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Sari Kapiainen

Market research for product Y in Finland

Case: Company X

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Abstract

Sari Kapiainen
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Instructors: Lecturer Minna Ikävalko, Saimaa University of Applied Sciences

This thesis was examining market research in theory and in reality. The learning points of this work was to understand the concept of internationalization and market research and how to implement the theory into research.

In theory the goal was to make comprehensive study about internationalization and market research and get the knowledge what aspects it includes. As a phenomenon internationalization is a wide topic which lead to the decision to delimit the content only for the company point of view. Theory includes the definition of internationalization and market research, research methods, data analyzing and entry modes. All the entry modes are represented in the theory even thought they were not used in the empirical part.

In empirical studies all the things which have been learned in theoretical studies were used for the actual research for the case company. The company decided to focus on one entry mode which delimited my research. This research was done for one country and one product. Not all the aspects from the theory were possible to find out or measure because the field of business was so special.

Research material and information for the theory part were gathered form the university's library's books, online e-books and articles. For the empirical part the material and information for the market volume and potential was gathered from the governmental institutions such as ministries and governmental data and statistic bases. Other information concerning about potential customers and competitors were gathered from the Internet by searching active companies and entrepreneurs from the same field of business.

This research offers complete information package for the case company. The aim was help to managers with decision making process about foreign market entry. It can be used for market strategies and product development plans for the future.

Keywords: internationalization, market research, market potential

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1 Introduction

Internationalization is more and more relevant for the companies nowadays. It opens more opportunities but also creates more risks. The most common reasons for internationalization are market opportunities (bigger target market, more volume), economical reasons (more profit) and financial reason (supply chain management and production costs).

The case company has already expanded to different foreign countries but has not explored the Northern countries. The vision of the company was not to be the biggest on the market but the best and the most innovative. Being international and high in technological solutions is one part of their vision. The company wanted to have a person from the market area to study the market because of the language and culture. Their field of business is directly connected to governmental regulations and statics about the market volume. The information was expected to be in country's native language and not to be easily found.

The decision making process was based on the results and what they would have to face by entering to the Finnish market. The revenue of the expansion had to be high enough and future expectation positive that the company would take the risk. Acknowledging the risks was one of the main effectors.

1.1 Objective

Objective of this study was to find out what is internationalization in theory: what are the motives and risk for it and what aspects it includes. As a next step market research was studied which is one of the most important aspect in internationalization. The goal of the market research was to find out is there market for the case company's product on the Finnish market and how to enter there successfully. It was important for the managers to acknowledge what it would require to expand their business to Finland. The current product had to be evaluate by it's technological factors and compare that to the requirements and demand in the Finnish market. Strategical thinking was very important in this study and the research focused mostly on the possible revenue.

Managers of the company told the most important effectors which are influencing on the decision making process about expansion. Research shows the results of the factors which were studied by the request of the company.

The conclusion shows comparison of internationalization and market research compared to real life case and actions. The aim of this was to demonstrate the flexible nature of internationalization methods and the way of doing market research and implement it into the actual entry plan.

1.2 Delimitations

Delimitations for the theory was to leave out all the financial matters in market research such as budgeting, risk analyses and investments. The theory represents internationalization and market research in general by using literature from scientific books and articles. Different entry modes are represented in the theory but only one of them were used for the empirical part.

Delimitation for the empirical part was to focus only B to B business and one entry mode in Finland. Focusing on only one entry mode was the request and delimitation from managers of the case company. Other delimitation for empirical part was information about the market prices and future expectations about the market growth. In this field of business, the prices of products were not shown on the websites of competitors. It was not possible to make interviews for other companies on the same business because the research itself was confidential.

1.3 Research question

The research question was structured in four different questions: the main question and three more sub-questions. The aim was to answer to all of these questions to give overview of the market. The main question formed followingly:

What is internationalization?

Defining the topic and study also three sub-questions were formed:

What aspects internationalization includes?

What kind of motives and risks internationalization includes?

What is market research?

1.4 Theoretical framework

Theoretical framework handles the topic of internationalization. What aspects internationalization includes and what are the effects of them. Chapter of internationalization leads the reader to the topic of market research which is one o the biggest aspect of internationalization.

Market research in the theory part consist of different aspects. Theory shows the generic way of doing market research and which aspect should be studied when executing market research. Each of these aspects are shown in the theoretical part. Theoretical point of view about market research reflects to the empirical study where market research was taken into action for the case company.

Following books were used for the theoretical part: Gerald, A. & Duerr, E. & Strandskov, J- International marketing and Export Management (2015), Hamersveld, M. & Bont, C-Market Research Handbook (2007), Hollensen, S.-Global Marketing (2017), Iacobucci, D. & Churchill, G.A. Jr- Marketing Research Methological Foundations 2010.

Each company has their own policies to enter to the foreign market and different views about it but theoretical part shows the most common way to do enter to the foreign market and to do market research and how to analyse the results of it. Certain factors were already decided by the managers when the research started. The entry mode is one example of that, it was given from the managers. Even though the entry mode was already chosen, the theoretical part shows all of them to demonstrate different opportunities to enter to the foreign market.

1.5 Research method

Qualitative research method was chosen because its flexibility. Case study is based on statistics and data which was already existed not collected by the researcher. The nature of the research was different from basic research where the researcher collected the data with questionnaire. With qualitative method it is easier to collect the data from different reliable sources and analyse it based on the opinion of the managers of the company, who were informing what information is relevant and what irrelevant. Difficulty with this method was that lot of information was found and choosing the most relevant information was time consuming. Other matter to be considered was the reliability of the sources. Only governmental and institutional data and statistics were used because they are the most reliable and also public information.

2 Internationalization

Internationalization may happen because of different reasons. One of the reasons is that it is just part of the process. The reason is that it is end of the result. In some organizations it is way of thinking or even absolutely necessary for the business. Rising opportunities and threats are direct effector for becoming as an international organization. (Albaum & Duerr & Stranskov 2005, p. 5.) Globalisation is increasing the competition in every field of business which makes many organizations to consider internationalization. International organization has more opportunities but also more risks and challenges. Hollensen has the same opinion than Albaum about the main reason of internationalization. It helps to increase competitiveness of the company, get more opportunities and develop new innovations and technology. Yet though good preparation must be done before entering to the market (Hollensen 2017, p.19.)

Internationalization is sign of being successful in the domestic market. Machová believes that when the company achieves the maximum market share and significant position on the domestic market, it starts to look for other markets to conquer. Expansion to the foreign market starts with the foreign countries who has similar culture than the company’s home country. This is the easiest way to implement the products in the foreign culture and customers. Successful internationalization is possible only with strong prior knowledge and experience of the managers (Machková & Král & Lhotáková 2010, pp.18-20.)

2.1 Motives for internationalization

Motives for internationalization are divided to internal and external factors. These factors divide into two different factors: proactive and reactive. Proactive is aggressive behaviour when reactive is more passive behaviour. Each aspect is effecting on the decision to become international. Internal motives are driven by external motives. When external motives are recognized, the internal factors are formed (Albaum & Duerr & Stranskov 2005, p.63.) According to Albaum (2005) motives and decisions can be also described as innovation oriented or problem oriented.

As earlier mentioned international company is innovative but the reason for internationalization can be also solution for recognized problem. If the company does not have proper market in their home country, the solution might be to offer their products and services in foreign country where is volume and more prospect customers. The goal of both of the reason is to get business more profitable and improve company's competitiveness. Table 1 demonstrates the motives of becoming international according to Albaum's (2005) theory.

	Internal	External
Proactive	Managerial urge Marketing advantages Economic of scale Unique product/ technology competence	Foreign market opportunities Change agents
Reactive	Risk diversification Extend sales of a seasonal product Excess capacity of resources	Unsolicited orders Small home market Stagnant or declining home market

Table 1 Classification of export motives (Albaum & Duerr & Stranskov 2005, p.63.)

Managerial urge is depending on the size of the company. Export method is influenced by managers' own desires and commitment. In small organizations the decision might be done by one or couple of persons but in big organizations, the decisions are usually made by decision unit (Albaum & Duerr & Stransvkov 2005, p.64.)

Unique products or technology might have good market position on the foreign market because it is very competitive. This is one big effector in decision to expand. Still it needs to be considered what is the revenue on the foreign market if the unique product is competitive on the domestic market, it can be too unique in foreign country (Albaum & Duerr & Stranskov 2005, p.64.)

2.2 Risks for internationalization

Risks diversification is about different type of business cycle. The way of doing business, executing payments and delivering products might be very different for domestic market. In this case budgeting and planning the business life cycle is way more difficult and the future is harder to predict. Different specification and required stardards can build obstacles between host and home country. Thus change agents like governmental institutions, trade offices, banks and other facilities might have strict rules for exporting companies. On the other hand, those facilities are also big sector of promoters what comes to information about exporting and importing (Albaum & Duerr & Stranskov 2005, p.65.)

Multinational trade can face triple threat problems. Even if the home country and the host country has no problems with the governmental regulations and law system, the third party may cause problems. Bribery and corruption is normal way of doing business in some countries. This creates big problems for the foreign companies who want to do business honest and ethical way. The company must be very careful with these matters. Sometimes corruption is not avoidable and company must consider are they ready to function in this kind of area where the political and cultural environment does not fit into their mentality and vision (Hollensen 2017, pp.219-220.)

Hollensen divides risks of internationalization in three groups. Some of the risks are acknowledged by the managers because of prior knowledge and experience of business. Yet though some aspect might create lack of knowledge which leads to the situation where company is not able perform as good as its required on the market. This lack of knowledge is called physic distance (Hollensen 2017, p. 70.)

General market risks are including the distance to the markets, implementation of the product into the foreign market, competition, developing the products for requirement of the local market, difficulties to find a cooperating partner, specification problems concerning the products and transport challenges. These are general problems and risks what the organization will face when exporting to the new country (Hollensen 2017, p. 70.)

Commercial risks include problems with foreign currency and other financial problems such as other parties obstacles to pay dues, or being bankrupt or not paying the products from other reasons or even committing a fraud. Problems might occure also in shippings and possible product damages during the transportation (Hollensen 2017, p.71.)

Political risks include problems with foreign taxation systems, customs (tariffs for foreign companies), limitation for payment methods for foreign companies, complex paperwork, strict regulations and legal system, corruption. These aspects are the ones which usually create the lack of knowledge. In some cases governmental issues can be known only with the help of the local firm (Hollensen 2017, p. 71.)

2.2.1 Risk and benefit demonstration

Foreign market entry has its benefits and risks. Company should consider whether its worthy to enter to the foreign market. Risks and benefits are recognizable in three different stages. According to Contractor (2007) the risks and benefits of internationalization can be divided into 3 different stages. Each stage is demonstrating the risks and benefits in different situations what organization will face. The stages are represented followingly:

Stage 1: Early internationalization

In this stage the company is considering to become international or has started already but international business in small scale. Stage 1 is expensive and risky for organizations because of additional cost of research and development (R&D). Domestic companies can get information more easily because they have knowledge where to look for. Incremental cost in this stage are higher than incremental benefits. Incremental cost such as R&D can cost lot of money and time for the foreign company when incremental benefits such as profits cannot be ensured because the company has not strong market position in the foreign market yet. In this stage financial benefit is negative (Contractor 2007 pp.455-456.)

Stage 2: Later internationalization

In this stage the organization is already familiar with foreign markets and growing their position in the foreign market. The organization is able to meet the requirements of the market and is ahead of other organizations who cannot meet the requirements for various reasons. Even organization with strong brands and patents might not be totally safe if they are not putting effort in R&D, plan effective supply chain management and lower the labour costs. Yet though multinational companies are strong almost in every market where they plan to go if the target market is correct. Their ability to use lot resources for R&D, lower costs for production and supply chain is their privilege. As an example multinational company can build producing facility in the foreign country to minimize the transportation costs. Still foreign currency and cash flow can create risks same as strategic flexibility between different countries and market. In this stage the financial benefit is positive (Contractor 2007, pp.456-459.)

Stage 3: Excessive Internationalization

In this stage the organizations are “over-internationalized” (Contractor 2007, p.459). Reason for this can be organizations way of bask in the glory because of its good performance or it can be because of strategic reason or just simply not knowing when to stop or when is the right moment stop entering into new markets. Financial benefits in stage are negative too because the company might have heavy costs for supply chain, production, foreign agents and R&D (Contractor 2007, p.459.)

When looking into these risks and problems what the organization will face. The risk of internationalization is more strategic. Choosing the right entry mode is absolutely necessary for the organization. Usually recognized problems are finance and political risks but these can be avoided by choosing the right entry mode. Risk and benefit control is strategic choice which organization has to consider very carefully. There are two main ways to enter to the market and they are independent way with high risk volume, possible high benefit volume too or letting someone else be in charge which has lower risk volume and lower benefits volume because of the fees what has to be paid to other organization (Brouthers 1995, p.11, pp.13-14.)

Company must consider how much operational decisions they want to make. Another organization as middle men can be good choice if they have required knowledge and experience of the market. Referring the previest chapter with “Stage 1” demonstration, lack of knowledge is big effector on choosing entry mode other considerable matter is cultural differences. Entering to the new market can be rather difficult without any knowledge of its business culture (Brouthers 1995, p.14.)

2.3 International market entry

Market entry mode is one of the main decisions when want to expand the business. There are multiple ways to enter to the market but the managers make decision based on the prior knowledge and experience (Machková & Králl & Lhotáková 2010, p. 66.) Revenue of the expansion is major effector and entry mode plays big role in that. Machová claims that the decision is based on company's resources, potential of the target market, business and political risks, control ability on the foreign market and information about the foreign market.

Albaum thinks that the company should consider the role of their products on the foreign market and do they meet the requirements of the customers. Secondly they should focus on segmentation and differation and consider the competitiveness of the company on that market. Thirdly the company must do strategic planning based on the information about market share, market definition, segmentation, positioning and the product life cycle (Albaum & Duerr & Stranskov 2005, p. 159.) This leads to the market selection which is strategy for market entry.

<u>Market selection</u>

Market selection includes the aspects of the market such as demands and requirements what the company must meet. If the company cannot meet the requirements and demands of the market, then market selection is not fulfilled. It is important to consider this when doing strategic planning for future actions (Albaum & Duerr & Stranskov 2005, p.160.) Market selection is divided in two different approaches.

Reactive market selection is passive approach where company uses second party for executing the expansion or research of the market. Second party is a partner from the target market who already has some knowledge and experience of the market. Passive approach is usually used with companies who are small or medium sized and do not have prior knowledge on the market. Local partner already has knowledge about the market possibilities and treats, governmental policies and taxation and customs (Albaum & Duerr & Stranskov 2005, p. 171.)

Proactive market selection is active approach with formal process. It includes proper **market research** and possible visits on the target market. Companies who are seeking new opportunities but are not sure whether the desired market is suitable for the company, are using this method. Reasons for using this method are divided into three different influencers (Albaum & Duerr & Stranskov 2005, pp.171-172.):

- Psychic distance
- Cultural distance
- Geographic distance

Psychic distance is formed when the managers are uncertain about the market and its possibilities. The access for the crucial information might be limited. Reason for this might be lack of knowledge where to look for the information or language barrier (Albaum & Duerr & Stranskov 2005, p 172.)

Cultural distance is formed when the managers have cultural differences with the target market. Some markets require strong knowledge about the market otherwise business deals are not closed. It is also resprecting the other culture by knowing the business culture and habits of native people. Depending on the cultural distance, the risk of offending other party is increasing (Albaum & Duerr & Stranskov 2005, p 172.)

Geographic distance is formed when target market and domestic market has a long distance. Research is necessary already because of the possible transportation costs compared to possible revenues. If exporting company is very far away from the target market it might be difficult to get information about the country and its market, culture and possible opportunities (Albaum & Duerr & Stranskov 2005, p. 172.)

2.3.1 Market entry modes

Exporting has indirect export and direct export. Indirect exporting means that the organization is using the help of other organization who is located in the target market. The exporting company is not having production facility of office in the foreign country but cooperating partner company is taking care of the sales and marketing. First we take a lot to indirect entry modes. Organization who has limited resources for expansion and might not have so much experience is usually using this way to enter into new market (Albaum & Duerr & Stranskov 2005, p. 282.). Direct export is when exporting company is selling products directly to the foreign buyer. A good example is when exporting company is selling products to the importing company. The importer is distributing the products to another supplier/ dealer who is selling them to the end users (Albaum & Duerr & Stranskov 2005, p. 295.)

Export buying agent

Export buying agent is a company or entrepreneur from the host country who is representing exporting company's products. Representative is always working for interest of the host who is paying commission to their agent. Exporting manufacturer is not in direct contact with the end user, agent is taking care of customer relationship and finding new prospect customers. Advantages and disadvantages appear with this entry mode. Exporting manufacturer is saving resources such as time and possibly money with this entry mode but they also do not have so much direct control to their marketing and building customer relationship. Current entry mode is easy for the small or middle sized organizations who are curious about foreign markets but do not have big resources for exporting (Hollensen 2017, pp.368-369.)

Broker

Broker is bringing the company and customer together but does not participate to sales itself. Their purpose is to find suitable supplier or distributor for the manufacturer. Broker can be active from the seller or buyer side. They are paid with commission and have no control to products marketing or operational decisions (Hollensen 2017, p. 369.)

Export Management Company

EXMC's are established exactly for this purpose: the handle importing and distributing the products. They can be specialised for specific field of business and its products or specific area in geographically. Risks for this entry mode are bipolar. Exporting is easier through big organization who is familiar with terms of delivery, taxation and governmental issues. They also have wide network and products are probably distributed fast. The operational risk that the home company does not have lot of control on their products in this way. The products might be promoted and distributed inappropriate channels (Hollensen 2017, pp.369-370.)

Trading company

Trading companies are main factor in supply chain management, financial matters and development. They can perform as consultant and deliver turnkey solutions to the seller. Some of the trading companies are focusing only foreign trade but some of them are also active in the domestic market. Trading companies are working fast and aggressive by find the buyer as soon as possible (Hollensen 2017, p. 370.)

Piggyback

This entry mode is formed when two non-competitive companies are cooperating. The host organization is taking cares of the sales and promotion. The products might be branded as the host company's own products or they can function the same way as agents. Advantages from the home company point of view are low cost of R&D and possible fast break through on the market. Disadvantages are possible quality control and warranty matters. Another concerning matter is that is the host company developing the product in the future so it can meet to requirements of the market (Hollensen 2017, pp.370-371.)

Importers

Exporting company can also function with importer. Challenge is to negotiate the prices for the products so it is profitable for both of the parties. On the other hand, risks are limited to transportation to the importer. After the products are arrived to importer, the risk for exporting company has decreased on the low level. The responsibility of the sales is on importer (Hollensen 2017, p. 372.)

Agents

Agent is representative of the company who is selling the products to wholeseller, retailer and supplying companies. Agent can be private entrepreneur who has wide network in the domestic market and is familiar with domestic distributors and retailers. This entry mode is advantageous for the export company because agents are familiar with the market, culture and way of doing business in that country. Lot of R&D costs are saved because of this (Hollensen 2017, p. 373.)

Intermediate entry modes are more suitable for big organizations who have more resources for exporting. These actions requirement more arrangements and negoation to work. Intermediate entry modes have four different entry modes (Hollensen 2017, p. 388.)

<u>Contract manufacturing</u>

In contract manufacturing the export company has manufacturing facility in the foreign country. Control of marketing, R&D, distribution, sales and servicing stays in the export company but the responsibility of the production is on the contract manufacturer. This reduces the risk of the export company if the market turns out to unprofitable because they are not responsible to manufacturing costs (Hollensen 2017, p.388.)

<u>Licensing</u>

Licensing is very similar to contract manufacturing since in that entry also the local firm is taken the firms sales and distribution in their responsibility. Yet though this methods requires more arrangements and research from the export company. Licence gives power the local company to sell the products as their own. Licencee has latitudes but also requirements from licencor. The licence agreement must be carefully detailed with both parties responsibilities and requirements. In licencing the licencor is still the main decision maker what comes to product's technology and its qualities. In some countries where governmental regulations are very strict, the licencing is the only possible entry mode because the government requires local company for governmental actions such as taxation and standars. (Hollensen 2017, p.390.)

<u>Francising</u>

Franchising can be suitable choice of entry mode for export but also in domestic market. When organization's business grows big enough it is easier to franchise their business to other countries. Franchising agreements are strict and very carefully considered. Basically franchising agreements should be equal in every country so the chain remains the same. They have same offers and sale strategy as good example of franchising are the restaurant chain Mc Donald's, clothing chains H&M and Zara. These companies are active globally but they have same principle of sales and business idea in every country. All the control of the business and its vision and business area stays with the franchisor (Hollensen 2017, pp. 392-393.)

Joint Venture

In joint venture two or more parties are sharing the risks and advantages on the market. Alliance is formed with the export company and local company/companies. Partners are on the same field of business and have same interest on the market. In this entry mode the partners combine their powers for one mutual goal. They can share technological expertise, production costs, R&D costs, sales expertise and knowledge about branding and marketing on the target market (Hollensen 2017, pp.398-402.)

3 Market research

When starting a market research, it is important to be aware of the past. What has happened in the past and were the actions and results successful? Knowing the past and the current situation is always part of the research for the future actions to be executed. Based on the consideration of the results of the research, current situation and the past, the managers can make strategic plan for the future. This is called marketing intelligence. (Hamersveld & Bont 2007, p. 6.)

3.1 Objectives

Market research gives precise overview of the market; possibilities, challenges, advantages and disadvantages. It is used as a tool for decision making process. Based on the market research the company can make business developing strategy or entry strategy for the market. Surveying the market enables the managers to knowledge what have to be done to make business better and more profitable and what it takes to achieve this. (Hamersveld & Bont 2007, p. 37.)

On the marketing point of view the study aspect are more detailed. When the point of view is in the wide picture for strategical thinking, also detailed thinking is necessary. Marketing research focus more on internal matters but these aspects can be used for study external matters too such as customers and competitors but it might be difficult to get information about them. According to Iacobucci (2017) marketing research studies following aspects:

- Product
- Pricing
- Distribution
- Promotion
- Buyer behaviour
- General corporate research

Researcher uses these aspects to study some certain market. Depending on the field of business and nature of the study not the all aspects can be studied but the basic structure of the study always considers same basic aspects. When company is making marketing or market research on the current market it is usually made because they want to increase sales and profit or increase customer satisfaction and add more customer value. Usually these matters are connected and the reasons for the research. Customer point of view is one of the major factors in this kind of surveys.

3.2 Market research methods

Market research can be classified as qualitative or quantitative research. Technology development has effected also in the nature of the definition of market research. Many research methods are mix of qualitative and quantitative research methods which suit better in the complex and large surveys. The purpose of market research used to be and still is to execute it in the individual project. Common reason is to find out the impact of the advertising. (Hamersveld & Bont 2007, p. 39.) The research can be based on solving recognized problem of the organization or its functions or to get more information for the future actions. Sometimes the problem is not recognized. The research might reveal important factors to consider or reveal why the business is not so successful as the company desires it to be.

Market research is always directly connected to the customers on the target market. The desires and demands of the customer and their behaviour is important for the company to know. The customer satisfaction and customer buying behaviour are the most common reasons for doing market research. This effects on the organization's strategic planning for sales and marketing. (Albaum & Duerr & Strandskov 2005, 214-215.)

When choosing qualitative method for market research, the organization must be aware that the result usually are less complex and scientific. Organizations who are driven by number might not rely so much on the result as they are not as reliable as numbers and statistics. (Hamersveld & Bont 2007, p.42). Even though the method would not be quantitative with very precise numbers, it cannot be said that the research is not reliable. Qualitative research can be also reliable if the source information comes from official sources such as governmental institutions or specialists.

Marketing research process has multiple steps which need to be studied. Firstly the company must profile their target customers and clients. Secondly they should investigate how well they fit in the requirements of the segment. Thirdly they should hire local person to execute the research which can be done through earlier presented entry modes. Fourtly they should use quantitative and qualitative methods for the research to achieve the most useful information about the market. Fiftly they should analyse the results by comparing the international foundis to their domestic market. This gives more perspective for possible international market entry (Aaker & Kumar & Leone 2011, pp.62-63.)

3.3 Political influence

Political institutions offer lot of information and data. Big organization have skills and experience to collect the information and data they need but smaller organization might have hire outside person to do it for them. Nevertheless, every organization uses the information from governmental and its institutions time at the time. Governments have wide range of information such as economical, social and political data, global marketing transactions, export opportunities, list of buyers, distributors and various agents, governmental regulations in the home- and host countries, foreign credit information and information which helps managers in decision making process such as export procedures and techniques (Hollensen 2017, p.222.)

Governmental codes and legal system in different countries defines the policies for exporting and importing. International companies are guided and limited by the states and their own regulations. In some countries exporting regulation and taxation might be very strict and have direct effect to exporting possibilities. Even though country can set up their own regulations, they are also bounded by the international agreements and treaties. In European Union conditions are harmonized for international business. (Machková & Král & Lhotaková 2010, pp.22-23.)

4 Conclusion

The goal of this study was to form concept of internationalization and market research and how to implement it in the case company's study. The objective was to find out how is the target market interesting with the volume and possibilities. The result of study was meant to help managers with decision making process weather enter to the new market or not.

Theoretical part was supposed to show the connection of internationalization and market research and what aspect they include. Based on the theory it was possible to execute the research for the case company and make proposal for future actions. Literature showed lot of different aspects to consider. All of these aspects were not possible to find out in the empirical study because all the information was not public or it required more experienced researches skills and wider network.

The empirical study was done proactive way with internal and external factors (Table 1.) The case company was highly innovative and considering more opportunities and positive effects than negative effects and possible problems. To achieve even stronger possible market position, the next step would be to study the market on the customer point of view. Behavior and demands of the customers are important especially for product development and promotion. Innovative company is considering both point of views: company's and customers' but customer behavior analyze takes lot of resources with time and money. It is understandable to study first what the market has to offer before deciding to put more effort on customers' buying behavior studies.

The objective was achieved and the market research was done successfully. Different factors and effectors were considered in the theory and empirical study. Nature of the research was very specialist because of the field of business. The main learning point was to use the learned knowledge in practice.

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