

Ayasha Siddka Bristy

## **Developing a Market Entry Strategy for Valmista in the Netherlands**

# **Developing a Market Entry Strategy for Valmista in the Netherlands**

Ayasha Siddka Bristy  
Bachelor Thesis  
Spring 2025  
Degree in International Business  
Oulu University of Applied Sciences

## ABSTRACT

Oulu University of Applied Sciences  
Degree in International Business

---

Author: Ayasha Siddka Bristy

Title of the thesis: Developing a Market Entry Strategy for Valmista in the Netherlands

Thesis examiner: Annikka Impiö

Term and year of thesis completion: Spring 2025

Pages: 47

---

This thesis focuses on the development of a market entry strategy for Valmista as a SaaS company to enter in the Dutch market. It aims to identify, develop and design the most effective go-to-market plan by analyzing the SaaS industry from different perspectives, including competitor landscape, opportunity, and challenges in the Dutch market.

To achieve the main objective of the thesis, a mixed research approach combining both qualitative and quantitative research methods was employed to gain a better understanding of the subject. Situational analysis tools such as SWOT, PESTLE, and risk matrix were used to identify and anticipate Valmista's internal capabilities (e.g., strengths and weaknesses) and the external market environment (e.g., opportunities and threats).

This thesis offers recommendations for Valmista's expansion into the Netherlands, drawing on insights from academic research to build the knowledge base, alongside data was collected by interview with the company's executive and experts, as well as from market analysis. The study also provides valuable insights for Valmista involving its effective market strategies, which will ultimately provide all the relevant information needed for entry into the Dutch market.

---

Keywords: Software as a Service, Market Entry Strategy, Market Expansion, International Market Analysis, SaaS Market Research.

# CONTENTS

ABSTRACT.....	3
1 INTRODUCTION.....	6
2 COMMISSIONER INTRODUCTION.....	8
3 INTERNATIONAL MARKET ENTRY OF SAAS.....	9
3.1 Software as a Service (SaaS) .....	9
3.2 SaaS Market Growth .....	9
3.3 Primary Forces in Market Expansion.....	10
3.4 Market Selection Mode.....	11
3.5 Market Entry Strategy.....	12
3.6 Opportunity to Entering New Market .....	15
3.7 Challenges in Entering New Market .....	16
3.8 Competitive Analysis .....	18
4 RESEARCH METHODOLOGY.....	23
4.1 Research Design (Mixed-Methods Approach).....	23
4.2 Data Collection Method .....	24
4.3 Situation Analysis Tools .....	25
4.3.1 SWOT Analysis.....	26
4.3.2 PESTLE Analysis.....	27
4.3.3 Risk Matrix .....	27
4.4 Data Analysis .....	28
4.5 Data Reliability and Validity.....	29
4.6 Research Ethics .....	29
5 RESULTS & FINDINGS.....	30
5.1 SWOT Analysis of Valmista.....	30
5.2 Target Market-The Dutch Market .....	31
5.2.1 The SaaS Market in the Netherlands .....	31
5.3 PESTLE Netherlands .....	33
5.4 Competitor Research .....	37
5.5 Risks Assessment Matrix .....	39
6 DISCUSSION & RECOMMENDATION .....	41
6.1 Answer to Research Questions .....	41

6.2 Recommendation & Future Scope of the Study .....	42
REFERENCES .....	44

# 1 INTRODUCTION

In a rapidly changing world, companies offering Software as a Service (SaaS) are always looking for a new market to expand into. SaaS has revolutionized both business and individual access and use of software in our daily lives. The integration of SaaS makes our life smooth and easier every-day with its potential advancement. Like traditional single-use license vendors, SaaS vendors can also generate revenue and drive customer growth through a subscription license model. (Goodrich 2023.)

The global market for SaaS is growing continuously and rapidly. Digital products and services are becoming more popular as technology keeps advancing and becoming part of our daily life. Because of the high demand for SaaS, companies are constantly looking for a new market to expand into. To succeed in this competitive environment, developing a market entry strategy and a detailed understanding of local market trends and competitors are essential for lasting success. In this study, the focus will be to explore the strategic market entry of Valmista in the Dutch market to gain an understanding, by analyzing the market, competitors, and cultural factors.

The concept of market strategy is primarily focused on achieving long-term corporate goals. It consists of a master plan on how company can achieve their mission and objectives while taking advantage of the new market. (Glowik 2016.) This thesis focuses on market entry strategy and SaaS (Software as a Service) for the brand Valmista - get it done, is an online platform and it is based in Finland. Valmista helps to connect freelancers and small businesses with potential customers. It offers various services with an easy booking system. It enables small businesses and freelancers to work flexibly on their own schedule. Its mission is to promote independence and excellence. (Valmista 2024.)

The main objective of this thesis is to develop a comprehensive market strategy for Valmista. The study aims to explore the strategic market entry of Valmista in the Dutch market and analyze the effective ways for Valmista to successfully enter the market and to understand the position. It includes a thorough analysis of the Dutch market, competitive analysis, cultural and economic factors, as well as market entry options, legal and regulatory considerations, and localization requirements. This analysis will help identify the best entry route for Valmista's success in the new market. To conduct this research, a mixed research method approach was taken to explore the possibilities

of successful market entry. This approach will help to develop a theory that will assist Valmista in entering the new market. Secondary data was used to gather all the relevant information for this study.

The primary focus of this thesis is to determine the successful entry into the Dutch market. To find the best approach for Valmista's expansion, this research will address the following questions. The main question of this thesis is "What is the most effective go-to-market strategy for Valmista to enter the Dutch market?". To answer the main research question, this thesis will also look through the following sub-questions:

- What is the market potential of the Netherlands?
- Who are the main competitors in the SaaS market in the Netherlands?
- What are the potential risks and barriers to entering the Netherlands for Valmista?

This study provides a comprehensive analysis of the Dutch market and proposes strategic recommendations based on the findings. It highlights the key challenges and opportunities for Valmista in the Dutch market. By the end of this study, readers gain an in-depth understanding of the Dutch SaaS market and can understand what Valmista needs to enter the Dutch market, including legal and regulatory requirements, market trends, cultural considerations, and competitive dynamics.

## 2 COMMISSIONER INTRODUCTION

The case company for this thesis is Totemi Investment Oy, a Finnish startup company founded in January 2020 and based in Lappeenranta, Finland. The business model of Totemi Investment oy is B2B and B2C marketplace. It has between 1-10 employees. This thesis focuses on “Valmista – get it done” which is a brand founded by Totemi Investment Oy, designed to bridge the gap between clients and service providers.

Valmista is an online platform designed to connect service providers and customers for everyday services. Valmista enables freelancers and small businesses to perform various services through the platform. A wide range of services is available, such as cleaner, babysitter, animal caregiver, photographer and more. Valmista provides a seamless booking option that is easy to use and secure. Promoting transparency and fairness between customers and service providers, the platform offers profile verification feature along with online payment systems. Customers can select services based on their needs through the website and choose their preferred service providers by previous ratings and feedback. Valmista also enables freelancers to work on their own schedules, offering service providers with increased visibility and recognition for their efforts. (Valmista 2024.)

Valmista is considering international expansion to access a wider customer base, tap into markets with advanced ecosystems, and gain valuable insights into central European market. The Netherlands meets all these criteria, making it an ideal target for Valmista’s entry. With its technological advancement, the Dutch market presents significant opportunities for Valmista to establish a foothold and connect with new customers.

### **3 INTERNATIONAL MARKET ENTRY OF SAAS**

#### **3.1 Software as a Service (SaaS)**

SaaS stands for Software as a service and it is a cloud-based online application, utilize software applications remotely. SaaS also referred as web-based software. Customers can have access to the application remotely without any installation. Through SaaS companies can minimize the IT cost since it provides an automatic update. SaaS offer not only revenue potential, but also lower overhead and logistics cost. (Goodrich 2023.) SaaS is similar to Application Service Provider (ASP), both operate as information systems (IS) outsourcing models. In terms of customization levels, client focus, and application control SaaS can be distinguished from traditional IS out-sourcing. Generally, mid-level to small size enterprises are the target clients for SaaS. SaaS systems are known for having flexible approaches to implementation, and clients have the freedom to decide what kinds of features to add to the software solution. SaaS application provides various business functions for both small and large companies. provides SaaS solutions, logistics, supply chain management, and connects buyers with suppliers for all companies. (Seong Tak & Sungbum Park 2018.)

#### **3.2 SaaS Market Growth**

Software as a service (SaaS) has seen significant global growth, driven by advances in the digital transformation of business and cloud technology. SaaS businesses are constantly evolving, making it one of the fastest-growing business models for investors and entrepreneurs. Besides entrepreneurs and investors, customers are also becoming comfortable with the remote interaction with the vendors which creates lots of demand. From 2012 to 2018 subscription-based businesses grew by 300%, outpacing the revenue growth of S&P 500 companies. The Covid-19 pandemic further boosted short-time demand for many subscription-based companies. Following this growth, many businesses began adding subscription offering to their product line. (Frank & Jacco 2023.)

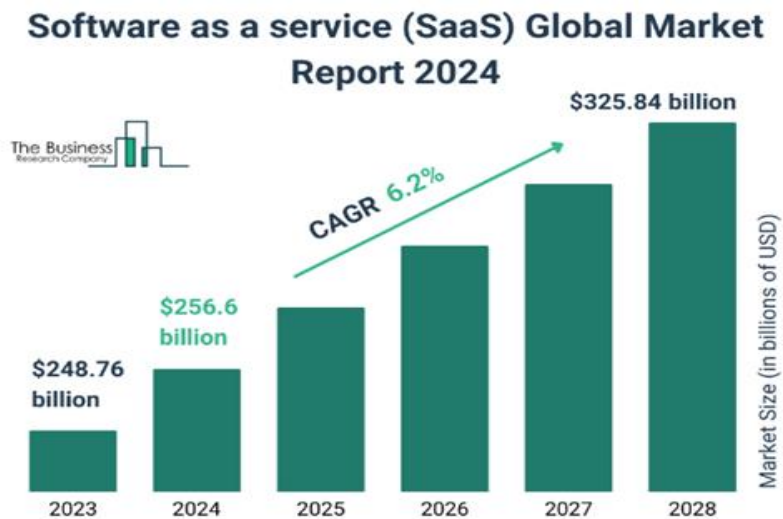


FIGURE 1. SaaS global market report (The Business Research Company 2024).

This FIGURE 1 shows the market size of SaaS and how fast it is growing. Currently it's \$256.6 billion. In 2028 it is estimated to grow up to \$325.84 billion at a compound annual growth rate (CAGR) of 6.2%. The SaaS market is growing rapidly each year. (The Business Company 2024.)

### 3.3 Primary Forces in Market Expansion

According to Cavusgil & Knight (2015), entering an international market is the process of exploring opportunities outside the domestic market. Internationalization brings many opportunities for a company, whether it is new customer growth or an increase in company revenue. There are two reasons why a company chooses to go international, internal drivers and external drivers. Internal drivers are company-oriented, focusing on specific goals or plans. In contrast, external drivers are shaped by factors in the broader environment, such as local competition, the rise of the global market, changing legislation, and other external changes. It is essential to have an accurate understanding of the driving forces behind a company's internationalization plan, which can help guide it through the process. (Göran & Martin 2014.)

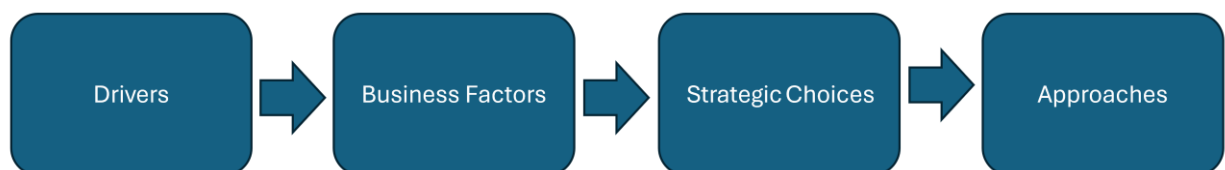


FIGURE 2. Path to internationalization (adopted from Göran & Martin 2014).

According to Mario (2016) when companies consider going international, they must have clear motivations driving their decisions. The main reasons are demand-oriented factors, follow-the-customer necessity, supply-oriented factors, financial reasons, and follow-the competitors necessary. Companies are always considering entering new markets due to their growth potential and market size. Expanding into international markets can offer valuable opportunities, such as increased sales growth, which may be limited in domestic markets. Furthermore, by expanding overseas, companies can build a new customer base and capitalize on opportunities. One risk that all companies are afraid to face is the possibility of being removed from the customer's purchasing list. To reduce the risk, suppliers must consider expanding into foreign markets so that customers have access to their preferred products worldwide. By adopting this approach, suppliers can maintain strong relationships with their customers. (Mario 2016.)

Foreign markets offer many beneficial resources, such as essential raw materials, skilled and motivated employees, and advanced technological expertise, which can be valuable for companies across industries. These resources offer competitive benefits that may be limited or unavailable in the domestic market. Large companies can benefit from various incentives such as subsidies, and tax reductions by taking advantage of the foreign market. Additionally, these companies access low-cost debt, and cross-stock inventory because of low investment rates. A company must enter the global market to prevent competitors from taking advantage of the foreign market. They can capture the same opportunities by expanding into the same market as their competitors. (Mario 2016.)

### **3.4 Market Selection Mode**

Market selection involves identifying the most suitable market based on location, market growth, competitiveness, and product fit. The choice of market entry is influenced by the value chain. When selecting a country for expansion, companies often start with geographically close market since they share similar political system, culture, and sometimes language. To increase their knowledge of foreign markets, companies initially choose markets like their own. Relationships with the customers and suppliers can also influence the choice of market selection. Different countries may have similarities in culture, legal, and economic environment, however it is still important to assess each country individually to gain better understanding. Key factors to consider when selecting a

foreign market include market size, product fit, political and economic risks, expected growth, cultural diversity, population, and level of competition. (Göran & Martin 2014.)

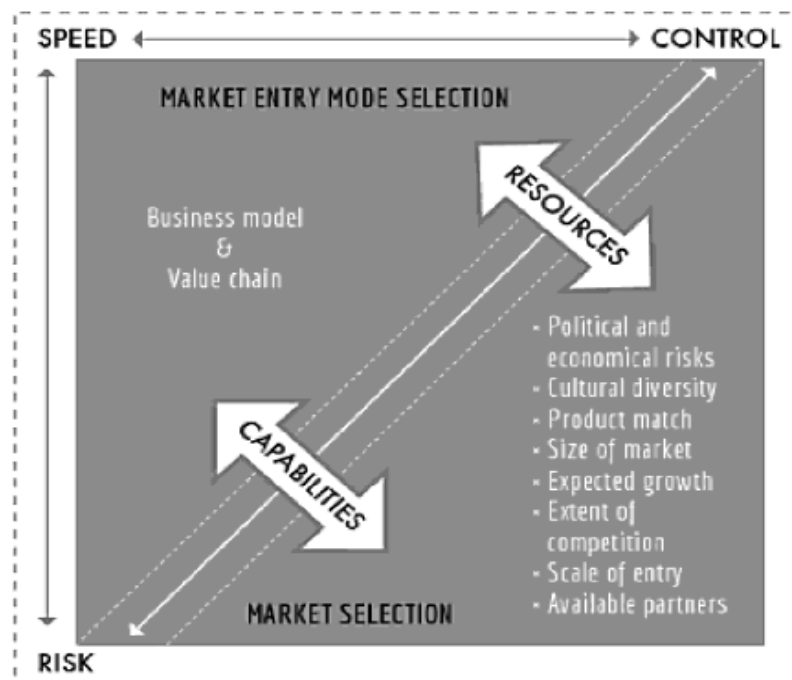


FIGURE 3. Market entry mode selection (Göran & Martin 2014).

This FIGURE 3 shows the interrelation between risk, speed, and control in market selection. Risk, speed, and control along with value chain and businesses model can all affect market entry. The company’s resources and capabilities play an important role in market selectin. Risk increases when business model and value chain require speed, which create financial and non-financial needs in different markets. (Göran & Martin 2014.)

### 3.5 Market Entry Strategy

Businesses are constantly looking for new markets to explore, and there are numerous motivations for a company to expand internationally. Before entering a new market, it is essential for a business to understand it’s goal and motivations. It is also important to assess target market conditions and available resources. Before developing a strategy, it is essential to gather relevant information and ensure that the plan is thoroughly developed. Having a clear strategic plan for market entry is crucial. During strategic planning, it is essential to remain committed to the plan throughout the process. (Cook 2015 & Ordorica 2023.)

Nithish Singh (2011) states that there are two broadly used market entry modes for companies entering foreign markets, equity-based and non-equity-based entry modes. In equity-based entry modes, companies own part of the businesses in the foreign market, which gives full control over operations. In this mode, the company directly invests in another country. In non-equity market entry modes, companies have less control over foreign ventures and do not require any direct investment. There are several market entry strategies that can be accomplished by combining equity-based and non-equity-based models. (Singh 2011.)

### **Exporting**

For market entry strategies, exporting is considered one of the lower-risk options. It involves supplying services and transporting goods across international borders, allowing businesses to sell their products or services abroad. Exporting can be divided into two distinct segments direct exporting and indirect exporting. In direct exporting, companies sell their products directly to customers in the foreign market, maintaining control over their operations abroad. In contrast, indirect exporting involves using the distributor to sell the company's products. This approach is a more cost-effective method than direct exporting. (Ordorica 2023 & Singh 2011.)

### **Joint Venture and Partnerships**

This strategy gives both parties the freedom to work toward a common goal while benefiting from the agreement, cooperation. This approach allows both parties to share costs and risks while expanding overseas. However, having clear agreement and maintaining vigilance are critical for successful initiatives. (Ordorica 2023 & Singh 2011.)

### **Licensing and Franchising**

This strategy allows for quick market entry with careful management. It permits other businesses to use trademarks and intellectual property rights for fee or royalty. In this strategy, it is crucial to have a comprehensive agreement outlining the terms, conditions, and validity of the arrangements. (Ordorica 2023 & Singh 2011.)

## **Strategic Alliances**

In this strategy, two or more companies typically work together to take advantage of each other's strengths. By forming a partnership, they can combine their capabilities in area such market knowledge, technology, and distributing networks. Together they share the risks and benefits of entering foreign markets. This collaborative approach not only reduces the burden but also increases the chance of success in the competitive market. (Ordorica 2023 & Singh 2011.)

## **Wholly Owned Subsidiaries**

Unlike exporting, wholly owned subsidiaries are considered a high-risk strategy. wholly owned subsidiaries refer to full control and ownership of operations in the host country. This allows the company to establish a new branch abroad, this way company can take advantage of the local labor market and secure supply of raw materials. This strategy is ideal for companies that want to build a long-term presence globally. (Ordorica 2023 & Singh 2011.)

## **Acquisitions and Mergers**

This strategy is known to be both rewarding and demanding. Expanding overseas through mergers with foreign businesses offers more benefits. Accessing an established customer base through acquisitions and mergers is advantageous, but it also brings cultural and integration challenges. An acquisition is hostile when the target company is unwilling to sell, or its board members have no prior knowledge of the offer. Companies can expand internationally by using these strategies. (Ordorica 2023 & Singh 2011.)

In market entry strategy, aside from equity-based and non-equity-based modes, cultural intelligence plays a big role in ensuring success and preventing failure. Through cultural intelligence, by gathering information about the local population, customs, values, and preferences businesses can understand the local market. Aside from the local market understanding, effective communication is key to understanding the culture. By hiring local experts or arranging cross-cultural training for the team helps adapt to local customs and ensure smoother market entry. Building trust and relationships with the local partner and customer is important. Successful market entry requires adapting the service and product based on the local preference. (Ordorica 2023.)

### 3.6 Opportunity to Entering New Market

Businesses need to expand into the global market to grab opportunities and to remain competitive. Internationalization not only drives company growth but also brings a lot of new opportunities with cultural understanding and creativity. Expanding into a new market allows businesses to boost, experience new points of view and new ideas. (Amit et al 2024.)

Riesenberger, and Knight (2017, 350) states, a global market opportunity refers to favorable situation or timing that creates the chances to attract investment or partnership in international market. Global market opportunities can increase the company's performance, which would have been limited in the domestic market. In international market expansion, opportunities go beyond global growth. Internalization also brings a new customer base, increased ROI. and business expansion. (Riesenberger & Knight 2017, 350.)

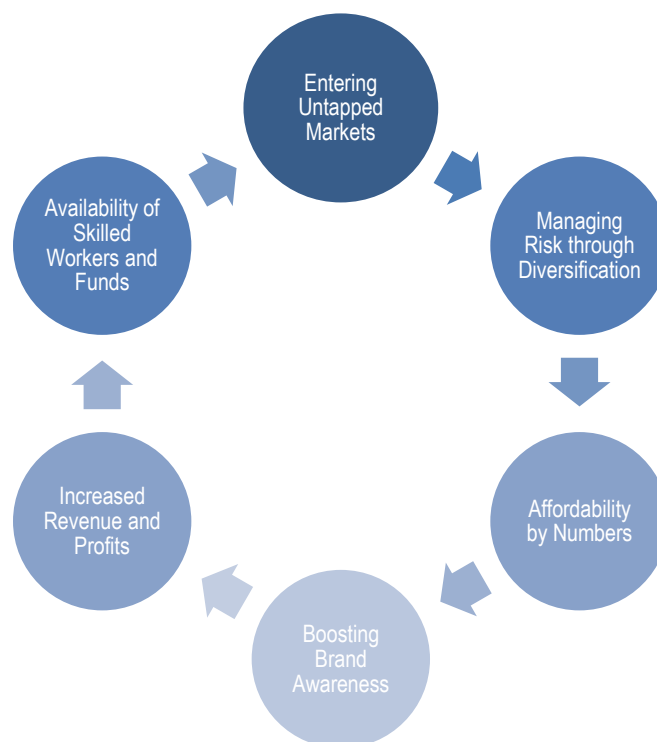


FIGURE 4. Opportunities for international market expansion (adopted from Amit et al 2024).

This figure demonstrates the opportunity of global expansion. Entering a new market provides access to specialized skills, new talents, and resources that might not be available in the native market. Expanding into a new location brings growth potential for companies. When companies have roots in different markets it's easier for them to mitigate different risks and regulatory shifts. By

going international, companies can take advantage of all the good things that the new market has to offer in terms of money, labor, specialized experts, and raw materials. Global expansion helps to boost brand awareness, which leads to strategic collaboration and consumer loyalty. When a company expands internationally, they gain a wide audience and a new customer base. With a new customer base international expansion also brings revenue streams and can increase their income and profits by boosting sales. Stepping into the global market opens possibilities for unrealized potential like new skilled workers, new talents, innovative ideas and larger-scale sales. (Amit et al 2024.)

### **3.7 Challenges in Entering New Market**

Expanding business into the global market is different from domestic expansion. In international market expansion, there are a few key risk factors, demographic risks, political risks, cultural and language risks, economic risks, and legal risks. (Cook 2015.)

Expanding business to a new market demographic risks must be taken into consideration, the obstacles in demographic movements and trades are physical restrictions, interruptions with transit, and delays that come with it. Political risk is one of the major risks when expanding to other countries. According to Thomas A. Cook (2015), there are four primary political risks nationalization, expropriation, deprivation, and confiscation. These risks can arise from government actions, political issues, or changes in the law and regulations. Culture and language play an important role when a business expands into a new market. All companies need to be mindful of cultural differences in different countries. Through culture, companies can gain a surface-level understanding of consumer's choice and their preferences. Like culture, language can significantly impact on communication. With a lack of mutual language understanding communication with associates can be challenging, which can cause misunderstandings. (Enterprise Nation 2023.)

For example, the Japanese car company Honda decided to introduce a car in Sweden in 2001 under the name "Fitta". However, in Swedish, Norwegian, and Danish "Fitta" refers to women's private part (Bhumi Varta Technology 2023). Even slight language changes can completely alter the whole meaning. This is why it's important to have a thorough understanding of the culture and language of the chosen market. By learning about the culture and language businesses can tailor

their marketing, products, and services better to fit local preferences, which will help businesses grow. (Enterprise Nation 2023.)

Contributing factors to economic risks could be exchange rate fluctuation, trade disputes, inflation, regulatory change, and recessions. There are three types of economic risk, credit risk, sovereign risk, and unexpected swing in exchange rate. Credit risk is another form of sovereign risk. Credit risk depends entirely on whether the other party can repay its debts, as that credit risk is not quite controllable. It is important to monitor counterparty movements to close the trade at the right time. Sovereign risk is a volatile form of economic risk. Sovereign risk occurs when the government cannot pay its debt and becomes insolvent. Sovereign risk directly affects all types of businesses in the country. Sovereign risk is not just government default, it can also be due to changes in politics. For example, during the Greek government crisis from 2009 to late 2018, which was the result of improper management and lack of flexibility in the monetary policies during the 2007 financial crisis. (Wallstreetmojo Team 2024.)

Economic risks exist in all countries, they cannot be avoided but there are ways to mitigate it. To reduce economic risks, businesses need to diversify their operation in different markets, apply different strategies to manage economic risks such as diversifying investments, monitoring economic indicators and implementing risk mitigation strategies. An important thing to keep in mind is that the economic risk is not always bad for business when there is high risk there are always higher opportunities in returns as well. (Wallstreetmojo Team 2024.)

Business expansion internationally gives organizations the opportunity to grow and diversify revenue streams. However, in the process of going international legal risks play a big role in the process. Different countries have different laws and regulations. These are the top 5 legal challenges in international business expansion:

- Cross-border regulations and compliance
- Intellectual property protection
- Contractual agreements and dispute resolution
- Employment and labor laws
- Foreign investment regulations

In legal risk, one important factor is cross-border regulation and compliance, as each country has its own laws and standards. In international market expansion, it's important to keep in mind that not all strategies will work for every market, since laws and regulations are different in each country. Nowadays with the increasing use of business automation, privacy and data transfer laws are getting stricter. Furthermore, the growth of business automation has created high risk of intellectual property infringement. Additionally tracking infringement has become more difficult due to hidden paths in the digital space and different legal processes across countries. In business expansion contractual agreement plays a crucial role. However, variations in the legal system can create complications, which will determine the scope of contractual dispute resolution and what the contract covers. When an organization is thinking about going international, it's important to build teams and be aware of the labor laws of the chosen country, everything from compensation, recruitment process, and termination needs to be done in accordance with the law of the chosen country. Finally, every country has its own rules regarding foreign investment. While some countries may encourage it by offering tax benefits and incentives, others may place restrictions to protect local businesses. (Procloz 2024.)

To overcome all the legal risks, ensure compliance and data protection to avoid legal risks, also they need a better strategy for IP protection depending on the region. Furthermore, they need to understand the legal factor of the chosen county for successful expansion. For labor law and employment, the hiring management must practice the best-suited laws for the chosen country. Most importantly, being aware of the risks and having a proper plan to mitigate them will lead to a successful expansion. (Procloz 2024.)

### **3.8 Competitive Analysis**

Michael Porter's five force strategic model helps identify and analyze the competitive forces within any industry. This model provides insights into how competitive a market is and assists companies in understanding the key force at play. The five forces are shown in figure 9.

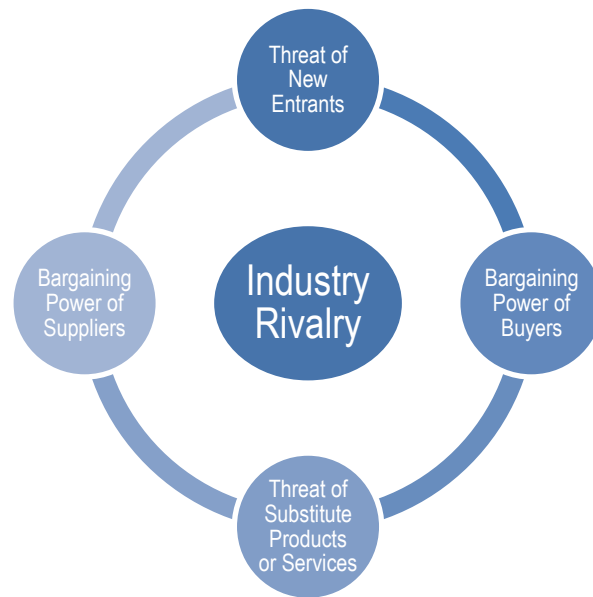


FIGURE 5. Forces Driving Industry Competition (Porter 1980).

### Threat of New Entrants

New entrants always pose a challenge across all industries, especially when it is easy for new firms to enter the market, as this often leads to lower profits. According to Porter (1980), there are six main barriers to entry:

- Product differentiation
- Economies of scale
- Access to distribution channels
- Capital requirements
- Switching costs
- Regulation

In terms of product differentiation, it can be challenging for new entrants to gain popularity because established forms already have strong brand recognition and loyal customers. This loyalty is often earned through excellent customer service or by being the first to offer such service. As a result, customers tend to choose familiar brands and stick with them. When it comes to economics of scale, established firms that produce large quantities of products benefit from lower per-unit costs compared to new entrants. For newcomers to achieve similar profitability, they need a larger customer base to support high-volume production, which is often difficult to establish at the initial stage.

So, it becomes difficult for new businesses to compete on price and build their own customer base when established firms already control the distribution channels. These established firms have long-term customer loyalty due to their high-quality services, which is challenging for new entrants to match. (Peter 2024 & Porter 1980.)

Starting a business requires capital for almost everything, such as facilities and equipment. However, established companies have major financial resources that allow them to enter any industry easily. Newcomers, on the other hand, must carefully consider the risks and advantages when making investments, which creates barriers for them. Switching costs, such as employee retention, new equipment, and testing can also create a barrier to entry. If these costs are high new entrants must offer significant improvements to convince buyers to switch. Due to these switch costs the threat of new entrants is reduced. Finally, licenses and regulations can create additional barriers, making it costly or difficult for new firms to enter. (Peter 2024 & Porter 1980.)

In B2B SaaS, depending on the service or the product new entrants can be threat, or could be minor concern. The SaaS industry presents many challenges, including the need for specialized expertise depending on the service and high development costs, which create barriers to entry. However, in cloud infrastructure and open-source technology, it is easier for newcomers to enter and bring changes to the market. (Franz 2024.)

### **Bargaining power of buyers**

In SaaS world, clients are everything, they hold the power to decide whether the service is good or not. One of the main business strategies in the SaaS industry is to keep clients happy, which will help in the long run. (Franz 2024.)

When customers have more power, they can push the businesses to offer better products or lower prices by putting competitors against each other. This occurs when there are fewer buyers or if they are making large purchases. Their power depends on how important they are to the industry and how much their purchase contributes to the overall business. Additionally, informed buyers who understand the market well can negotiate better deals. In order to keep the customers connected with the brand, it's important to offer them unique products or services that make switching harder for them. (Peter 2024 & Porter 1980.)

## **Threat of substitute products or services**

In every industry there is constant pressure from substitute products or services. The more popular a product, the more alternatives are likely to emerge. A key concern in every industry is relative price performance. If customers can obtain the desired product at a lower price, they are most likely to switch to a substitute option. If customers perceive a similarity in a product, they are more inclined to switch to a substitute. Since the products are similar, customers find it easy to switch, as they won't miss the original product, making it even bigger threat. Direct competitors don't pose as much of a problem compared to alternative solutions or substitute services. In a broader sense, all companies in an industry compete by offering substitute products. These substitutes limit the industry's profit potential by setting a price ceiling. That's why it's important to continuously invest in research and development to stay informed about industry trends and evolving products based on customer's needs. (Peter 2024, Porter 1980 & Franz 2024.)

## **Bargaining power of suppliers**

Suppliers hold significant power in a market. In the SaaS industry suppliers play a crucial role. Whether it's cloud hosting or a vital third-party API, suppliers can significantly influence a company's success. (Franz 2024.)

Suppliers can raise product prices or reduce quality, directly impacting profitability. When there are only a few suppliers, they become more influential, potentially increasing costs or limiting the supply of essential resources. If the product is unique and lacks substitutes it is often expensive and time-consuming, so businesses tend to stick with their current suppliers unless faced with major issues. A critical concern in every industry is the risk of suppliers entering the market themselves, which could put some companies out of business. Additionally, if suppliers have multiple buyers, they hold greater bargaining power. To mitigate these risks businesses should maintain alternative suppliers and negotiate long-term favorable deals. (Peter 2024 & Porter 1980.)

## **Industry rivalry**

In the B2B SaaS sector, staying ahead of the game is crucial, as companies compete fiercely to attract and retain customers while offering the best deals. The intense competition in SaaS often pressures profit margins, making innovation and differentiation essential for success. (Franz 2024.)

The intensity of competition is influenced by factors such as the number of competitors, industry growth, product similarity, and price competition. More competitors in the market lead to higher rivalry. In a growing industry, competition is often less intense as companies focus on managing their own growth rather than fighting over customers. However, similar products increase competition, as customers can easily switch between providers. Companies with loyal customers based on unique service might expect to have less competitive rivalry. Exist barriers, such as high costs or contractual commitments, can intensify rivalry. For instance, even in declining markets, companies may be unable to leave due to specialized assets or obligations. As industry growth slows, competition for market share increases rapidly, leading to greater rivalry. (Peter 2024 & Porter 1980.)

## 4 RESEARCH METHODOLOGY

Research methodology is a process that researchers use to analyze and identify a specific research topic, it helps to outline the techniques and procedures. Research methodology provides a clear guideline so that research can define their research objectives and research questions. (Sreekumar 2023.)

Researchers use research methods to address numerous questions to find possible solutions. A combination of two research designs or a single study approach can be used in the process. Researchers use the best research method that suits the study's objective. In literature, there are two primary research used frequently, which are:

- Qualitative research
- Quantitative research

Researchers follow research methodology to process their study in a way that enables them to meet their goals. It shows the primary considerations a researcher makes to respond to the research questions and the research objectives. (Adams, Khan, & Raeside 2014, 6.)

### 4.1 Research Design (Mixed-Methods Approach)

Mixed methods research involves combining both qualitative and quantitative data in a single study to provide a more comprehensive understanding of a research problem. Mixed methods research can enhance the validity and reliability of the findings with a comprehensive insight. Mixed methods research leverages the strengths of both quantitative and qualitative data. (Nur-E Hafsa 2019.)

The purpose of this research is to analyze the international market entry strategy for SaaS businesses. A mixed research method approach has been used in this study to understand in-dept analysis of market entry. Through qualitative research this study will gain deeper insight into market entry and quantitative research will help to analyze statistics and analyze market data to identify patterns.

## **Qualitative Research**

Qualitative research is based on theoretical principles. It uses non-quantitative methods to collect and analyze data, focusing on describing situations in depth. In qualitative research data is gathered through observations, interviews, and surveys. It's used to understand the customs and behavior of people. Qualitative research values the quality of the data more than the quantity of data. (Adams, Khan, & Raeside 2014, 6.)

## **Quantitative Research**

Quantitative research is based on positivism and neo-positivism principles. It is used for statistical analysis and quantitative measurement. It's commonly used for scientific research problems. This research is used to identify patterns and to make predictions. To understand quantitative data, it needs to be analyzed and interpreted. (Adams, Khan, & Raeside 2014, 6.)

To find out the research objectives and research questions mixed research methods have been used in this research instead of focusing on one single method. To gain a deep understanding of the topic and collect comprehensive information about SaaS market expansion, secondary sources will be utilized. Qualitative research provides clear context that enhances understanding which will be helpful for this study. Qualitative research focusses deeply on the processes of understanding reality by exploring underlying meaning. On the other hand, quantitative research provides reliability and accuracy in the process. Quantitative research will be used to measure objectives based on the variables.

## **4.2 Data Collection Method**

This research mainly relies on secondary data collection, with interviews providing additional insights. Secondary data involves existing business reports, and company records that already exist and have been collected by others. Secondary data is ideal for analyzing data and identifying trends. Secondary data is mostly used to validate the findings, enabling valuable insights and draw conclusions by analyzing existing data. (Adams, Khan, & Raeside 2014, 104-106.) Data for this study will be collected by researching on the topic of market entry strategy for SaaS, along with a

brief interview to gain better understanding of Valmista's specific needs and challenges. This research will find the best possible way for Valmista to enter the Dutch market. Information will mostly be gathered from scholarly journals, market analysis, websites, peer-reviewed articles, SaaS market statistics, and case studies that are already available on the internet. Gathering information from different sources can help uncover answer to research questions more effectively.

### **Qualitative Methods**

Qualitative research will focus on gathering descriptive data to analyze industry trends and market dynamics. Qualitative methods are great for detecting patterns, classification, and constructing models (Firdaus, Zulfadilla, Caniago 2021). For theoretical insight, secondary data such as articles, journals, blogpost and company case study about SaaS expansion was used to collect all the relevant information. This secondary data helps to understand SaaS industry, strategies behind international expansion, and decision making. In addition, to secondary data interview was conducted with the CEO and Marketing Specialist of Totemi Investment oy to gain better understanding of Valmista's challenges and goals.

### **Quantitative Methods**

Quantitative research typically measures objectives and focuses on reliability and variables. Quantitative research will mostly focus on collecting data based on statistics, numerology, and geographical position. To measure market potential the source for secondary data will be financial reports, market surveys, and SaaS market statistics. To interpret the data gathered, thematic and statistical analysis was used, which provides deeper insight into the findings.

## **4.3 Situation Analysis Tools**

SWOT analysis and PESTLE analysis were used in this study to gather data which will help this study in market entry strategy. To assess the internal strength and weakness of Valmista, as well as external opportunity and threats in the market SWOT analysis will be conducted to understand internal factors and external factors of Valmista. PESTLE analysis was conducted to analyze the external potential, challenges, and opportunities of the Dutch market. Risk matrix was used to identify the risks in the new market, which can help to develop strategies to mitigate the risk and ensure

a successful market entry. The risk assessment matrix for this study was developed considering common challenges that other SaaS business faced during the expansion, with additional insights from Valmista team to refine the specific risk factors relevant to market entry strategy. To better understand the challenges and opportunity of Valmista interview was conducted with CEO and Marketing Specialist of Totemi investment oy in developing the SWOT analysis and risk matrix for the market entry strategy.

#### 4.3.1 SWOT Analysis

SWOT analysis is a straightforward, yet powerful analytical tool used in organization to develop strategies and competitive policies for strategic planning and management. This involves setting the organization's vision, mission, and objectives, conducting internal and external analyses to identify strategic options, and ultimately implementing strategies to gain a competitive advantage. This framework helps to evaluate an organization, plan, project, or business activity and its environment. (Gurel 2017.) The acronym SWOT consists of 'strengths', 'Weakness, 'opportunities' and 'threats' and can be categories into internal and external factors, as shown in the following figure 6.

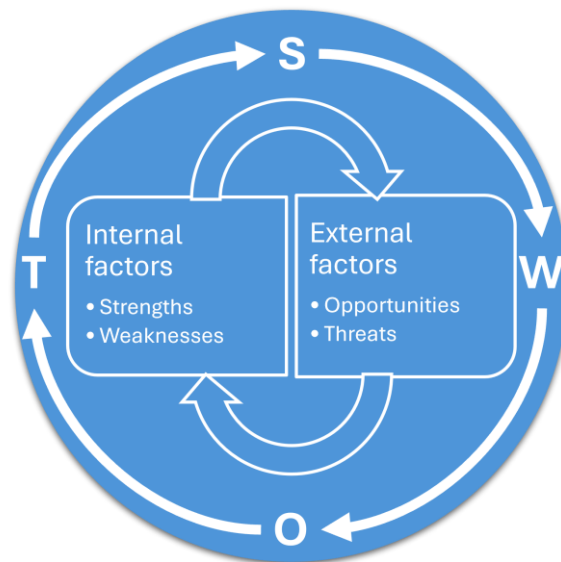


FIGURE 6. Component of SWOT Analysis

The four components of SWOT analysis can be called 1. Organizational Strengths refers to the advantage a company can have over others in the industry. 2. Organizational Weakness refers what disadvantage a company possess relative to others. 3. Environmental Opportunities mean

external factors in the environment that offer advantages to the organization. And 4. Environmental Threats indicate an external condition or situation in an environment that put the actualization of the activity at risk for the organization. (Gurel 2017.)

#### **4.3.2 PESTLE Analysis**

Marketers and companies use an analytical tool or framework to analyze and understand the impact of external factors for the actualization of their operation, called PESTLE analysis. It is also known as PEST analysis. This analysis covers six areas such as Political, Economic, Social, Technological, Legal and Environmental. All the topics are combinedly called PESTLE analysis. PESTLE analysis provides deeper understanding about the current and its potential market condition for a company, recognizes the business growth opportunities and anticipates the potential risks, also helps organizations to develop strategic planning to achieve their objective by making well-informed decisions. (Pereira 2024.)

#### **4.3.3 Risk Matrix**

One of the most important parts of the success of any business is identifying the potential risk. Risk matrix, also known as risk assessment matrix or risk map, can offer help in this regard. A risk matrix is a grid-based visualization tool that identifies, evaluates, and prioritizes the risk of a business, plan, project and strategy. That leads to proactive preparation for challenges by assessing the likelihood and impact of risk. It provides deeper insights on preventive, detective, corrective and mitigating controls, ultimately enhancing decision making abilities by assessing, managing and controlling risk. (Shields 2024 & Parikka 2024.)

A risk matrix can be designed differently based on the needs, impact, complexities of a plan, project, or business. The x-axis of the matrix typically represents the likelihood/probability of a risk to occur. The y-axis shows the potential impact/severity of the risk. Based on the risk matrix, a risk can be categorized in the following categories: rare, unlikely, possible, likely and almost certain, with numerical values assigned to each category. (Shields 2024 & Parikka 2024.)

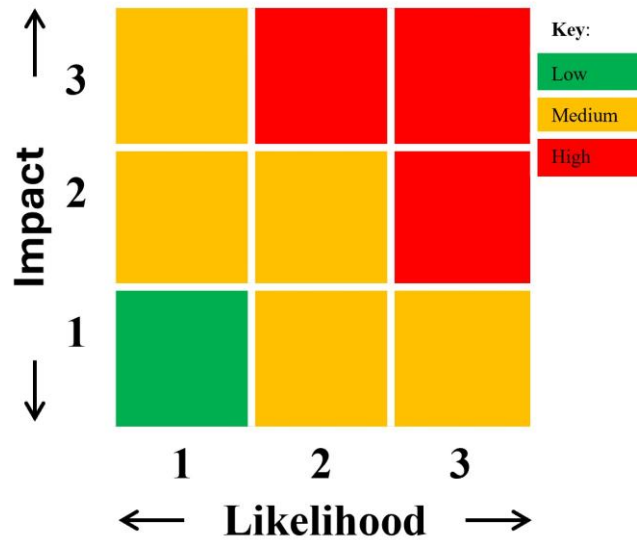


FIGURE 7. Simplified representations of 3X3 risk matrix.

#### 4.4 Data Analysis

The data analysis for this study was conducted using combined thematic and statistical methods. These themes were incorporated to understand the study’s objectives and uncover insights about the Dutch SaaS market. For qualitative data collection secondary research and interview were analyzed through thematic analysis and identifying themes related to market entry strategies, opportunities and challenges. For quantitative data, statistical analysis was used to identify trends and validate findings. The data was organized into tables and charts for effective visualization which helped to present the findings clearly.

This research will use thematic and statistical analysis to interpret the qualitative and quantitative findings. By combining two methods with qualitative and quantitative research, it will help to uncover valuable insights that will support meaningful conclusions in this study. This study uses SWOT analysis to analyze Valmista’s strengths, weaknesses, opportunity, and threats by organizing data from internal resources. Through PESTLE analysis this study examines external factors including political, economic, social, technological, legal, and environmental aspects of Netherlands. Lastly, this study uses risk matrix to find the potential risks and barriers in the Netherlands by categorizing them based on their likelihood and impact.

#### **4.5 Data Reliability and Validity**

Reliability is important in research to ensure reliability and validity of secondary data sources will be carefully selected based on relevance. Since primary data collection method was only existing data from reliable sources, reference information will be available in the thesis. All the secondary data were collected from books, journal, articles, and industry statistics that are easily available from the internet.

#### **4.6 Research Ethics**

This study established research ethics specially for secondary data collection and presentation of the data. Data will be used responsibly with proper acknowledgment of all sources, including reference to the original authors respecting the data-sharing agreements and GDPR. Data will not be misrepresented.

Research results will be reported honestly, avoiding exaggeration or bias. An analytical approach will be transparent, and conclusions will be based on evidence.

## 5 RESULTS & FINDINGS

### 5.1 SWOT Analysis of Valmista

SWOT Analysis will allow to assess Valmista's strengths, weakness, opportunities, and threats to identify its internal advantages and disadvantages, as well as external opportunities and risks to develop effective strategies.



FIGURE 8. SWOT Analysis of Valmista.

## **5.2 Target Market-The Dutch Market**

Netherlands is located in the heart of Europe. It serves as a gateway to Europe, making it ideal for launchpad in the European market. Freeman et al. (2024) stated that the strategic location of the Netherlands in international trade makes it favorable for businesses. Netherlands has a well-developed infrastructure and a well-educated labor force, which makes it an attractive place for foreign companies to conduct business activities. Within 1000 kilometers radius Netherlands has access to markets of 244 million consumers. Furthermore, Netherlands has an economic stability with favorable tax climate. In the Netherlands, the corporate tax rate is 19% for profits up to \$200,000. If the amount exceeds this, the tax rate increases to 25.8%. the Netherlands has consistently maintained a stable GDP compared to the average GDP in the European union, making it appealing destination for foreign investors. (Natalia Rys 2023.)

According to Hub Van Grinsven (2024), that Netherlands is in the leading position for software development, which influences foreign FinTech companies to choose Netherlands for their European expansion. For the ease of conducting digital businesses, the Netherlands takes 3<sup>rd</sup> place globally. Nonetheless, Netherlands ranks 4<sup>th</sup> place for European innovation scoreboard in 2022, reflecting focus in research and development. (Grinsven 2024.)

### **5.2.1 The SaaS Market in the Netherlands**

SaaS industry in Europe is growing. Europe takes 2<sup>nd</sup> place in the b2b software market after the USA. For startup companies SaaS is one of the most profitable business models. According to Josh Howarth (2024), there are approximately 17,000 SaaS companies worldwide. North America ranks first with 10,000 SaaS companies, holding approximately 58.6% of the market share. Europe follows with 4,531 SaaS companies and an estimated 26.5% market share, making it the second-largest region of SaaS companies. Within Europe, the Netherlands hosts 402 SaaS companies placing it 11<sup>th</sup> globally. (Howarth 2024.)

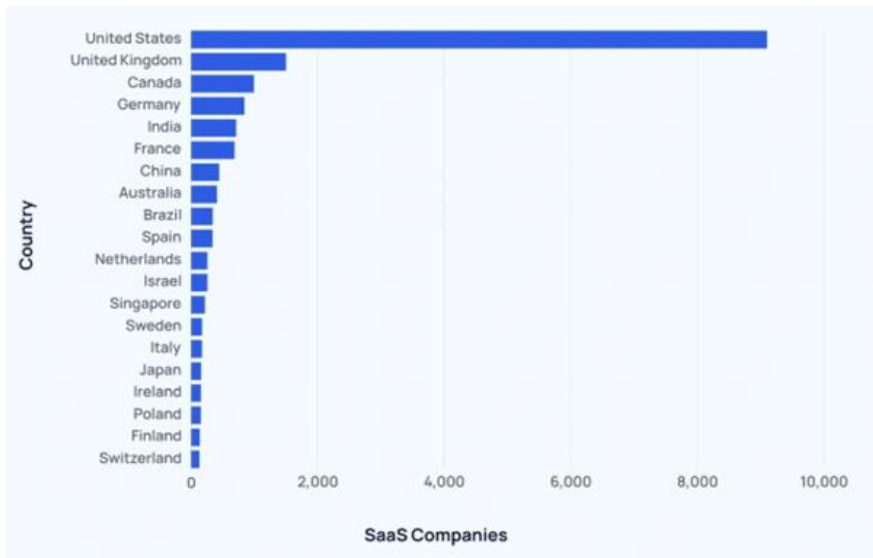


FIGURE 9. Countries by number of SaaS companies (Howarth 2024).

The Netherlands is experiencing significant growth in the SaaS industry (FIGURE 5). The current revenue of SaaS in the Netherlands is \$5.88 billion, up from \$4.93 billion in 2023. In the Netherlands, SaaS revenue is expected to grow up to \$13.79 billion by 2029, resulting in an annual growth rate of 18.59%. (Statista 2024.)

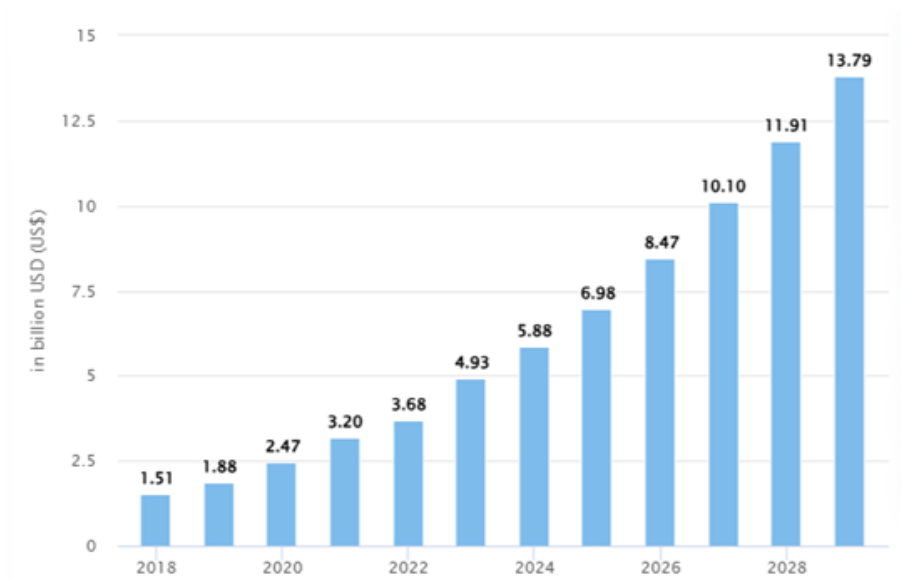


FIGURE 10. SaaS revenue in the Netherlands (Statista 2024).

Figure 7 highlights the SaaS growth in the Netherlands from 2018 to 2028. In year 2018 the SaaS revenue was at \$1.51 billion and has been growing since. In the year 2022 the revenue reached \$3.68 billion and in 2024 it gone up to \$5.88 billion. With the increased revenue the SaaS market growth in the Netherlands is expected to go \$13.79 billion by 2028. This data reflects the expanding

SaaS market with rising demand. Furthermore, it reflects SaaS opportunity for businesses in the Dutch market. (Statista 2024.)

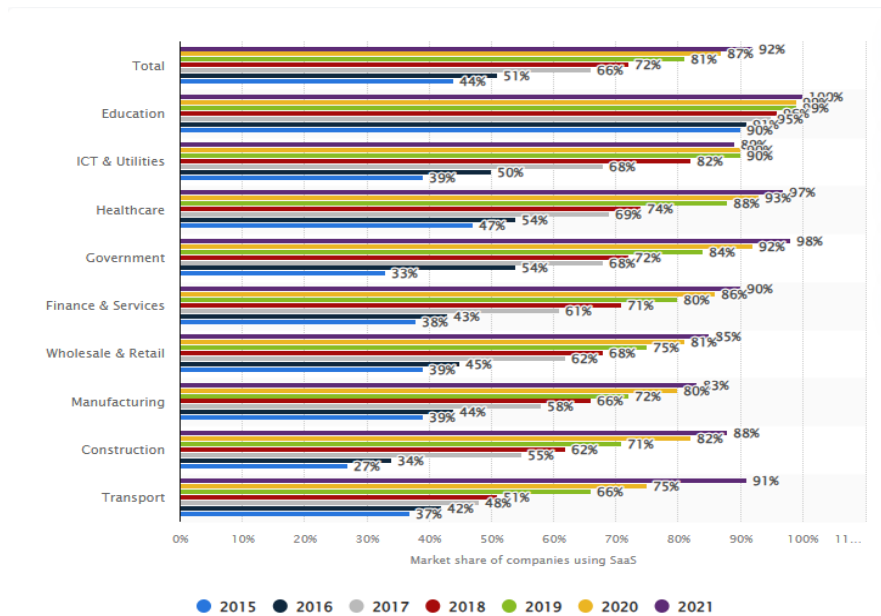


FIGURE 11. Market share of companies using SaaS in the Netherlands (Statista 2024).

Alexandra Borgeaud (2023) stated that SaaS cloud application in the Netherlands education sectors holds the highest market share, based on a survey conducted from 2015 to 2021. The ICT & Utilities sector had a market share of 89% in 2021, up from 39% in 2015. Similarly, the healthcare sector’s market share increased to 97% in 2021, compared to 48% in 2015. Figure 8 reflects the growing cloud-based solution efficiency in industry like finance, healthcare, ICT, education and many more. (Borgeaud 2023 & Statista 2024.)

### 5.3 PESTLE Netherlands

The Netherlands is also known as “Holand”. It is recognized for its stable economy and technological advancement.

#### Political factors

The Netherlands has become a member of European Union in 1958 and has been a part of Schengen area since 1995. The Netherlands joined the Eurozone in 1999 and is also a member of NATO. (Robert A. 2023.) The Netherlands is known for its high freedom rating and politically free

landscape. Netherlands is mainly regulated by a democratic system. King Willem-Alexander is parliamentary monarchy of Netherlands and serves as the official head of state, but his powers are limited. Actual power lies with the ministers and state secretaries, with each minister lead by the government. Prime Minister Mark Rutte plays a key role in initiating laws and politics, as well as in charge of annual budget. There are four different branches in the Dutch government:

- The parliament
- The monarch
- The judicial brunch
- The executive branch

Netherlands always ranks high for its political freedom which makes it desirable for businesses. Since Netherlands is a demographic country Dutch people decides through election who will be the representative of the parliament. Netherlands has the low corruption level ranking at8th position globally reported by Corruption Perceptions Index (CPI). As stated by the global economy Netherlands stands at 1.72 out of 2.5 in political stability index. The Netherlands offers a favorable political environment for businesses. With its stable political position, it makes it an attractive location for doing business for both foreign and domestic companies. (Toolify.ai 2024.)

### **Economic factors**

According to Aaron O'Neill (2024) the Netherlands maintains a relatively stable gross domestic product (GDP) and ranks among the top 20 countries globally in terms of GDP per capital. Currently Netherlands has GDP of 1,218.4 billion U.S dollar, and it has maintained consistent growth for over 30 years. Netherlands scored 74.6 on the Heritage Foundation Index of economic freedom, placing at 16<sup>th</sup> position globally. In terms of GDP growth indicator currently Netherlands stays at 0,8% and it is expected to go up to 1,5% by 2026. Netherlands has high minimum wage compared to many European country. (Toolify.ai 2024 & European Commission 2024.)

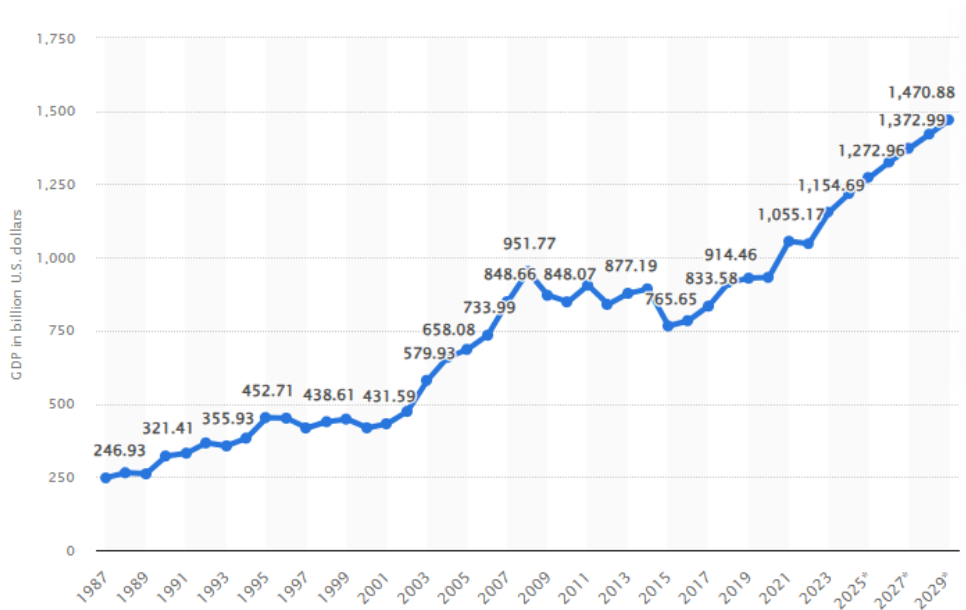


FIGURE 12. Netherlands GDP per capita in current prices from 1988 to 2028 (Robert A. 2023).

Figure 9 shows the Netherlands GDP from 1988 to 2028. The Netherlands has experienced strong and consistent economic growth. Starting at \$246.93 billion in 1987, the GDP increased gradually reaching \$500 billion in the early 2000s. In 2020 it reached \$1 trillion. Despite the upward trend in GDP, the Dutch economy experienced a slight decline during the 2008-2009 Global Financial crisis and again in 2020 due to Covid-19 pandemic. In recent years the GDP has grown to approximately \$1.37 trillion in 2023, which is expected to reach \$1.47 trillion by 2029. The growth of Netherlands in the trade network and advanced economy makes it a major player in the global market. (Robert A. 2023.)

The unemployment rate in the Netherlands is very low, standing at 3.6%. However, with the current global economic condition, employment growth in the Netherlands slowing down and is expected to rise up to 3.9% by 2026. HIPC inflation dropped to 3% in early 2024 from 4.2%. Inflation is expected to drop to 2.4% in 2025 and 1.9% in 2026. (European commission 2024.)

### Social factors

The Dutch are known for their healthy work-life balance, and for their friendly nature. The Netherlands focus on ensuring a high quality of life and fostering a liberal society. The main language of Netherlands is Dutch, but English is widely spoken as well. Netherlands has population of 17 million

with 41,000 square kilometers land area. Netherlands has a high standard of living. It is very immigrant friendly country with more than 10% of its population is immigrants of non-western countries. (Toolify.ai 2024.)

When it comes to business culture in the Netherlands, Dutch business communication can be described as direct and straight to the point. It's important to be clear and transparent during business discussions. Since the Netherlands has diverse culture its good if companies respect the socio-culture of the Netherlands to establish a strong relationship with Dutch customers. (CT Corporation Staff 2022.)

### **Technological factors**

Like other EU countries, the technological advancements in the Netherlands are highly commendable and is considered one of the top nations for digital transformation. According to the 2022 Digital Economy and Society Index, the Netherlands ranked 3<sup>rd</sup> out of the 27 EU countries for digital advancement. The country has excellent digital infrastructure, with 98% of households having broadband and fast internet access nationwide. Amsterdam is also a key location for data centers in Europe. With the growth of E-commerce, the Netherlands has a robust digital payment system. iDEAL, a Dutch payment solution accounts for 70% of transaction, while credit cards hold only an 8% share. The Netherlands offers a tech-friendly environment with digital infrastructure. (International Trade Administration 2024.)

### **Environmental factors**

The Netherlands is known as a picturesque country. It's renowned for its beauty, islands, and historical monuments. It has a great climate with good air quality. The is also known for its renewable energy and green technology with infrastructure and logistics systems, which makes it an attractive location for doing business. The Netherlands also involved in the international trade and supply chain management. (David 2022.)

### **Legal factors**

The Netherlands has a liberal regulation approach towards sociocultural. The legal system in the Netherlands is well established. The regulatory compliance followed in the Netherlands is both the

National law and European regulation. Key regulation like GDPR for data protection and Dutch Financial Supervision Act (Wft) for financial regulations. Businesses in the Netherlands face regulatory challenges like financial reporting rules, GDPR-compliant, and environmental law. Businesses should regularly audit their process to prevent any kinds of issues also train the ongoing employees to help them to stay up to date on the regulations. (Roosjen 2024.)

Dutch tax authorities offer exceptional service to foreign investors. The Dutch tax system is considered business friendly. Corporate tax rates are competitive, with 19% for the first £200,000 in profits and 25.8% for anything above. (Robert A. 2023.)

#### 5.4 Competitor Research

The competitor analysis was conducted on four Dutch companies. The aim of this research was to gather all the relevant information such as their service, location, founding date, revenue, traffic overview, and social media marketing channels to understand the competitors offering services similar to Valmista.

TABLE 1. list of competitors.

Company name	Service	Location	Revenue and Founding year	Traffic overview <a href="https://neilpatel.com/ubersuggest/">https://neilpatel.com/ubersuggest/</a>	Social media/ Marketing
ORDO <a href="https://www.ordo.nl/">https://www.ordo.nl/</a>	ORDO supports freelancers and their clients, also helps both business owner as well as personal needs.	Beets, Netherlands	Founded: 2020 Revenue: N/A	Organic search–0 Paid search–0 Organic keyword-3	LinkedIn, Facebook, Instagram
Roamler <a href="https://www.roamler.com/">https://www.roamler.com/</a>	Roamler connects business with skilled professionals, offer the professionals	Amsterdam, Netherlands	Founded: 2011 Revenue: \$21.6M	Organic search-4,815 Paid search-0 Organic keyword – 1,196	LinkedIn, YouTube, Facebook, Instagram, TikTok

	growth opportunities and flexible work.				
Werkspot <a href="https://www.werkspot.nl/">https://www.werkspot.nl/</a>	Werkspot connects consumers with professionals for home improvement and maintenance services like electrical work and plumbing etc.	Amsterdam, Netherlands	Founded:2005 2021 Revenue: \$3.3M	Organic search-139,359 Paid search-35 Organic keyword-58,773	Facebook, YouTube, Twitter/ X
Studentenwerk <a href="https://www.studentenwerk.nl/">https://www.studentenwerk.nl/</a>	Studentenwerk connects businesses with students for temporary, gig work. Primarily Studentenwerk provides opportunities for students.	Noora-Holand	Founded: 2000 Revenue: N/A	Organic search-13,930 Paid search-0 Organic keywords-15,672	Twitter/ X, LinkedIn, Facebook

The table provides a comparative overview of four companies operating in the Netherlands. Focusing on each company's service categories, location, founding year, revenue, online traffic, and social media marketing channels.

ORDO based in Beets, was founded in 2020. It helps freelancers and business owners with both personal and professional tasks. For its social media marketing it uses LinkedIn, Facebook, and Instagram. Roamler is based in Amsterdam and was founded in 2011. It connects business with skilled professionals. It has a revenue of \$21.6M. Roamler uses LinkedIn, YouTube, Facebook, and TikTok for its marketing. Werkspot, also based in Amsterdam, connects consumers with professionals for home improvements services such as plumbing and electrical work. Werkspot was founded in 2005, and it generated \$3.3M revenue in 2021. It uses Facebook, YouTube, and twitter for marketing. Lastly, Studentenwerk located in Noora-Holland, it helps students to connect with

business for temporary work. Studentenwerk was founded in 2000. Social media marketing is done through Twitter, LinkedIn, and Facebook.

### 5.5 Risks Assessment Matrix

A risk matrix is a tool used to identify the risks in a business by evaluating its likelihood and impact. It helps in proactive planning and decision-making by categorizing risks based on their probability and severity. (Sheilds 2024 & Parikka 2024.)

TABLE 2. Risk assessment matrix.

Risks	Likelihood	Impact	Severity
Regulatory Challenges	Medium	High	Moderate
Cultural Misalignment	Medium	Medium	Manageable
Economic Fluctuation	Low	High	Manageable
Market Competition	High	High	High
Political Changes	Low	Medium	Manageable
Workforce Integration	Medium	High	Manageable
Cybersecurity Risks	Medium	High	High
Language Barriers	Low	High	Moderate

This risk assessment matrix outlines the challenges business may face, evaluating them based on their likelihood, impact, and severity of the risks. Regulatory challenges have medium impact but have a high impact, making it moderately sever risk. Cultural misalignment and workforce integra-

tion pose manageable risk which has medium impact. The Netherlands has stable economy, economic fluctuations are less likely but has a high impact, though the severity remain manageable. Market competitions likelihood is strong, with high impact, which leads to high severity. Similarly, cybersecurity risks have medium likelihood but a high impact, categorizing it as high severity. Political changes and language barriers have a low likelihood, but the impact of political changes is medium making it manageable by severity. Language barriers pose low concern in the likelihood, but it can have a high impact on the business making it moderate the severity.

To mitigate these risks, business can stay informed about regulatory changes and ensure compliance by keeping up with industry standards. Businesses also can invest in cross-culture training for cultural misalignment. For market competition, it focusses on innovation and customer loyalty. Strengthen cybersecurity with solid security practices and monitor political changes so that business can be prepared ahead of time. for language barriers its crucial to use translation service and having local experts on bord.

## 6 DISCUSSION & RECOMMENDATION

in this section, the key findings are briefly summarized. All the research questions are answered. Additionally, recommendations are provided based on the findings.

### 6.1 Answer to Research Questions

**RQ1.** What is the most effective go-to-market strategy for Valmista to enter the Dutch market?

At this initial stage, the most effective market entry strategy for Valmista in the Dutch market would be “Strategic Alliances”. Strategic alliances allow two or more companies to collaborate together and allow them to take advantage of each other’s strengths. (Singh 2011.) As Valmista is relatively new to the SaaS industry and has limited resources, forming strategic alliances will allow the company to utilize the resources, network, and local expertise of an established Dutch company. For customer acquisition, Valmista can collaborate with local business or a similar platform offering similar service as Valmista will help to build a strong customer base.

Other option could be “Wholly owned subsidiary”, where Valmista could establish its own operations in the Netherlands. Benefits of wholly owned subsidiary is that Valmista has complete power over its platform, branding and customer base. One of the big risks of a wholly owned subsidiary would be Valmista bears all the operational and financial risk of entering a new market.

Given Valmista's new presence in the SaaS industry with its limited resources forming a strategic alliance is the best option for Valmista to enter in the Dutch market. Not only is forming a strategic alliance beneficial for Valmista, but it also provides a lower-risk and more efficient approach for market entry.

**RQ2.** What is the market potential of the Netherlands?

The Netherlands has significant potential for SaaS businesses. According to Howarth (2024) currently SaaS revenue in the Netherlands is \$5.88 billion which expected to go up to \$13.79 billion by 2029, with 402 SaaS companies, the Netherlands ranks 11<sup>th</sup> worldwide. The Netherlands has

access to a market of 244 million consumers within 1000 kilometers radius. (Natalia Rys 2023.) Additionally, the strategic location, stable economy, and business-friendly tax regulation make it an ideal place for business expansion.

**RQ3.** Who are the main competitors in the SaaS market in the Netherlands?

Since SaaS is growing rapidly in the Netherlands, and there are many big and renowned SaaS company as well, but this study focuses primarily on four Dutch companies mentioned in the competitor research (table 1), which presents their services and all relevant information. These companies offer similar platform services to Valmista and serve the same purpose. Other companies are beyond the scope of this thesis.

**RQ4.** What are the potential risks and barriers to entering the Netherlands for Valmista?

Some of the potential risks Valmista might face if it decides to expand into the Dutch market are outlined in the Table 2. These include the presence of numerous SaaS competitors, as the market is highly competitive and large which could have a high-risk impact on Valmista. Additionally, the Netherlands has a very low unemployment rate, which could make it challenging for Valmista to find skilled service provider to successfully achieve its goal in the new market. Regulatory challenges such as cross-border data transfer, consumer protection law, employment labor laws etc. Lastly cybersecurity could also pose a threat since it has a high impact on the risk factor.

## **6.2 Recommendation & Future Scope of the Study**

Based findings of this study and with the current state of Valmista, it would be better for the company to expand into market with less competition than the Netherlands, which share similar culture and economic backgrounds to Finland, focus on growing brand awareness and customer base. Since the Netherlands is highly competitive, with established SaaS companies, making it difficult for Valmista to stand out in the Dutch market. By focusing on a less competitive market with fewer competitors Valmista can gain a strong foothold and slowly can build its brand potential before entering more competitor market like the Netherlands. If valmista wants to expand into the Dutch market it needs to conduct a in dept market research on its competitors to understand the new market.

This study provides a strong foundation for understanding the Dutch market but there are several future scopes for future research. Since this study solely relies on the secondary materials for future research could involve primary data collection through interviews or surveys, which can offer more broader concept of the Dutch market and its customer base.

## REFERENCES

- Adams, J., Khan, H.T.A., and Raeside, R., 2024. Research Methods for Business and Social Science Students. URL: <https://ebookcentral-proquest-com.ezp.oamk.fi:2047/lib/oamk-ebooks/reader.action?docID=1698991>. Accessed 26 October 2024.
- Arike, R., 2023. PESTEL Analysis of Netherlands. URL: <https://www.linkedin.com/pulse/pestel-analysis-netherlands-robort-arike/>. Accessed 19 December 2024.
- Bhumi Varta Technology, 2023. Expansion and Cultural Risks: What Businesses Need to Know. [online] Bhumi Varta Technology. URL: <https://bvarta.com/expansion-and-cultural-risks-what-businesses-need-to-know/>. Accessed 24 October 2024.
- Cavusgil, S.T., and Knight, G.A., 2015. The Born Global Firm: An Entrepreneurial and Capabilities Perspective on Early and Rapid Internationalization. URL: [https://www.researchgate.net/publication/328373419\\_Investigating\\_SaaS\\_Providers'\\_market\\_success\\_based\\_on\\_the\\_Multivariate\\_LGCM\\_Approach](https://www.researchgate.net/publication/328373419_Investigating_SaaS_Providers'_market_success_based_on_the_Multivariate_LGCM_Approach). Accessed 30 October 2024.
- Cespedes, F.V., and Van der Kooij, J., 2023. The Rebirth of Software as a Service. Harvard Business Review. URL: <https://hbr.org/2023/04/the-rebirth-of-software-as-a-service>. Accessed 10 November 2024.
- Cook, T.A., 2015. Managing Growth and Expansion into Global Markets. Chapter 1. Accessed 21 October 2024.
- Ct Corporation Staff, 2022. Doing business in the Netherlands. URL: <https://www.wolterskluwer.com/en/expert-insights/doing-business-in-the-netherlands>. Accessed 5 January 2025.
- David, J., 2022. PESTEL Analysis of the Netherlands (country profile). URL: <https://www.howand-what.net/pestel-analysis-netherlands/>. Accessed 18 December 2024.
- Enterprise Nation, 2023. Managing Language Barrier and Cultural Differences When Selling Overseas. Enterprise Nation. URL: <https://www.enterprisenation.com/learn-something/language-barriers-cultural-differences-selling-overseas/>. Accessed 24 October 2024.
- European Commission, 2024. Economic forecast for Netherlands. URL: [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/netherlands/economic-forecast-netherlands\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/netherlands/economic-forecast-netherlands_en). Accessed 18 December 2024.
- Firdaus, F., Zulfadilla, Z., and Caniago, F., 2021. Research Methodology: Types in the New Perspective. URL: <https://www.researchgate.net>. Accessed 26 November 2024.
- Freeman, D., Bettendorf, L., Van Heuvelen, G. H. & Meijerink, G. W., 2024. Business dynamics and productivity growth in the Netherlands. URL: [https://www.researchgate.net/publication/380004509\\_Business\\_Dynamics\\_and\\_Productivity\\_Growth\\_in\\_the\\_Netherlands](https://www.researchgate.net/publication/380004509_Business_Dynamics_and_Productivity_Growth_in_the_Netherlands). Accessed 11 December 2024.
- Glowik, M., 2016. Market Entry Strategies: Internationalization Theories, Concepts, and Cases of

Asian High-Technology Firms: Haier, Hon Hai Precision, Lenovo, LG Electronics, Panasonic, Samsung, Sharp, Sony, TCL, Xiaomi. ProQuest Ebook Central. URL: <https://ebookcentral-proquest-com.ezp.oamk.fi:2047/lib/oamk-ebooks/reader.action?docID=4451853>. Accessed 4 November 2024.

Goodrich, R., 2023. What is SaaS (Software as a Service)? Business News Daily. URL: <https://www.businessnewsdaily.com/4793-what-is-saas-software-as-a-service.html>. Accessed 15 October 2024.

Gratton, P., 2024. Porter's Five Forces explained and how to use the model. URL: <https://www.investopedia.com/terms/p/porter.asp>. Accessed 29 December 2024.

Gurel, E., 2017. SWOT Analysis: A Theoretical Review. URL: [file:///C:/Users/35845/Downloads/gurel\\_emetswot.pdf](file:///C:/Users/35845/Downloads/gurel_emetswot.pdf). Accessed 3 January 2025.

Hafsa, N.E. (2019) Mixed Methods Research: An Overview for Beginner Researchers. URL: [https://www.researchgate.net/publication/338751170\\_Mixed\\_Methods\\_Research\\_An\\_Overview\\_for\\_Beginner\\_Researchers](https://www.researchgate.net/publication/338751170_Mixed_Methods_Research_An_Overview_for_Beginner_Researchers). Accessed 13 Jan. 2025.

Howarth, J., 2024. How many SaaS companies are there? URL: <https://explodingtopics.com/blog/number-of-saas-companies>. Accessed 15 December 2024.

Ile, K., 2024. Mastering SaaS competitive analysis: strategies for outperforming your rivals. URL: <https://rampiq.agency/blog/saas-competitive-analysis/>. Accessed 3 January 2025.

Jain, Y., 2022. How to do competitive analysis in SaaS. URL: <https://www.conceptualies.com/post/how-to-do-competitive-analysis-in-saas>. Accessed 3 January 2025.

Jha, S., 2024. Compliance Risk: Building an Effective Framework. URL: <https://sprinto.com/blog/compliance-risk/>. Accessed 22 October 2024.

Johansson, M., and Pallmar, G., 2014. International Growth Strategies for Software Companies. URL: <https://books.google.com>. Accessed 7 November 2024.

Oh, S.T., and Park, S., 2018. Investigating SaaS Providers' Market Success Based on the Multivariate LGCM Approach. URL: [https://www.researchgate.net/publication/328373419\\_Investigating\\_SaaS\\_Providers'\\_market\\_success\\_based\\_on\\_the\\_Multivariate\\_LGCM\\_Approach](https://www.researchgate.net/publication/328373419_Investigating_SaaS_Providers'_market_success_based_on_the_Multivariate_LGCM_Approach). Accessed 30 October 2024.

O'Neill, A., 2024. Netherlands: Gross domestic product (GDP) in current prices from 1987 to 2029. URL: <https://www.statista.com/statistics/263581/gross-domestic-product-gdp-in-the-netherlands/>. Accessed 19 December 2024.

Ordorica, S., 2023. International Market Entry Strategies for Businesses. URL: <https://books.google.com>. Accessed 2 November 2024.

Parikka, K., 2024. What is a risk matrix and how to use it in risk management. URL: <https://blog.falcony.io/en/what-is-risk-matrix>. Accessed 2 January 2025.

Pereira, D., 2024. What is PESTLE analysis? Understanding the external factors impacting your businesses. URL: <https://businessmodelanalyst.com/what-is-pestle-analysis/>. Accessed 2 January

2025.

Porter, M. E., 1980. Competitive strategy: techniques for analyzing industries and competitors. URL: <https://www.academia.edu>. Accessed 29 December 2024.

Procloz, 2024. Top 5 Legal Challenges in International Business Expansion. Procloz. URL: <https://procloz.com/navigating-legal-challenges-in-international-business-expansion>. Accessed 24 October 2024].

Roosjen, R., 2024. Regulatory compliance in the Netherlands. URL: <https://www.maak-law.com/regulatory-compliance-in-the-netherlands/>. Accessed 5 January 2025.

Rys, N., 2023. Why choose the Netherlands for your company expansion. URL: <https://adamsrecruitment.com/blog/why-choose-the-netherlands-for-your-company-expansion/#:~:text=The%20Netherlands%20renowned%20for%20its,to%20companies%20looking%20to%20expand>. Accessed 12 December 2024.

Shields, P., 2024. What is a Risk Matrix and what is it used for. URL: <https://www.agilitysystem.net/insight/what-is-a-risk-matrix-and-what-are-they-used-for/> [Accessed 3 January 2025].

Singh, A.K., Vaibhav, V., Kumari, V.P., Sargade, S.B., and Pilli, D., 2024. Examine Opportunities and Challenges for Global Business Expansion. URL: <https://www.ijer.org/index.php/journal/article/view/833/713>. Accessed 19 November 2024.

Singh, N., 2011. Localization Strategies for Global E-Business. Accessed 4 November 2024.  
Sreekumar, D., 2023. What is Research Methodology? Definition, Types, and Examples. [online] Paperpal. URL: <https://paperpal.com/blog/academic-writing-guides/what-is-research-methodology>. Accessed 17 October 2024.

Statista, 2024. Software as a service – Netherlands 2024. URL: <https://www.statista.com/outlook/tmo/public-cloud/software-as-a-service/netherlands>. Accessed 15 December 2024.

The Business Research Company, 2024. Software as a Service SaaS Global Market Report 2024. URL: <https://www.thebusinessresearchcompany.com/report/software-as-a-service-global-market-report>. Accessed 10 November 2024.

Toolify.ai, 2024. Exploring the Netherlands with PESTEL Analysis. URL: [https://www.toolify.ai/gpts/exploring-the-netherlands-with-pestel-analysis-320187#google\\_vignette](https://www.toolify.ai/gpts/exploring-the-netherlands-with-pestel-analysis-320187#google_vignette). Accessed 19 December 2024.

Valmista, 2024. What is Valmista? Valmista. URL: <https://valmista.com/home/news-en/what-is-valmista/>. Accessed 14 November 2024.

Van Grinsven, H., 2024. Expanding Your Startup to the Netherlands. IR Global. URL: <https://ir-global.com/article/expanding-your-startup-to-the-netherlands/>. Accessed 29 November 2024].

Vitulli, F., 2024. Master B2B/SaaS product strategy with Porter's Five Forces. URL: <https://franzvitulli.com/b2b-saas-product-strategy-porters-five-forces/>. Accessed 29 December 2024.

Wallstreetmojo Team, edited by Banerjee, P., 2024. Economic Risk. Wall Street Mojo. URL: <https://www.wallstreetmojo.com/economic-risk/>. Accessed 24 October 2024.

Wolters Kluwer, 2022. Doing business in the Netherlands. URL: <https://www.wolterskluwer.com/en/expert-insights/doing-business-in-the-netherlands>. Accessed 5 January 2025.

Zegers, C., 2024. Risk Matrix: What Is It and How to Use It. URL: <https://www.toolify.ai/blog/risk-matrix>. Accessed 2 January 2025.