual agreement or a joint venture may help with navigating the complex market conditions.

The Swedish IoT market enjoys an advanced level of technology and infrastructure and a steadily growing demand for more IoT solutions – the market could thus offer a potential market position for ToimijaNet to fit into. However, the lack of market understanding might become an issue without considerable investment in research. While the Swedish IoT market offers potential for new entries, it is a competitive market with established competitors and customer

companies that already have specialized knowledge and relationships in the market. In this light, the question of market entry mode may demand a strategic partnership or a joint venture.

When assessing ToimijaNet's company motives for internationalization, the factors of leveraging technology, accessing larger markets, and achieving economies of scale were identified as proactive motives. All these motives revolve around market exploitation, innovation, and scalability, thus aligning more with the motion behind market entry modes such as joint ventures or wholly owned subsidiaries. Reactive motives of the company instead are related to industry competition, domestic market saturation, and proximity to international customers. This would suggest the need for an entry mode such as a partnership or strategic collaboration which would mitigate threats and leverage growth opportunities.

The SWOT analysis of ToimijaNet revealed internal strengths in technological expertise and established brand and local market presence. With the considerable weakness of lack of international experience and market understanding, the choice of entry mode needs to be able to mitigate this central concern. From this angle, it seems that an entry mode that leverages a partnership or a joint venture would ensure more local expertise.

With internationalization strategy and market entry modes presented and assessed in this thesis, they should be considered specifically with the internationalization operations of ToimijaNet in mind. Firstly, while Sweden's well-regulated legal environment would facilitate the option of contractual agreements in theory, licensing and franchising both require significant intellectual property transfer, which does not align with ToimijaNet's business strategy due to the company's strength stemming from a value-adding service offered instead of purely licensed technology. This entry mode would come with reduced control over technology and solutions which could lead to loss of market advantage. This would also disrupt the idea of a long-term presence in the Swedish market, contrary to what ToimijaNet is striving for with the idea of establishing a

strong a brand presence and offering services to customer companies directly in the country.

At this stage, turnkey projects would not make sense as an entry mode for ToimijaNet either, as this would require extensive resources and knowledge in project management and implementation in the target market. Similarly, R&D contracts as an entry mode would not necessarily be a good fit for ToimijaNet Oy due to the company's core strength being IoT service solutions and – possible diversion of resources from that may reduce efficiency and strategy.

Co-marketing could be a potential option for ToimijaNet's internationalization plans. However, this would come with a requirement for extensive market research on competitors and identification of a partner that suits the company. While co-marketing might come with the element of limited coordination, it also comes with an advantage of being able to reach more customers in a joint fashion. With the ability to access new markets, the benefit of shared resources and increased market reach, ToimijaNet could potentially build a business strategy built around co-marketing.

Joint ventures come with shared ownership and control which may come with restraints in maintaining ToimijaNet's technological edge. However, similar to co-marketing, a joint venture could suit ToimijaNet, granted the company finds a suitable partner with aligned strategic objectives and approaches. Admittedly, this strategy would come with the possibility of weakened control and integration but as the company has limited resources for larger equity-based operations and strategies, an option with more control, such as a wholly owned subsidiary, is currently not a realistic choice for the company. However, for an equity-based entry mode, a joint venture could be a suitable strategy for ToimijaNet due to its nature of sharing costs, risks, and profits with partners.

When it comes to exports, indirect export is not the best suited entry mode for ToimijaNet due to the inevitable involvement of intermediaries which would go against ToimijaNet's business model; the T-Net service is specifically about directly providing the customer with an IoT solution with maintenance,

troubleshooting and technical support built into the centralized system both technologically as well as through direct contact with ToimijaNet itself when needed. Direct export instead would fit ToimijaNet's desire to have control over its operations and brand overseas in the new market. The advantage of being able to directly sell the service and solutions to the customer companies in the market makes direct export a better entry mode option than indirect export. However, the challenge that ToimijaNet would face with direct export as the entry mode is the considerable resources and investment needed in the development and distribution of the operations.

Subsequently, I recommend ToimijaNet Oy to continue exploration and implementation of a potential market entry to Sweden with the following actions:

1. Conduct more research on direct exporting as an entry mode and implement a direct exporting strategy
2. Conduct and invest in further market research with a focus on localization to identify and understand the Swedish market conditions and elements
3. Explore potential partnership development and by conducting additional research in local stakeholders

To conclude, having conducted research around ToimijaNet's company motives, SWOT analysis, target market analysis and internationalization strategy, it can be said that the market entry mode that can be recommended for ToimijaNet as of now, lies in direct exporting with additional potential for strategic partnerships such as co-marketing or joint ventures. Direct export can be recommended also due to how the entry mode would directly capitalize ToimijaNet's technological competence and proactive motives. Before the company can make the final choice of entry mode, it should invest time and resources in market and partnership research, risk assessment, further research into direct export specifics and channels as well as logistics.

## 7 CONCLUSION

The purpose and main research problem of this thesis was to provide a recommendation for an entry mode for the case company of ToimijaNet Oy to expand their business to the target market of Sweden. Following this logic, the three goals and sub problems set for the thesis were market analysis of target country through PESTEL analysis and IoT industry review, review of internationalization strategy and entry modes, and assessment of ToimijaNet's internal and external influences through SWOT analysis and assessment of company motives. Through reflection of these sub problems the goal was to propose an educated recommendation for an entry mode and make conclusions around it. All research problems and goals were successfully answered and met with a systematic approach of first tackling the sub problems in their respective chapters and then combining the data and analysis gathered to reflect and analyse the findings around the most suitable entry mode for ToimijaNet.

It was found that the target market of Sweden offers a potential opening in the IoT industry and a favourable market environment with stable political and economic conditions combined with advanced technology and a progressive social environment. Internally, ToimijaNet's proactive motives were identified to center around profit and growth goals, technology competence, market opportunities and information, and economies of scale. Reactive motives that fit ToimijaNet's conditions instead were evaluated to be competitive pressure, domestic market saturation, and proximity to international customers. A SWOT analysis instead revealed and highlighted ToimijaNet's strengths in technological expertise and established brand presence in the Finnish market, while a major weakness of lack of international experience was found to be an important factor to consider and mitigate with a carefully crafted entry mode strategy.

The final recommendation for a potential entry mode to Sweden was made by identifying direct exporting as a realistic and suitable method for ToimijaNet Oy, especially due to the way the company would be able to directly capitalize

its technological competence and other proactive motives in the most efficient way out of all explored entry modes in this thesis. In addition, it was concluded that a type of strategic partnership or alliance – co-marketing or a joint venture – could potentially work for ToimijaNet.

The final recommendation of entry mode strategy included the suggestion to conduct further research in direct exporting, market localization, and partnership development, in order for ToimijaNet to eventually settle on a market entry strategy and implement operations of internationalization to a new market in the target country of Sweden.

## REFERENCES

- Analysys Mason. (2020). Full-fibre access as strategic infrastructure: strengthening public policy for Europe. Retrieved March 7, from [https://www.analysismason.com/content-assets/ae94d4d039a144529906c1a8ca58d1ea/analysys\\_mason\\_full\\_fibre\\_europe\\_rdfi0.pdf](https://www.analysismason.com/content-assets/ae94d4d039a144529906c1a8ca58d1ea/analysys_mason_full_fibre_europe_rdfi0.pdf)
- European Union. (n.d.). Sweden country profile. Retrieved February 22, from [https://european-union.europa.eu/principles-countries-history/country-profiles/sweden\\_en](https://european-union.europa.eu/principles-countries-history/country-profiles/sweden_en)
- Finder. (n.d.). ToimijaNet Oy. Retrieved April 10th, from <https://www.finder.fi/Televiestint%C3%A4+televiestint%C3%A4palvelut/Toimijanet+Oy/Lahti/yhteystiedot/2833876>
- Fohlin, H. (2021). Legal Aspects of Doing Business in Sweden. Setterwalls. <https://setterwalls.se/wp-content/uploads/2022/03/Legal-Aspects-of-Doing-Business-in-Sweden-2021.pdf>
- Global Data. (2023). Sweden retail market size by sector and channel including online retail, key players and forecast to 2027. GlobalData UK Ltd. <https://www.globaldata.com/store/report/sweden-retail-market-analysis/>
- Grant, R. M. (2018). Contemporary strategy analysis (10th ed.). Hoboken, NJ: Wiley & Sons.
- Hollensen, S. (2020). Global marketing (8th ed.). Pearson.
- IBM. (n.d.). What is the Internet of Things (IoT)? Retrieved March 15, from <https://www.ibm.com/topics/internet-of-things>
- Makos, J. (2024). PESTLE analysis examples to better explain the framework. PESTLE Analysis. <https://pestleanalysis.com/pestle-analysis-explained-with-examples/>
- McGraw Hill. (2022). Global business today. McGraw Hill LLC.
- Moniz, K, & Bishop, T. (2016). Principles and Techniques of Marketing Management. Collage Publishing House
- Mordor Intelligence. (n.d.-a). Internet of Things (IoT) market. Retrieved March 15, from <https://www.mordorintelligence.com/industry-reports/internet-of-things-iot-market>
- Mordor Intelligence. (n.d.-b). Hospitality industry in Sweden market share. Retrieved March 28, from <https://www.mordorintelligence.com/industry-reports/hospitality-industry-in-sweden/market-share>

Morschett, D., Schramm-Klein, H., & Swoboda, B. (2010). Decades of research on market entry modes: What do we really know about external antecedents of entry mode choice? *Journal of International Management*, 16(1), 60–77. <https://doi.org/10.1016/j.intman.2009.09.002>

Peng, M. W. (2022). *Global strategy* (5th ed.). Cengage Learning, Inc.

Regeringen och Regeringskansliet. (n.d.-a). Innovation. Regeringskansliet. Retrieved February 22, from <https://www.government.se/government-policy/innovation>

Regeringen och Regeringskansliet. (n.d.-b). Foreign and security policy. Regeringskansliet. Retrieved February 22, from <https://www.government.se/government-policy/foreign-and-security-policy/>

Sokolnicki, T. (2022). Sweden's digital Technologies ecosystem. *Business Sweden*. <https://www.business-sweden.com/insights/articles/swedens-digital-technologies-ecosystem/>

Statista. (2024). Distribution of gross domestic product (GDP) across economic sectors Sweden 2022. <https://www.statista.com/statistics/375611/sweden-gdp-distribution-across-economic-sectors/Service>

Statista. (n.d.). Internet of Things - Sweden. Retrieved March 15, from <https://www.statista.com/outlook/tmo/internet-of-things/sweden>

Suominen, V. (2024, April 1). Interview with Ville Suominen, Sales Director at ToimijaNet Oy.

Sweden – EU member country profile | European Union. (n.d.). European Union. [https://european-union.europa.eu/principles-countries-history/country-profiles/sweden\\_en](https://european-union.europa.eu/principles-countries-history/country-profiles/sweden_en)

SwedenExpat. (2023). Unemployment Rate in Sweden | In-Depth Guide 2024. SwedenExpat. <https://swedenexpat.com/unemployment-rate-in-sweden/>

Swedish Institute. (2023). A country of innovation. *sweden.se*. Retrieved March 5, from <https://sweden.se/work-business/business-in-sweden/innovation-in-sweden>

Swedish Institute. (2024). Taxes in Sweden. *sweden.se*. <https://sweden.se/life/society/taxes-in-sweden>

TechSverige. (2022). A tech agenda for Sweden. Retrieved March 6, from <https://www.techsverige.se/app/uploads/sites/2/2022/11/tech-sverige-report-a-techagenda-for-sweden-2022-online-version.pdf>

Teorell, J. (2018). How Sweden became one of the world's most stable democracies. Lund University. <https://www.lunduniversity.lu.se/article/how-sweden-became-one-worlds-most-stable-democracies>

The Agility Effect. (2022). How Sweden became an innovation powerhouse. The Agility Effect. <https://www.theagilityeffect.com/en/article/how-sweden-became-an-innovation-powerhouse/>

ToimijaNet Oy. (n.d.-a). T-Net 2.0: Johtava IoT ekosysteemi.

ToimijaNet Oy. (n.d.-b). T-Net Safety Network - A Unique Network Solution.

Trading Economics. (n.d.-a). Sweden Interest Rate. Retrieved March 4, from <https://tradingeconomics.com/sweden/interest-rate>

Trading Economics. (n.d.-b). Sweden Unemployment Rate. Retrieved March 4, from <https://tradingeconomics.com/sweden/unemployment-rate>

World Bank Open Data. (n.d.). Sweden | Data. World Bank Open Data. Retrieved February 22, from <https://data.worldbank.org/country/sweden>

World Intellectual Property Organization. (2023). Global Innovation Index 2023: Innovation in the face of uncertainty. Geneva: WIPO. <https://doi.org/10.34667/tind.48220>

Worldometer. (n.d.). Sweden Demographics. Retrieved March 4, from <https://www.worldometers.info/demographics/sweden-demographics/#tfr>.