



# **MARKET ANALYSIS ON SWEDISH SOFTWARE MARKETS**

**FOR INFOBOARD EUROPE GMBH**

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Tampere University of Applied Sciences  
Bachelor Thesis  
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Degree Programme in Business  
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## ABSTRACT

Tampere University of Applied Sciences  
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SUVANTO, AIJA:

Market analysis on Swedish software markets for infoBoard Europe GmbH

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The objective of this Bachelor's Thesis was to provide an overview of the Swedish IT-markets for infoBoard Europe GmbH. The purpose of this Bachelor's thesis was to provide relevant and detailed information for infoBoard Europe GmbH for decision making. The research problem of this study was to find out what kind of market area Sweden is for software products and how infoBoard should enter the market.

This thesis was implemented as a market research and the information was collected by using secondary research. InfoBoard Europe GmbH did not have previous experience from the Swedish market. That is why the thesis focused on external secondary data. It includes information gathered by government agencies, information compiled for sale by commercial vendors, and various public-and quasi-public information available from diverse sources.

Despite the global economic crisis, the economy of Sweden has recovered well. The majority of companies are making a lot of investments on business software and they are willing to accept new innovations. Sweden has a sophisticated technological environment and companies are using the latest technology. However, the fast developing market brings its own challenges to staying in the competition. Swedish people are innovative and expect the same from the product. The company must be able to follow the current trends and forecast the future.

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Keywords: Market research, Information Technology, Software, Swedish market

## JOHDANTO

Tampereen Ammattikorkeakoulu  
Liiketalouden koulutusohjelma  
Markkinoinnin ja kansainvälisten liiketoimintojen suuntautumisvaihtoehto

SUVANTO, AIJA:

Market analysis on Swedish software markets for infoBoard Europe GmbH

Opinnäytetyö 47 sivua  
Joulukuu 2011

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Tämän opinnäytetyön tavoitteena on tarjota yleiskuva infoBoard Europe GmbH:lle Ruotsin IT-markkinoista. Opinnäytetyön tarkoituksena oli kerätä mahdollisimman yksityiskohtaista informaatiota IT- ja ohjelmistomarkkinoista Ruotsissa. Tutkimus ongelmana oli selvittää, millaiset Ruotsin markkinat ovat ohjelmistotuotteelle ja kuinka infoBoardin tulisi mennä markkinoille.

Tämä opinnäytetyö toteutettiin kirjoituspöytätyönä ja informaatio kerättiin käyttäen toissijaisia tutkimuksia. InfoBoardilla ei ollut aikaisempaa kokemusta Ruotsin markkinoista. Siksi opinnäytetyö keskittyy ulkoisiin, toissijaisiin tutkimuksiin. Se sisältää informaatiota, jotka ovat keränneet valtion virastot, kaupalliset toimittajat ja muut julkiset ja puolijulkiset tietolähteet, jotka ovat saatavilla eri lähteistä.

Gloaalista talouskriisistä huolimatta Ruotsin talous on toipunut hyvin. Suurin osa yrityksistä tekee paljon investointeja liiketoiminnan ohjelmistoihin ja he ovat valmiita vastaanottamaan uusia innovaatioita. Ruotsilla on erittäin kehittynyt teknologinen ympäristö ja yritykset käyttävät viimeisintä teknologiaa. Kuitenkin nopeasti kehittyvä teknologia tuo omat haasteensa pysyä mukana kilpailussa. Ruotsalaiset ovat innovatiivisia ja he myös vaativat paljon tuotteelta. Yrityksen on pystyttävä seuraamaan ajankohtaisia trendejä sekä ennustamaan tulevia.

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Asiasanat: Markkinatutkimus, informaatioteknologia, ohjelmisto, Ruotsin markkinat

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## 1 INTRODUCTION

### 1.1 The background of the thesis

In the 1990s Information technology (IT) changed companies' business life and the old technology made room for new innovations. IT is one of the main lines of today's business life. Development is fast and product lifecycle is short. However, the IT sector is strongly depending on the national economy and society's welfare (Rusko 2005, 562-563.) The global economic crisis during the years 2008 and 2009 caused difficulties also in the IT sector and the speed of development was retarded. However, the IT sector has recovered well during the past few years and the future looks bright. (OECD 2010, 24.)

The years 2010 and 2011 have been good and the IT production and markets have been stabilized. Despite of the growth in the IT sector Europe still suffers from poor macroeconomics which can reflect on companies desire to purchase. However, Asia has been able to increase its competition value and especially China and India have increased their IT goods. (OECD 2010, 24.)

The current leader in the world's information and technology industry is the United States followed by Europe. Asia is a fast-growing IT region and many global IT organizations are now investing in the Asian IT markets (Sia, Soh & Weill 2010, 60.) InfoBoard's home country, Germany, leads the IT business in Europe and is one of the leading software and applications exporter in the world. Over 90% of the German IT companies are providing software and IT services like infoBoard. (Wilén 2010, 36.)

Most of the infoBoard's current customers come from Germany. The product has also increased its demand in other German spoken countries. The company believes that the product could also have demand in other countries, because it is easily adaptable for different kind of business planning. The product can be translated to another language as well. The company wants to try the Scandinavian markets to reveal the opportunities it has to offer to expand their business activities. Before the company can enter to the markets it needs

a market research. The company's knowledge of the Scandinavian countries is very poor, but they decided to start by conducting a market research in Sweden. Because of the limited amount of capability to invest on the research, the company decided to study first the data which is available before investing on the chargeable studies.

## 1.2 Introducing the partner company

InfoBoard Europe GmbH is a company that produces software. It has approximately 10-15 employees at the office in Hamburg. It produces electronic planning board software for companies and currently the main customers come from Germany and German spoken neighbor countries. The software infoBoard is a computer tool for you to make plans like on a planning board. The product fits in every planning need regardless of the branch. The four main planning needs are workforce planning, machine planning, project planning and assembly planning. At the beginning of the year 2011, infoBoard presented a new version of the electronic planning board which has more functions than in the old one.

## 1.3 The objective and purpose of the thesis

The objective of this Bachelor's Thesis was to provide an overview of the Swedish IT-markets for infoBoard Europe GmbH. The main reason for conducting a market research before making any decisions is the fact that InfoBoard does not have a previous knowledge of the Swedish market. The purpose of this Bachelor's thesis was to provide relevant and detailed information for infoBoard Europe GmbH for decision making.

#### 1.4 The progress of the research report

This report is divided into five parts. The first part, introduction, gives background information why this report has been written and what kind of company is behind this thesis. The second part, chapter 2, contains a literature review which gives the theoretical information about market research. Third part, chapter 3, introduces the research method which is used for doing this survey. All the relevant information about Swedish markets has been collected to the fourth part, chapter 4. The final part of this thesis, chapter 5, is the conclusion which summarizes and analyzes the gathered survey results.



## 2 LITERATURE REVIEW

### 2.1 Market research

Market research exams the current or new potential markets. According to Hague and Jackson (1999) there are different areas that market research can study and it can be applied in any markets. Market research can be carried out with different techniques depending on the market's nature. However, the market research has to cover certain areas in order to be capable to offer information for marketing plan. Market research can study the market size for the company's product for the new potential market and how the market is structured by suppliers, competition, distribution and market trends. Market research will help the company to develop its already existing marketing by offering more specific information about consumers' behavior. (Hague & Jackson 1999, 11–16.)

Market research differs depending whether the consumption unit is consumer or organization. Hague and Jackson (1999) thinks that the decision making process is more complicated in an organization; the decision making process involves a many different groups such as the production, technical, purchasing and financial departments. Also the market structure in business to business is different than in consumer markets. Business to business environment includes a few companies which mean less purchasing power than in consumer market. (Hague & Jackson 1999, 11–16.)

Market research helps a company to make a right decision concerning a market entry. It is relevant for both strategic and tactical decisions to avoid lost market opportunities and costly errors. Strategic decisions are the decisions such as which market is the best for the company to enter and what is the most profitable way (exporting, licensing, join venture) to enter it. Strategic decisions cover also to which direction company should set her the production opportunities. Tactical decisions are concentrated on marketing mix which contains product, price, promotion and position. By examining the marketing

behavior in the target market, company gets essential information for planning its advertising, sales promotions and sale forces. (Gillespie, Jeannet & Hennessy 2004, 170.)

Market research is meant to provide a sufficient data and analysis on whether the market is right for the company and how they can enter it. In order to reach this the company needs current information about the market size, customer needs, competition and relevant government regulations, before market entry decision. Every new country brings a new business risk, but with market research the company can get a picture what to expect and what kind of opportunities the new country can offer. All the elements of market research are relevant criteria for selecting target countries. (Gillespie etc. 2004, 170, 208–209.)

Traditionally market research contains three different fields what should be examined closely before making a country selection: Market-, competitive- and environmental studies. Market study is contains the size of markets and potential of customers, competitive study is a review of competitors and environmental study gives a survey of the economical, political and legal context of potential markets. (Gillespie etc. 2004, 170.)

### 2.1.1 The purpose of the market research

Especially software companies are using the latest technology and that is why the potential market must have a high level of infrastructure technology for being able to use the product. Most of the software companies forget the behavior of the customers, because they have so strong belief in the benefit of the new product. It might be that the customers are not ready to adapt a new high-tech product to their business activities or their attitude to try something new to run the business can be negative. It takes time to implement new software in a company's daily work and to get know how to use it. (Le Clair 2005, 5.)

Market research studies what kind of infrastructure the target market has, what are the expectations of the customers and how open-minded the culture is there. It will also give tips of coming trends and advices to what direction the product development should go or how the company can position a product better in foreign markets. This is all very important knowledge for the future development. (Gillespie etc. 2004, 170.)

As mentioned before, the software company needs a good technology infrastructure. But in order to go to global markets it needs also effective development system for the product to be able to enter to a foreign country. Software product has to be capable to response the different and variable needs what new users will have (Software Business and Engineering Institute 2005.) To be able to compete in global market the company needs objectivity, tolerance towards cultural differences and ability to be capable of following the changing market trends (Ghauri & Cateora 2006, 24). It might be that the applications that the companies are using in the target country or the working environment of the companies are totally different than in the home country. The company is maybe forced to develop a different variant from the original version or to produce the software in another language to be able to approach the new target market. (Software Business and Engineering Institute 2005.)

### 2.1.2 Market study

It is more attractive to enter the new country when the market potential of the product is large. The size of the market and its growth can be measured with two different indicators; macro-and micro. Generally the first stage is to start from macro indicators, because the data is easily available and readable. This is a quick way to eliminate those countries which have little or no potential demand. When the company wants to examine the market size more closely it needs micro indicators which will point out the actual consumption of a company's product or comparable product. (Gillespie etc. 2004, 209–211.)

Macro indicators of market size are more general information about the target country. Geographic indicator will tell the size of the country, in terms of geographic area, climate conditions and topographical characteristic. Demographic indicator focuses on the population of the country. It tells the total population and what is the growing rate, age distribution of the population and degree of the population density. Economic indicator is focused on the consumption of the people and the economical situation of the country. It gives the economical information like total gross national product, pre-capita gross national product, pre-capita income, personal or household disposable income and income distribution. (Gillespie etc. 2004, 209–211.)

Macro indicators are more general information about the size of the market and they do not necessarily represent consumers' need for the product. Micro indicators instead show the demand of the customers which can be measured by a different indicators depending on the product. These indicators can be the number of the companies which are using software to plan their business activities or how willing they are to adapt a new application in their business functions. (Gillespie etc. 2004, 209–211.)

### 2.1.3 Environmental study

Like in the market study we can approach the environmental examination also by macro and micro indicators. In the business environment the macro indicators mean the background forces behind the company's activities which have an occasionally, irregularly and indirectly impact on the company such as demographical, economical, natural, technological, political and cultural forces. Micro indicators in the environment contain factors which have closely influence on company's business like customers, suppliers, labor force and competitors. These groups are forming both directly and frequently impact on the company. (Rowley 2006, 30.)

To examine more closely the macro environment, there are a many acronym combinations to analyze these indicators. The most common way to form the

analysis is STEP or PEST. Those letters means social-, technological-, economical- and political factors. The following paragraphs will give a short introduction to what these factors means in the market research. (Campbell, Stonehouse & Houston 2002, 115.)

The social environment is a combination of the size of the country's population, demographic trends and customer's behavior. A growing population increases the size of the potential market and the available supply of labor. To be able to evaluate the demands of the customers, the company needs the information from the aspect of the lifestyle and culture. (Kotable & Helsen 2004, 216–217.)

The technological environment measures country's development level and it can provide both opportunities and threats. The successful company will and is able to adapt the changes which are caused by the technological development. The most affective change is the change of product demand. It might be that the technology is developing in the way that the product is too old and useless for the new market. That will force the company to the product development or replace the old product with totally new invention. Technology improvement affects also the way of doing business. For example many production functions have become more automatic and the same amount of staff is not needed any more. (Campbell etc. 2002, 124–126.)

The economical situation study measures the potential purchasing power of the customers. The economic environment consists of the rate of growth of output and income, the level of employment (or unemployment), the rate of inflation, the exchange rate and the balance of payments. The economic changes are closely related to people's social welfare. (Campbell etc. 2002, 122–123.)

The political environment concerns the activities of the State and trends in politics. The trade regulations and tariffs are closely connected to a foreign company's activities and the international agreements bring its own policy on trade and custom regulations. Political changes have a huge impact also on social welfare and amendment to the law. (Campbell etc. 2002, 120–121.)

#### 2.1.4 Competition analysis

A competition in a foreign country is more difficult to determine than market size or environmental risks. Company's ability to enter and compete profitably in the new market depends on the number, size and quality of the competitors. Competitive analysis is usually the last part of market research, before the country selection, because of its difficulty to reach the accurate information. Reliable sources of competition information can be found from the government, embassies or chamber of commerce. If the sufficient data cannot be found from those sources then the last step and normally the most expensive one is to go to the country and interview the potential customers in order to get a picture of the size and strength of the competition. (Gillespie etc. 2004, 212–213.)

Companies should also take a look at the future competition and not only the current one. Nowadays mergers and acquisitions are common and it can change radically the competition situation. (Czinkota & Ronkainen 2007, 117.) Technology industry is a very innovative branch and it requires lots of research and development. It might be that the small company has an innovative idea for the market, but it often has difficulties to obtain the needed capital to execute the new idea. (The Economist Intelligence Unit 2009, 15.) Especially the software companies that have not been a long time in the market may not have enough resources to develop the product in the same rhythm than for example the technology industries. It might be that the software cannot be able to respond fast enough to the changes, because of the company's low development on production (Le Clair 2005, 5, 8.) Sometimes acquisition with a global brand can be the only way to compete in the new country. This should be taken in to consideration when the company is planning the entry strategy. (Czinkota & Ronkainen 2007, 117.)

Many governments consider the IT sector as an important element of economic growth and that is why they want to develop the long-term IT sector competitiveness. According to the IT industry competitiveness research in 2009 by The Economist intelligence Unit, there are six main factors for the competitive business environment in IT sector: the quality of the local technology infrastructure, the availability and quality of IT talent, the innovation

environment, the legal regime, and the overall business environment, as well as the government's technology policy itself. (The Economist Intelligence Unit 2009, 2.)

## 2.2 Country selection

Country selection begins with determination of type of foreign markets to which the company wants to pursue and then making the decision which countries it specially want to target. The world has more than 200 countries and territories so it is very challenging to try competing in all of these. The Company has to be ready to add additional investment in management time and effort, as well as in capital, to enter into another country. Each country has its own features and risks. The real results and profits in new country can be seen after a longer period. It is not easy to step into new markets and it takes time to build up a good working business in a new country (Gillespie etc. 2004, 208–209.)

Market similarity is one criterion for country selection. Companies believe that it is easier to enter a market which physical distance is close to the home market. When the new market has the same language, a similar distribution system and similar customers, it is much simpler to approach than a market where these variables differ considerably from the company's domestic markets. Companies want to minimize risks by choosing the market that does not differs so much from the own culture (Gillespie, etc. 2004, 214–215.)

However, the market selection based on similarity is not as simple as it looks like. The market similarity has to be balanced with the size of the market. For example Australia may have the same kind of features than United States, but the demand in Australian market is much less than the demand in China or Indonesia. Second problem is that a company can underestimate the market based on similarity. A good example is one Canadian retail chain which entered to United States assuming that new market was the same than home market, only larger. They started the retail concept in the same way that it was in Canada, but soon they noticed the difference between those markets.

Consumers in United State demanded more service, used more shopping value based on bargains and consumers product loyalty was not on the same level as in Canada. The competition in United State was also tenses than in their home market (Gillespie etc. 2004, 215.)

The evaluation of markets requires gathering of relevant information on each country and filtering out the less-favorable countries. A wide number of market opportunities correspond to selection process with a series of steps. It is not worth while conducting a marketing research in every country of the world for the company, so it has to make screening process even if it might lose a good market potential opportunity. The common mistakes that the companies usually make are ignoring countries that offer a good potential for the company's product or service and spending too much time investigating countries that are poor prospects. The company should first have a look at the secondary data to get a quick overlook of the countries that are the most promising ones (Gillespie 2004, 209.)

A good way to screen countries is to set up minimum standards criteria that the country has to fill. When the first screening process is completed, the criteria pattern comes more demanding. The analysis can begin by measuring gross national products. This gives an outlook on what is the situation of the national economy and how mature the technical infrastructure will be. The selection will continue by examining how sophisticated the technological readiness is and is the potential market able to use high-tech product. Then the company can chart the potential customers, risks and competition. The management of the company can decide to enter the market which has already high competitive, but then they have to monitor the technology development to be able to block the competitors (Gillespie etc. 2004, 215–216.)

### 2.3 Entry strategy

For most of the companies, the market entry strategy is one of the most important marketing decisions. Especially for small and medium-sized



companies the decision how to enter the target market is a first critical step. (Doodle & Lowe 2008, 231.) So far infoBoard has used distributors as a channel to enter the new market. InfoBoard is willing to use this market entry strategy also to approach the Swedish market. However, this entry strategy has not been successful in every country they have tried to enter, so this thesis will exam how suitable it is to use distributors in Swedish market and from where they could find them.

The software developers are often more willing to concentrate their resources to write applications programs around technology platforms than concentrate on the marketing of product. A partner can provide the missing knowledge and save time and costs to enter the market. However the partnership requires many features to be a successful for the business. Both parties are depending on each other. To be equally motivated they both have to have something to give to each other. Past research has pointed out that the more equally sized companies are the more likely the cooperation will be successful. (Mohr, Sengupta & Slater 2005, 86–87.)

Partnership requires also trust. Partners' have to be sure that the decisions have made to thinking both companies benefits. The communication between the both companies' has to be well organized that the information is moving smoothly and keeps both parties updated. Corporate cultures bring its own challenges to make business with company from another culture. The governance structure like terms, conditions, systems and process have to be also suitable for cooperation business activities. (Mohr etc. 2005, 92–93.)

Finding a good distributor for the target market is not everything what company has to think before entering the market. The timing has to be right as well. Especially on the field of technology where the products are developing fast the time to enter the market is very essential. Market pioneers have an advantage to conquer the market first and so earn the strong position on the market. However, the pioneer has used a lot of invest for planning and producing the product and they had to also train the customers to use it. The later entrants are saving those expenses and are able to present the product with a higher performance level or compete with better price. (Mohr etc. 2005, 47.)

## 2.4 Global IT and Software Market

Information technology (IT) underwent a breakthrough in the 1990s. Since that it has reorganized companies' business life and displaced the old ways of doing business. Nowadays the information technology has risen to be one of the most significant lines of business. The development in this sector is so rapid that it is hard to follow the structure of the sector. Product lifecycle and development are moving fast and the sector is frequently procuring new types of innovations. The development of information technology depends strongly on the national economy and society's welfare. (Rusko 2005, 562–563.)

Rauno Rusko (2005, 561) from University of Lapland, finds it difficult to define the IT sector, because it includes a large amount of sub-sectors which all are forming own line of business. Swedish IT & Telekomföretagen (2011b) divides the IT sector into four sub-sectors: Software and IT services, Tele-and data communications, manufacture of hardware and retail and services of computer (IT & Telekomföretagen 2011b). The Organization for Economic Co-operation and Development (OECD) has defined the sector since 1998, but today's IT production is diverged into many industries and the output can be either primary or secondary. That is why OECD has to continuously develop the definition of IT sector to keep up with the technology and market developments. (Roberts 2009, 18–20.)

During the years 2008 and 2009 IT sector had difficulties, as many other sectors, caused by the economic crisis. The years 2010 and 2011 have been good and the IT production and markets has stabilized. Despite of the growth in the IT sector, Europe still suffers from the bad conditions of macroeconomics. Asia has increased its competition value and especially China and India have increased their IT market share. (OECD 2010, 24.)

The globalization is a big trend in today's business and the worlds markets are coming more and more cohesive, using much the same ways to satisfy customers' needs and desires. International marketing is no longer concerns only a multinational- or global firms, also the small and large firms are forced to

be involved in or influenced by international marketing activities. The developing of technology has caused the effect that customer will hear, see or experience the product faster than before. (Ghauri & Cateora 2006, 21, 23.)

Approaching the market plan and market mix from a global perspective means reconsidering the strategy, pricing, advertising and distribution channels. It might be necessary to use some other methods in a foreign country that in a home country. (Ghauri & Cateora 2006, 21.) The Globalization plays a big role also in IT sector. Many companies are using Mergers and acquisitions to enter the new markets and this has an influence on the global ICT markets structure and it reforms also the supply channels. (OECD 2010, 97.)

The current leader in the world's information and technology industry is United States followed by the Europe. Asia is a fast-growing IT region and many global IT organizations are now investing their assets to Asian's IT markets. Also the main global leaders like Microsoft, Intel, Procter and Gamble are moving their attention to the Asia. (Sia, Soh & Weill 2010, 60.)

Microsoft is acting in 90 countries by developing, manufacturing, licensing and marketing software. Intel produce semiconductor chips in 60 countries and is the largest producer in that segment. Procter and Gamble leads the consumer products' manufacturing especially in beauty care, household care, and health and well being sectors. (Sia etc. 2010, 60.)

InfoBoard's home country Germany has Europe's largest telecommunications markets. The technology is highly developed and the total value of information and communication technology (ICT) sector was 133,3billion Euros in 2008. Germany's ICT sector is divided by four segments: telecommunication (66.1 billion €), IT-services (35 billion €), IT-machinery and equipment (19.5 billion €) and software (15.4 billion €). Germany is one of the leading software and applications exporter in the world and over 90% of the ICT sector companies are producing software and IT services. (Wilén 2010, 36.)

Examining more closely the global software markets, the Americans are dominating the sector by 47% of the global market value in 2009. Europe accounts for 33.4% and Asia-Pacific for 19.7%. The Figure 1 represents the global software market share by value in 2009. (Datamonitor 2010a, 11.)

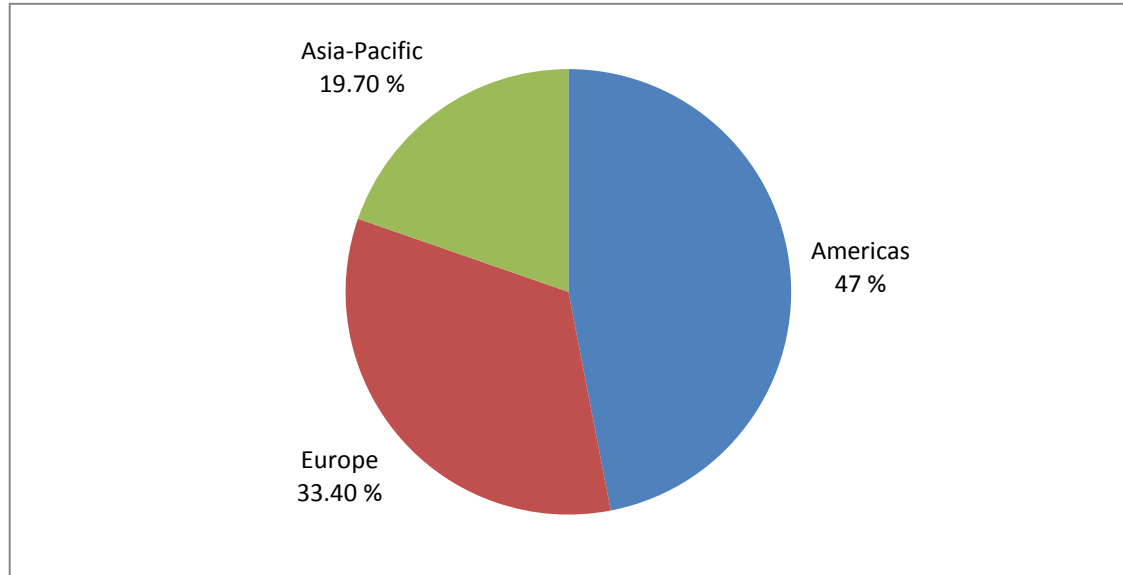


FIGURE1: Global software market share by value in 2009 (Datamonitor 2010a, 11, rewrote)

In 2009 the global software market's revenue was \$225.5 billion, but it's expected to arise to \$229.1 billion by the end of 2014. Microsoft, International Business Machines (IBM), Oracle and SAP are the leading companies in the global software sector. (Datamonitor 2010a, 2.)

The German company SAP shows how strong position Germany has in the global software business. Germany accounts for 26.4% of the European software markets and the second is United Kingdom by 18.7% and third is France by 17.5% of the market value in 2009. The Figure 2 shows how the software market is shared by value in the Europe. However, the four global leaders Microsoft, IBM, Oracle and SAP are dominating also the European markets. (Datamonitor 2010c, 11.)

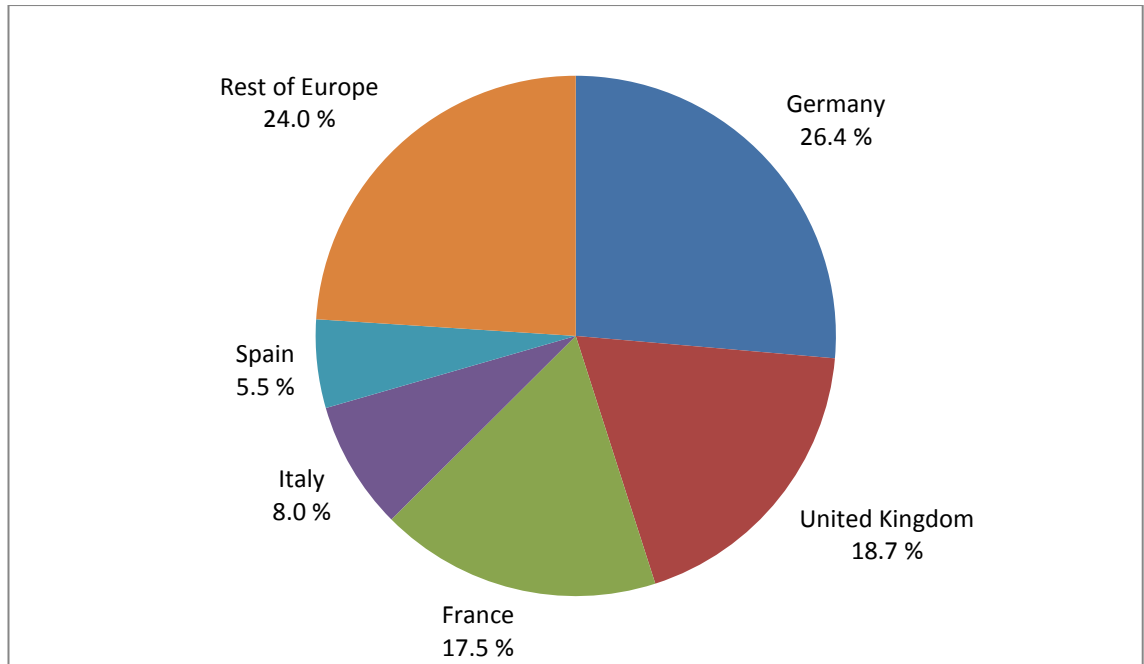


FIGURE 2: European software market share by value in 2009 (Datamonitor 2010c. 11, rewrote)

European software markets achieved \$ 75.2 billion in 2009 and the forecast for year 2014 is \$ 94.4 billion ((Datamonitor 2010c, 8). Even if the Asia-Pacific is a rising region it will still stay behind the Europe in following five years. The value of Asia-Pacific's software market was \$ 44.4 billion in 2009, but it is expected to increase up to 51.5% by 2014. (Datamonitor 2010b, 2.)

Japan is dominating the Asia-Pacific's software market by 50.3% of the market share by value. Second largest share 22.6% belongs to China. South Korea and India are sharing 9.7% of the market value. The following Figure 3 represents the division of software markets in Asia-Pacific. (Datamonitor 2010b, 11.)

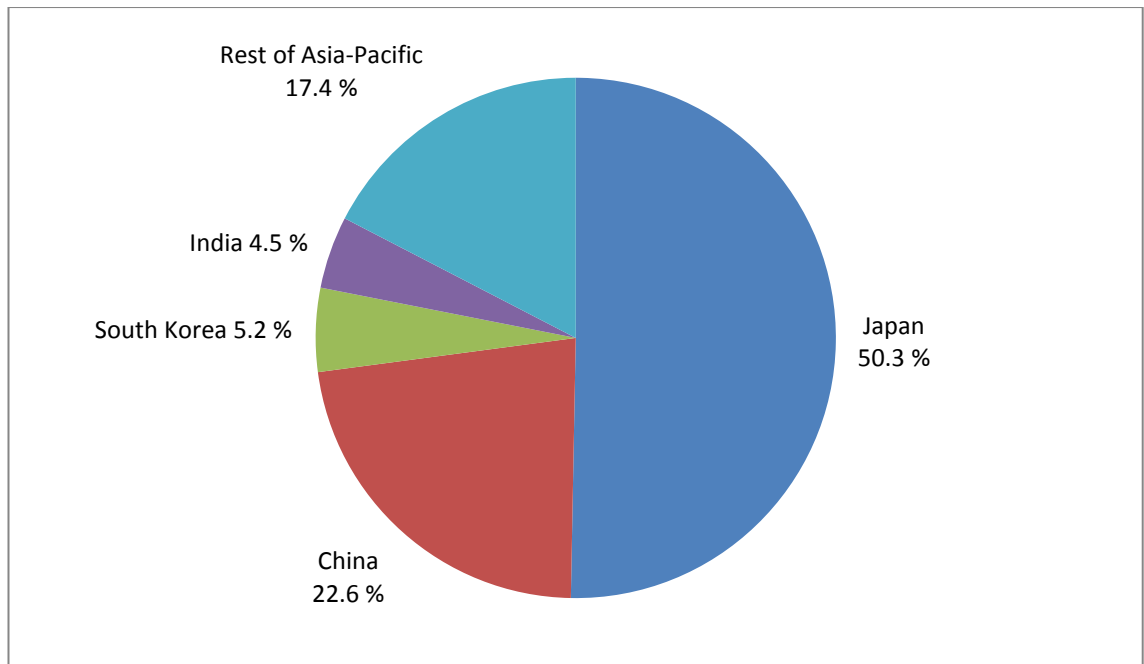


FIGURE 3: Asia-Pacific software market share by value in 2009 (Datamonitor 2010b.11, rewrote)

Michael A. Cusumano (2004) compares how the different continents are treating the software business. Cusumano has the experience that the European companies are treating software as a science while Americans sees it more as a business. This theory explains the Americans leading position in a global software market. Cusumano thinks that the European are putting more effort to achieve elegance in software design and competing with their excellent technical skills while Americans are shipping products for mass markets. Japanese are providing significant program writing skills for all sorts of applications, but most of the products are directed to specific customers in Japan. (Cusumano 2004, 10.)

### 3 RESEARCH METHOD

#### 3.1 Research problem

The research problem of this study is to find out what kind of market area Sweden is for software products and how infoBoard should enter the market.

#### 3.2 Introducing of research method

This bachelor thesis has been written by using case study as a research method. Case study has been part of the natural-sciences positive philosophy, but it has recently become into its own research method. Woodside (2010) keeps case study as an inquiry that focuses on describing, understanding, predicting, and/or controlling the individual. (Woodside 2010, 1.) According to Gillham (2010) an individual case study can concern a group, institution or community. A case study is mentioned to answer for specific research questions. It is not exclusively qualitative method, because all the results are pulled into researcher's data collection. A case study is a main method, but the data collection can be made by various types of methods like interviews, observation, or documented and record analysis. (Gillgam 2010, 1, 10.) Case study research is a good method when it comes to market or marketing research (Woodside 2010, 2).

### 3.3 Introduction of data collection

This thesis has made by using secondary data, because it is advantageous and quickest form of market research. The small company did not have resources to invest in expensive market reports. So called desk- or library research is further depending on the amount of available and reliably data that can be found (Gillespie etc. 2004, 173–174). Secondary research can be divided into internal and external secondary research. Internal secondary data is collected from company's internal sources like sales reports, customer databases and reports past primary market research. Because infoBoard does not have primary experience from the Swedish market this research is focused on external secondary research. External secondary data includes information gathered by government agencies, information compiled for sale by commercial vendors, and various kind of public-and quasi-public information available from diverse sources. (Van Hamersveld & De Bon 2007, 53.)

Regardless of research problem, the first step will be the location and analysis of secondary data. Researcher should think who will know most about the sources of information on a specific market. (Gillespie etc. 2004, 174.) For example government agencies are collecting enormous amount of demographic and economical data, when commercial vendors are gathering more specific data from the sectors. A good report is a mix of a variety data. Researcher can use libraries, databases, phone calls and even some primary market research such as interviews or surveys. Public- and quasi-public data sources contain anything that is published in a newspaper or magazine like trade magazines. (Van Hamersveld & De Bon 2007, 53.)

### 3.4 Strengths and weaknesses of secondary data

The strength of secondary research is that the data is generally quickly available at a reasonable cost. A few days in the library can already bring answers and saves thousand of Euros. The positive feature of secondary data



is that it already exists and is easily available. A particular strength of external secondary data is that the reports are written by analysts with broad experience and the perspective is provided from outside. Some secondary data is not reasonable to collect by any company by themselves like population. (Van Hamersveld & De Bon 2007, 60.)

The weakness of secondary data is that the data has been collected by other people for other purposes. That is why the data might not correspond with the data that it is needed for the market survey. Also the reliability of the data might suffer because marketer cannot be sure how the secondary data has been collected. Even the report has been written in a good way it will not offer the absolute truth and that is why resource should check the information from various sources. (Van Hamersveld & De Bon 2007, 61.)

### 3.5 Analysis of the research material

The research material is collected from various resources using most trustful sources like governments' agencies, associations and commercial vendors. Combining the results gives an overview of Swedish IT and software markets' features and structures.

## 4 SWEDISH IT MARKET

### 4.1 Evaluating the entry risks into the Swedish market

Sonja Antell from The official Export Credit Agency of Finland (2010, 9–10) has classified Sweden as an advantage economy. A.M. Best Company has used the country risk tier to analyze the risks what companies are going to face entering the markets. This analyzing pattern covers three categories of risk: economic, political and financial system risk. The report shows that Sweden belongs to category CRT-1 in every level of risks and this means that Sweden has a very low level of risk including all of the three categories. (A.M. Best Company 2011.)

Until the end of the 19th century, Sweden was not a welfare state. Actually it was one of the poorest countries in Europe, before the industrialization changed this dramatically (The Swedish Institute 2010.) The long peace period during the whole 20<sup>th</sup> century, Sweden achieved its good standard of living under a mixed system of high-tech capitalism and external communications, and a labor force with good skills (The Central Intelligence Agency 2011). Sweden became a member of the European Union (EU) in 1995, but however it has not joined the European Exchange Rate Mechanism (ERM). (A.M. Best Company 2011.)

In 2003 Swedish voted for entry into euro system, but the result was negative because of the concern against the impact on the economy (The Central Intelligence Agency 2011). During the year 2011 the Swedish krona's exchange rate rose 20% more expensive comparing the US dollar. This sets pressures on Swedish export companies to raise the prices to cover the increasing costs. (Ruotsalaisyrikykset hermostuivat 2011.)

Despite of the economic crisis, Sweden's economy has recovered well (Ruotsalaisyrikykset hermostuivat 2011). However the inflation rate has increased, because of the level of Swedish krona's exchange rate (Antell 2010, 10–11). According to Sveriges Riksbank, the inflation rate in now 3.2%. The

target of the Riksbank is to keep the inflation rate at 2%. (Sveriges Riksbank 2011.)

Sweden invests on free trade policy and its economy is strongly depended on foreign trade (Antell 2010, 12). The foreign markets are dominated by timber, hydropower, and iron ore. Privately owned companies have 90% of industrial output. Engineering sector has the largest output and exports with 50%. (The Central Intelligence Agency 2011.) The free international trade has been profitable for Sweden, especially for industry- and service sector which have been pioneers in many field after the Second World War. (Antell 2010, 12.)

Sweden is supporting actively World Trade Organization's free trade policy and it is member of OECD and the World Bank. Besides the EU-countries Sweden has improved free-trade agreement also with middle- and east Europe, and Baltic- countries. Sweden follows trade preference treatment with the developing countries. After coming part of EU, Sweden kept its membership in EEA to support effective trade with Norway, Liechtenstein and Island. Sweden is also member of Council of the Baltic Sea States (CBSS) and Barents Euro-Arctic Council (BEAC). (Antell 2010, 12.)

Sweden offers all the establishment and distribution ways what are used in western trade (Antell 2010, 12–13). A good distribution channel depends on the product or service, but most typical way to enter into the Swedish market in IT sector is to find a good local partner or to make the sales via the internet (Suomalais-ruotsalainen kauppakamari 2011). Chambers of commerce are helping the companies to find a partner if they are looking for cooperation or want to sell or buy products and services. The virtual business to business meeting point is located in website [www.chambertrade.com](http://www.chambertrade.com) and it is jointly owned by eight Swedish Chamber of Commerce. Other website for finding information on Swedish companies is [www.bulagsverket.se](http://www.bulagsverket.se). (Swedish Trade Council 2011.) Around 2/3 of the Swedish total import are sold to wholesale trade or importers. The information and guidelines among others trade policy, import licenses, rules of origin, border formalities, import documents and custom regulations are given by Svensk Handel. (Antell 2010, 12–13.)

The positive features in Sweden's markets are good distribution- and transportation infrastructure. The government has reform its taxation system

more favorable for foreign invests. Sweden has collected its welfare capital during a long period. International big business is playing a big part in Sweden's market comparing the size of the country. The negative sides of the market are that Sweden is not part of Economic and Monetary Union, private people has high income tax rate and in many sectors there are already settled competitive positions. (Antell 2010, 6.)

## 4.2 Opportunities

### 4.2.1 Macro market potential

Thought Sweden has a large land area, it does not have a sufficient domestic market. That is why the companies were "forced" to expand their business in worldwide. But this has given Swedish companies an advantage in international competition. Many multinational export companies and brands are established in the 20<sup>th</sup> century, when the economy was developing rapidly, for example: Volvo, AstraZeneca, ABB, IKEA, Ericsson, Electrolux, H&M, Saab and Absolut. The future forecast for exports is that the industries such as IT, biotechnology/biomedicine and environmental technology are increasing their importance and the creative industries such as design, fashion, music and gastronomy are maintaining their attention in worldwide markets. (The Swedish Institute 2010.)

Sweden's economical situation became weaker in 2008 because of international economic crisis. But in 2010 Sweden's economy recovered even better and faster than it was forecasted. (Ulkoasianministeriö 2011.) According to Nordea Bank, GDP and unemployment level has returned to the same level that it was before the financial crisis. Thanks to the good recovery of foreign trade the GDP has grown strongly. Nordea Bank is forecasting that the GDB will grow in 2012 more than the forecast was before. (Nordea Bank AB 2011, 10.)

Sweden is the third largest country in Western Europe but it only has 9.4 million inhabitants. Even Sweden is a long country (1.574 km), most of the population 90% lives in southern Sweden where is located the three largest cities Stockholm (capital, 1.2 million inhabitants), Gothenburg, and Malmo. (The Swedish Institute 2010.)

Sweden is making large annual investment in education and research and it is well-known of its good education level. Development appears also in information and communications technology, where Sweden is one of the leading countries in the world. (The Swedish Institute 2010.) However the current problem in labor market is that there are not enough workforces in special know-how sector like in rapidly growing service companies, information technology, school system and health care sectors. (Antell 2010, 6.)

Despite of high technology level, Swedish people love their nature and concern for nature is playing a big role in future decisions. That is why Sweden is also putting a lot of effort to improve the environmental technology, which will be one of the most important industries in the future. (The Swedish Institute 2010.)

Swedish government's essential goal is to reduce unemployment. Government has always followed active employment politic and they have been able to keep open unemployment low with government officials' employment projects and education. Works productivity has growth during the past year and Swedish are working on average 41 hours per week, which is more that average in EU. Approximately 25% of workforce are working part-time job. In Sweden almost 90% of employees are part of the trade union. The trade unions have a strong position most of the wage negotiations are lead by them. (Antell 2010, 6.)

#### 4.2.2 Swedish IT-sector

Compared with neighbor countries Denmark, Norway and Finland, Sweden owns nearly 40% of the Nordic IT spending (Business Monitor International 2011). IT-sector is fourth largest sector in Sweden and it has a big influence in

Sweden's economic growth and productivity. This sector is strongly bound to the development of society. Sweden has a many successful companies in IT and telecommunication sector and the companies have a great capacity of innovation. However from 34 000 of companies in Swedish ICT sector are micro enterprises with under 100 000€ turnover. (Suomalais-ruotsalainen kauppakamari 2011.)

The definition of IT sector is not simply, because it is not directly comparable to other sectors. However, it can be classified to four sub-sectors: Software and IT services, Tele-and data communications, manufacture of hardware and retail and services of computer (IT & Telekomföretagen 2011b). IT sector in Sweden is mostly dominated by the software market. Most of them have specialized in systems software for communications, business systems and applications software for telecommunications. (U.S. Commercial Service Sweden 2010.)

IT & Telekomföretagen has collected the main data from the Swedish IT-sector to a webpage [itstatistik.se](http://itstatistik.se). The following data on Figures 4-6 are gathered from the IT & Telekomföretagen's made reports. The first figure (Figure 4) shows amount of companies in IT-sector from the year 2005 till 2009 and it has been divided by sub-sectors. (IT & Telekomföretagen 2011c.) As you can see from the Figure 4, the Software and IT services has visibly more companies than in any other sector. The large number of the companies due to the fact that in Software and IT services sub-sector has more small companies than in other sub-sectors. (IT & Telekomföretagen 2011c.)

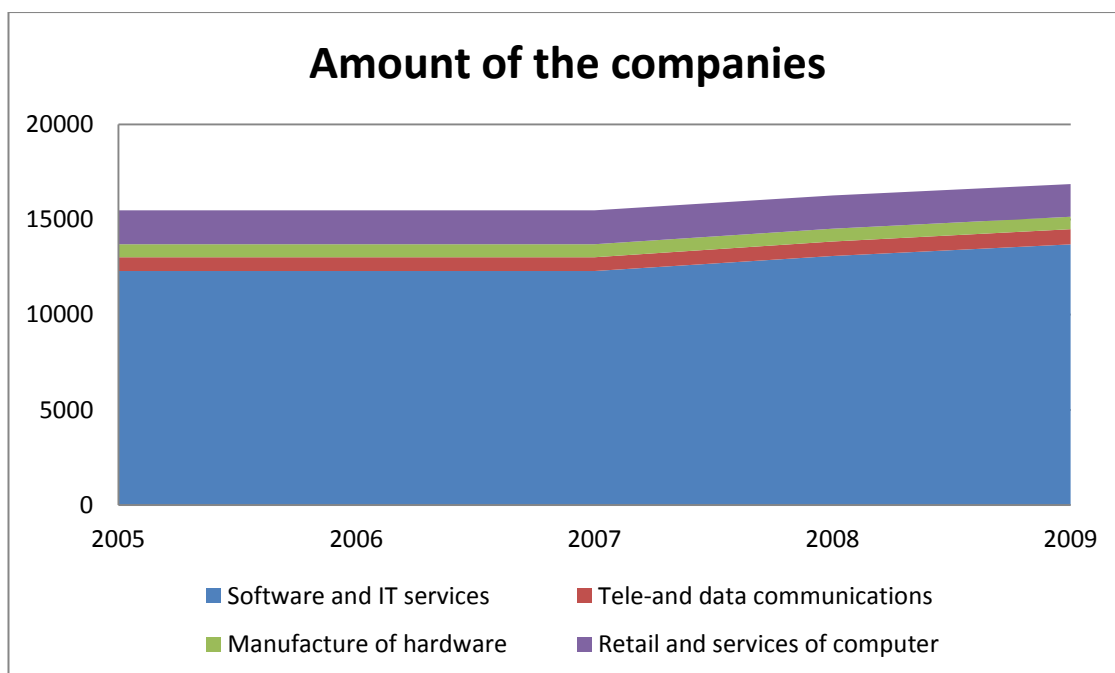


FIGURE 4. Amount of companies 2005-2009 (IT & Telekomföretagen 2011c, rewrote)

The Figure 5 present how the turnover is divided between sub-sectors (IT & Telekomföretagen 2011e). Software products and IT services earn 32% of the turnover in IT-sector. The growth in the software products and IT services has been very strong. The turnover has increased 32.5% between the year 2005 and 2009. The second in the IT-sector is Telecom and datacom services with 27.3%, manufacture of hardware comes next with 24.5% and the fourth largest is retail and servicing the hardware. (IT & Telekomföretagen 2011d.)

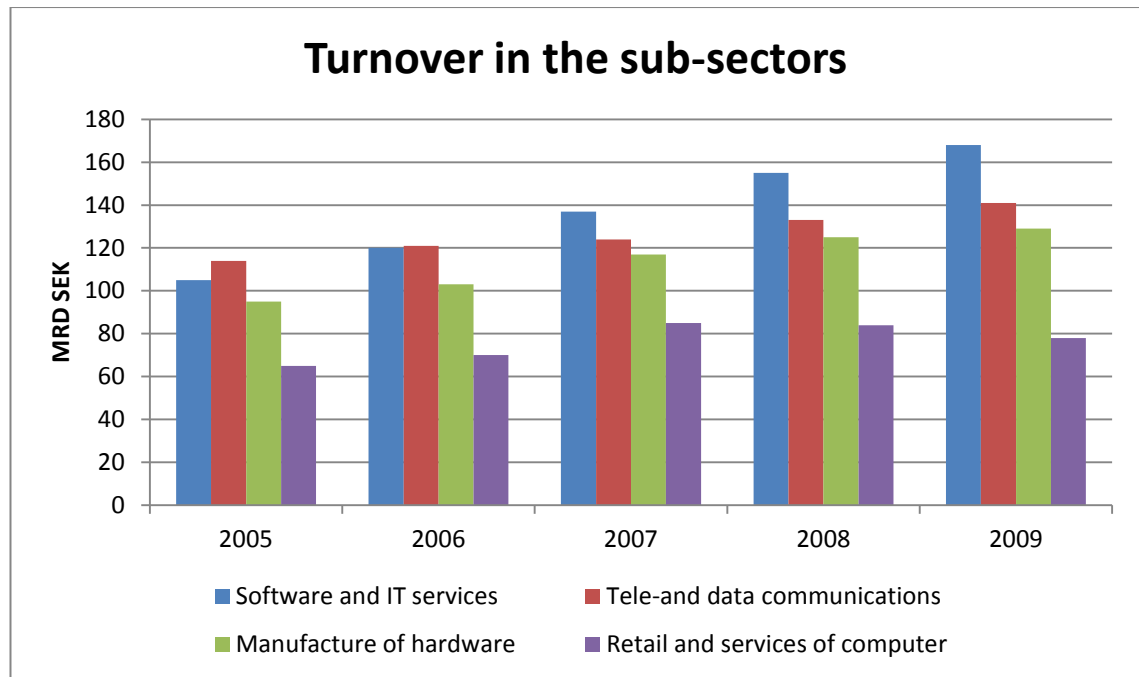


FIGURE 5. Turnover in the sub-sectors (IT & Telekomföretagen 2011e, rewrote)

Swedish IT- sector employs about 3.9% of the total Swedish work force. The Figure 6 represents how the employed are divided between the sub-sectors (IT & Telekomföretagen 2011a). The Software product development and IT-services employ more than half or 54% of the total IT sector. From the total 36000 workplace, software and IT services are employed 25000. This means that three from four jobs comes from that sector. (IT & Telekomföretagen 2011c.)



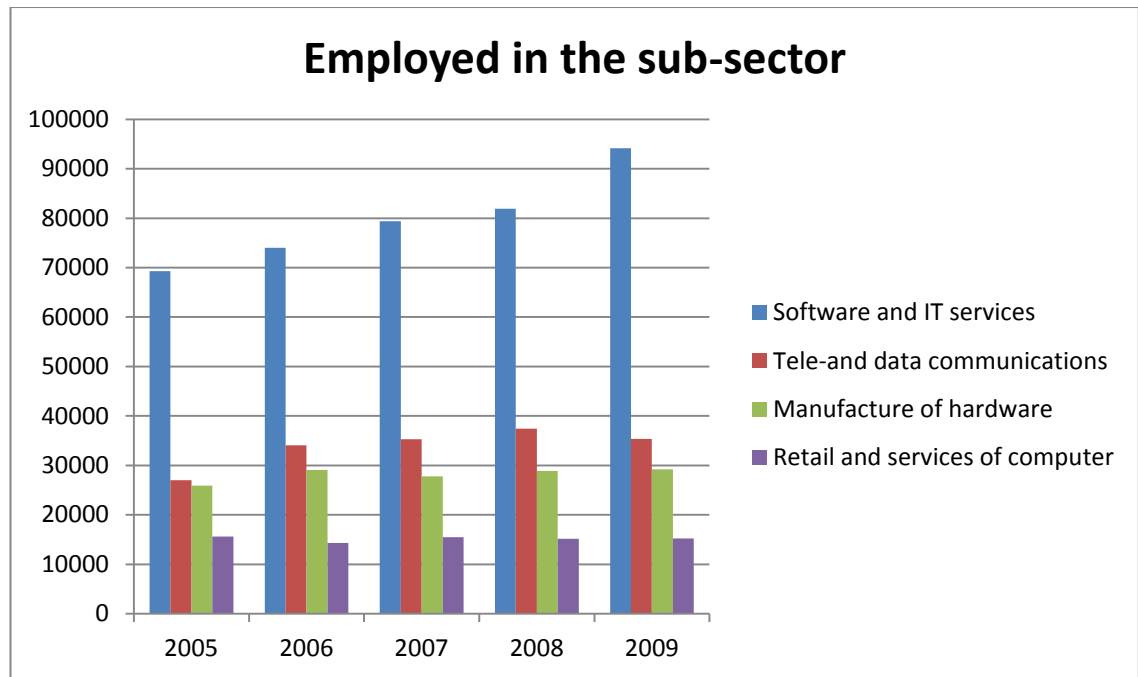


FIGURE 6. Employed in the sub-sector (IT & Telekomföretagen 2011a, rewrote)

Connectivity Scorecard has studied how the use of information technology differs across the countries and in 2010 Sweden was number one in this comparison. The study examined the number of broadband connections and their users. It tells how extensively and effectively different countries are using telecommunications links to their advantage in economic growth. In 2009 Scorecard the US led Sweden a bit, but in 2010 Sweden passed the US. The latest OECD report included information on how much the countries have invested in information and communication technologies. This information was not used in earlier reports and thus it may have had an effect on the results. Extra value brought, for example, use of information technology by companies, which had a lot of highly educated employees. (Ruotsalaisyrietykset hermostuivat 2011.)

Despite of the economic recession, Swedish IT sector has stayed healthy. The main reason of IT sectors welfare is that the companies in Sweden believe that the IT-services and IT-products are essential for survival in the future. IT solutions are the key factor when it comes to make the business more effective and environmentally friendly. That is why the companies are putting effort to develop the IT solutions. Especially environmentally friendly solutions are the focus in the future in Sweden. (Suomalais-ruotsalainen kauppakamari 2011.)

#### 4.2.3 Swedish software market and the market leaders

When examining the European software market value; Sweden has achieved 2.2% of the total market value in 2009. The neighboring country Denmark is just above Sweden with 2.6% and the other neighbor Norway follows closely Sweden with 1.8%. Sweden's total revenue in the software market was \$1.6 billion in 2009. The Datamonitor (2010) forecasts that the market value will increase even by 59% from 2009 till 2014. (Datamonitor 2010d, 11.)

As said in the previous chapters, the IT sector is not easy to define. IT & Telekomföretagen (2011b) has continued to divide the sub-sector Software and IT services into eight sub-categories which are shown in Figure 7. This figure shows how the turnover has divided into sub-sector Software and IT services. The two dominating sub-categories are computer programming and computer consulting activities. Other information technology and data service were in top three until the economic crisis in the year 2008 when it decreased dramatically. Other software publishing has been able to continue its growth and it has now arisen to number three in the Software and IT services. (IT & Telekomföretagen 2011d.)

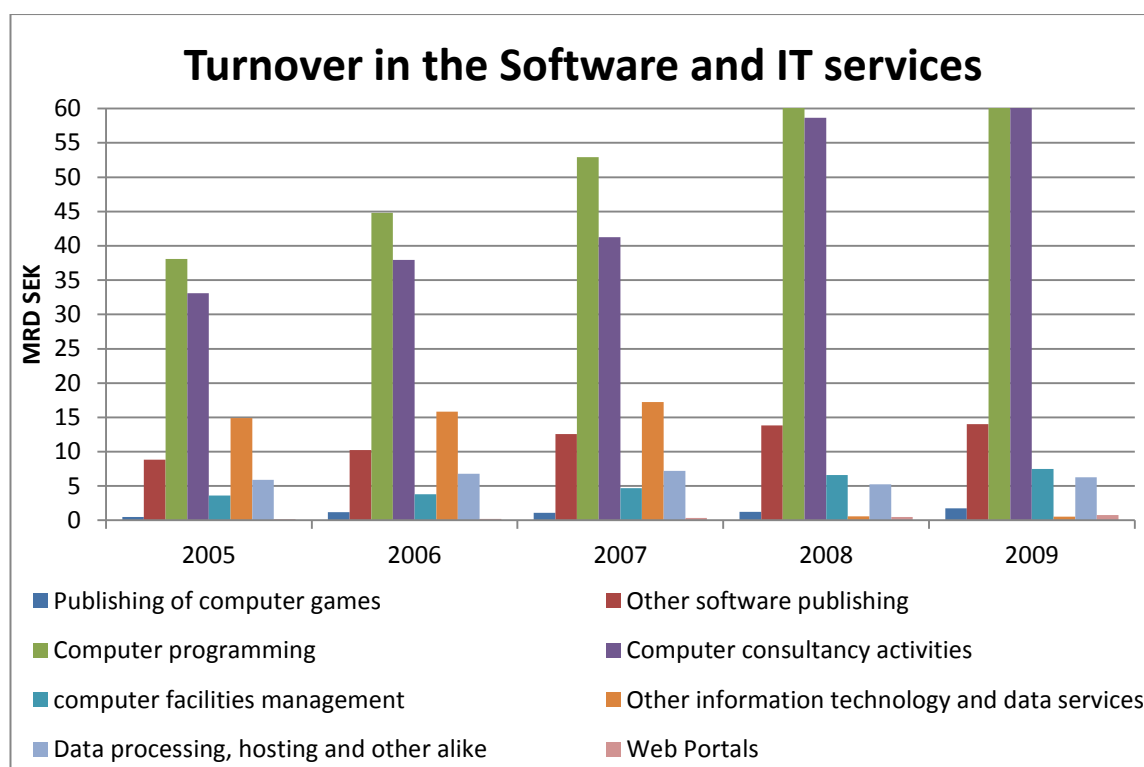


FIGURE 7. Turnover in the Software and IT services (IT & Telekomföretagen 2011e, rewrote)

Swedish software market is dominated by multinational vendors like Microsoft, Oracle and SAP, but local companies are not left behind. The market is competitive and some local companies are running by the side of major global players. (Business Monitor International 2011.) The major players may control on the particular areas on software branch like Oracle which is concentrating its focus on databases and middleware when Microsoft offers a wider range of products including hardware. International Business Machines Corporation (IBM) is also a major player in Swedish software markets; however its mainframe is computers. Both Microsoft and IBM are selling goods to individual consumers and to business sector while Oracle and SAP are selling only to companies. (Datamonitor 2010d, 14.)

According to Sweden information technology report by Business Monitor International (Q4 2011) Swedish companies are spending about 60% on applications such as ERP (Enterprise Resource Planning), CRM (Customer Relationship Management), financial management system and information software of the total sub-category. The second larger group with about 40% is

middleware like database management systems and systems management tools. (Business Monitor International 2011.)

The company Exido made a Swedish Barometer survey of 1,000 Swedish software companies in 2009 based on various factors such as competence, performance and price. They ranked Swedish Jeeves as the most popular ERP system and second were as well Swedish company Visma before the third place entered Microsoft. (Business Monitor International 2011.)

Jeeves Information Systems AB is concentrated on developing ERP systems and it has just published a new version of their product. Jeeves's target customers are small and medium sized companies and it has more than 4000 customers in over 40 countries. In Swedish market they have a strong position and very good partner channels all over the Sweden. Jeeves has on average 115 employees and its turnover is over 20 million Euro's. (Jeeves AB 2011.)

Visma AS is a parent group owned by the global investment companies KKR and Hg Capital. It has a total of 5000 employees out of which over 1400 in Sweden. Visma groups is providing various types of products and services in software, outsourcing, purchasing, payments, store data, IT projects, tendering and procurement. Visma Software AB has more than 40 000 customers Software business is Visma's largest segment with 38% of the total revenue. (Visma AS 2010.)

The future investment trends are expected to be in utility software and service-oriented architecture which are replacing the traditionally packaged PC software. Industry-specific applications for procurement and human resources are seen as a growing trend. The increased delivery channel for the major application areas (such as ERP, CRM and business intelligence, security and supply chain) will be via cloud. (Business Monitor International 2011.)

According to Edström's report in 2010, Sweden's goal is to be the top leader in the software markets by 2020. Already many companies are investing a majority of funds to a software research and development. Different kinds of software have become important as a basis for innovation. An increasing number of Swedish companies have been driven to software business by accident. (Edström 2010, 5–6.) The investing on business software is often seen

as a solution for cost reducing and making an impact on the return (Business Monitor International 2011).

U.S. Commercial Service Sweden (2010) describes Swedish software market as a sophisticated market with skilled domestic software development companies. Swedish management style is innovative and they want to concentrate on supporting coaching and development rather than hierarchical system and bureaucratic. This is why there is not so huge gap between the management group and employees. Therefore the scientists and engineers are willing to share their knowledge and this way they are able to help each other to find a new developed solution for the business activities. (Edström 2010. 20–21.)

#### 4.2.4 Potential customers

InfoBoard's main target customers are industrial companies. The product is suitable especially for production planning to manage conflicts, scheduling the production and other office and manufacturing processes. This chapter will give an overview of Swedish industrial sector, where the potential customers are located and how much the Swedish enterprises are investing on IT.

As the Figure 8 shows, the main industrial business is concentrated on the region of Stockholm, in the West Sweden and Skåne. The three dominating metropolises in the region are Stockholm, Gothenburg and Malmo (Svenskt Näringsliv 2011, 24). Those big cities are also Sweden's most important distribution centers (Antell 2010, 12–13). Industry and construction branch forms about 30% of the Swedish gross national product and the sector contains approximately 50 000 companies (Svenskt Näringsliv 2011, 24)..

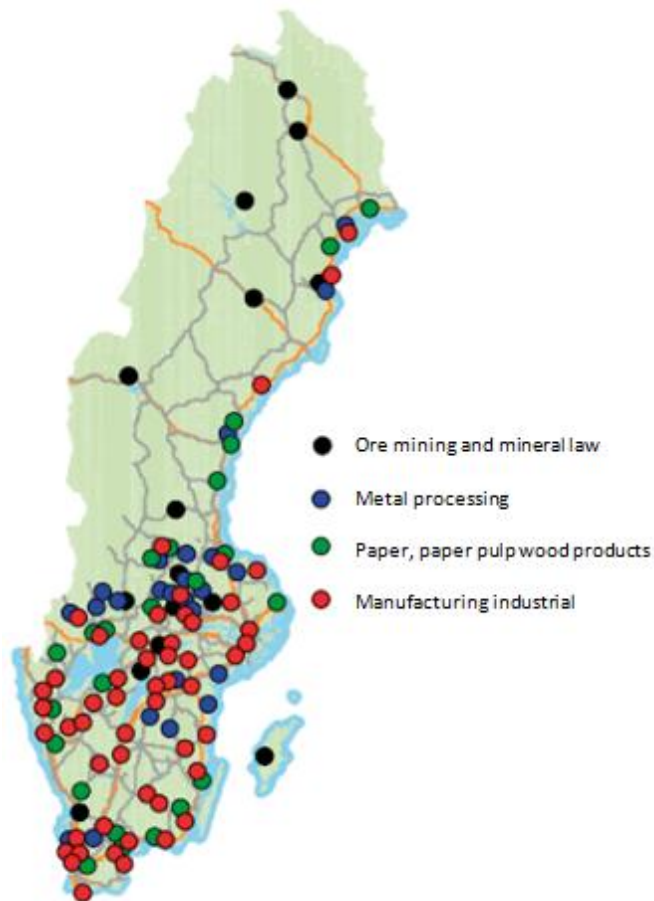


FIGURE 8: Production structure in Sweden (Svenskt Näringsliv 2011. 24, rewrote).

As has been noted, Sweden has a very developed infrastructure which shows in the enterprises' technology usage. Almost every company uses computers (97%) and 96% of them have an access to Internet. Internet has increased its significance in doing business. Swedish companies are willing to adapt the internet as a tool to run the business. This brings new opportunities in business life. (Suomalais-ruotsalainen kauppakamari 2011.)

Mobile services are an increasing trend in business life. Already 60% of all companies are using mobile Internet connections in 2010. Mobile services are giving the freedom to control business activities despite the location. This will improve company's operations to reduce costs and decrease the environmental load. Swedish people are interested in a product which can increase their customers' competitiveness and increase the company's value for its owners, customers and another interest groups. (Suomalais-ruotsalainen kauppakamari 2011.)

The big companies are investing more to IT applications than the small once. The large companies bought software by SEK 11 milliard in 2009 of the total SEK 17.6 milliard costs. The following Figure 9 shows the investment distribution by branch in 2009. There are two sectors which are spending the most for software: the manufacturing industry SEK 3.7 milliard and the information and communication companies SEK 3.6 milliard. Also the financial sector is making large purchasing with SEK 3.1 milliard. Mining and quarrying does not invest for software at all. (Statistiska centralbyrån 2011, 59.)

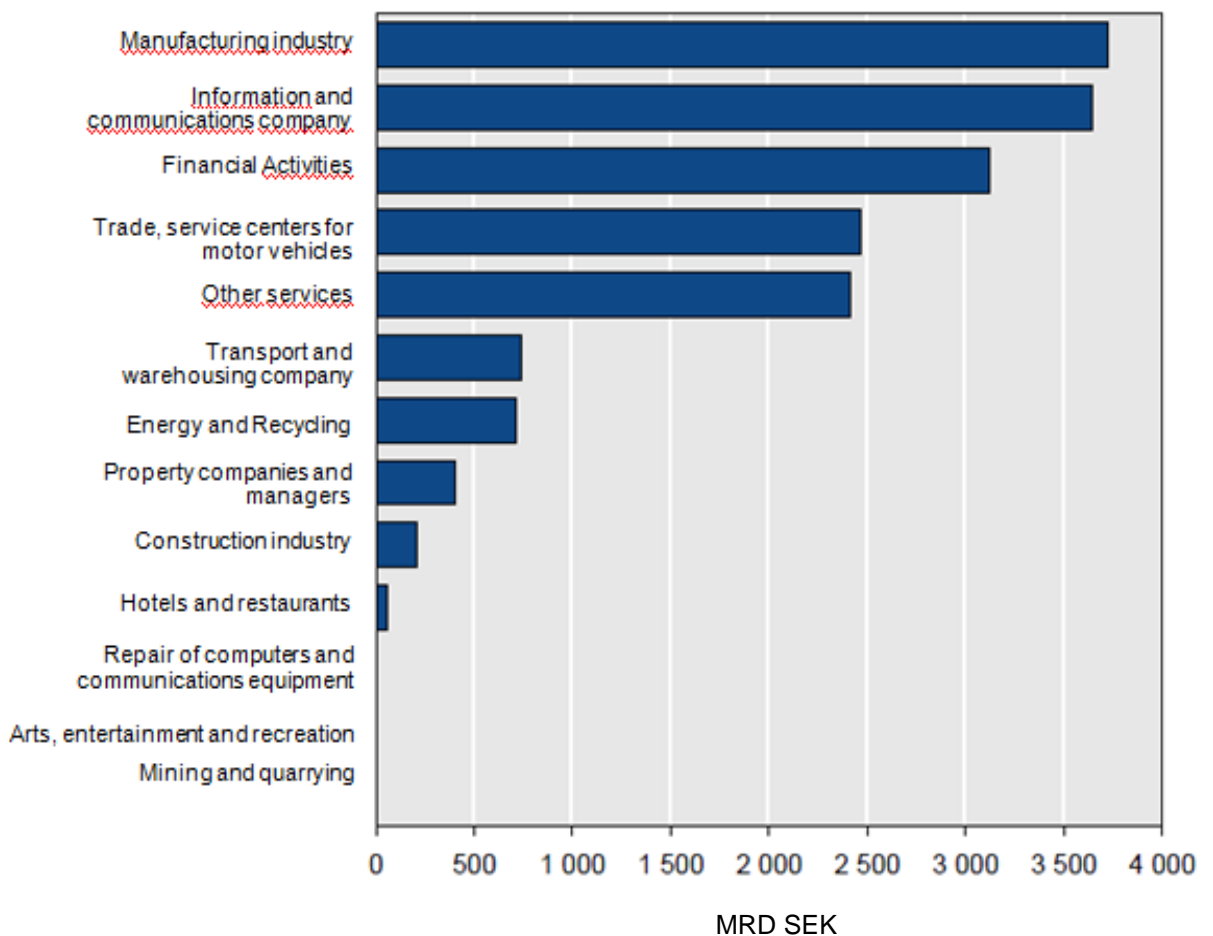


FIGURE 9: Costs for software divided by branch in 2009 (Statistiska centralbyrån 2011. 60, rewrote)

Swedish people are open-minded to test new services and products. The good thing is that they might accept the new product or service very easily, but the challenge is to keep the product or service updated. People in Sweden are well educated and they are looking all the time new innovative ways to run the business. (Suomalais-ruotsalainen kauppakamari 2011.)

## 5 CONCLUSION

The objectivity was to provide an overview of the Swedish IT- markets for infoBoard Europe GmbH. The market study pointed out that Sweden has recovered amazingly well from the global economic crisis and the GDB is growing faster than it was expected. However, Swedish economy is strongly dependent on foreign trade. Especially krona's exchange rate is setting pressures on Swedish prices. The currency is one point where infoBoard has to pay attention to when they are pricing the product on the Swedish market.

The market study examined also customers' purchasing power and how willing they are to adapt new applications (Gillespie etc. 2004, 209–211). Swedish companies believe that by investing on business software they can reduce the costs and make an impact on the profit. The majority of companies cost are spent on software research and development. So they are willing to invest on software if they can see the product useful for the business. The most favorable applications are such as ERP, CRM, financial management and information software, on which the companies are spending about 60% of their funds. This is good news for infoBoard because their product contains also resource planning. However, this research was not been able to study more closely what kind of resource planning solutions the companies are using now and which are the most resource planning problems what they would like to improve.

The environmental study concentrated more on macro indicators which means background forces behind the company's activities such as social, technological, economical and political environment. Those indicators are examined more closely in this research. Macro indicator in the environment like customers, suppliers and competitors are examined more superficially, because the relevant information was not able to located or accessed (Rowley 2006, 30).

Business in Sweden is centralized in southern Sweden where the most important cities are Stockholm, Gothenburg and Malmo. Those are also Sweden's main distribution centers'. Also the potential customers of infoBoard are located on that region. That is why infoBoard should start to search partner



companies from there. Sweden's lifestyle and culture form an ideal market place, because they are open-minded to test new services and products. The people are well educated and they are all the time searching new innovation solutions to run their business. But this requires also a lot from the product which infoBoard must take into account. A continual development is the key factor to stay in competition. The positive point is that the customers are willing to accept new innovation, but they can also replace it when they can find a better solution. So the major challenge for infoBoard is to keep the product development up.

The current technological environment is not an obstacle for infoBoard's product. Only thing might be that the technological development is progressing too fast and the product stays behind becoming useless for the market (Campbell etc. 2002, 124–126). Sweden is one of the leading countries in development of information and communications technology. Almost every company has computer and Internet access and already 60% of all companies had a mobile Internet connection in 2010. So mobile phones are becoming more and more important on daily business. InfoBoard's product can partly be connected on mobile phone, but they should develop this feature even more, so that they are able to respond to this increasing trend. Swedish people are putting a lot of effort to improve the environmental technology, so this "eco" thinking has a strong position in Swedish culture. Entering the market InfoBoard could consider how they can use environmental thinking in their product marketing.

The economical environment study measures customers' potential purchasing power (Campbell etc. 2002, 122–123). This research is not able to give the precise information how much costs the companies are spending for the same kind of product like infoBoard is offering. It only provides an overview of how much the companies are purchasing for software. InfoBoard target customers manufacturing industry (SEK 3.7 milliard) is making the most invests in software, but it does not give an answer in how much of the costs are spent for the products like infoBoard.

One of the research problems was how the infoBoard could enter the Swedish market. The trade regulations and tariffs are closely connected to a foreign

company's activity which is why it is necessary to study political environment (Campbell etc. 2002, 120–121). However international business is a big part of Sweden's economy and that is why the government has reformed the taxation system more favorable for foreign invests. The one distinctive difference between Sweden and Germany is that the Sweden is not part of the Economic and Monetary Union, and there are no signs that the situation would change in the near future.

Competitive study is normally the last step in market research. If the sufficient data cannot be found from secondary resources it has to be executed by expensive way. This requires that company goes to the country and interviews the potential customers. (Gillespie etc. 2004, 212–213.) This research could not exam the current competitive situation, because the sufficient data was not available. But however we can exam generally the competitiveness in IT sector according to the Economist intelligence Unit's competitive indicators: the quality of the local technology infrastructure, the availability and quality of IT talent, the innovation environment, the legal regime, and the overall business environment, as well as the government's technology policy itself (The Economist Intelligence Unit 2009, 2). Sweden has all of these areas highly developed so we can assume that the competition might be tight. Also the report about Sweden's software market's development made by Edström in 2010, shows that Sweden is making a lot effort to software research and development and they want to be the top leaders in the software markets by 2020.

The global software leaders Microsoft, International Business Machines (IBM), Oracle and SAP are also leading the Swedish software markets, but they are controlling particular areas of software branch which is why the local companies have also acquired a good position on the market (Datamonitor 2010d, 11). Swedish software and IT services have a larger number of companies than the other sub-sectors, but most of them are small companies like infoBoard. It seems that also the small companies are able to manage on the market, but on the other hand it might be that a small company does not have enough resources to stay in the same development rhythm than the bigger ones (Le Clair 2005, 5,8). Before entering the market infoBoard should pay attention to its development resources and how the potential partner company could assist them.

German is the leading country in the European software market and has good technological skills like Sweden. The market features between Germany and Sweden do not differ radically. Market similarity can be one selection criteria to enter into the Swedish market, but they should examine more closely the potential demand for their product, because it can be different from the home country (Gillespie etc. 2004, 214–215). InfoBoard's wish to use distributors is the most typical way to enter into the Swedish IT market. But choosing a partner needs careful consideration in order to be successful (Mohr etc. 2005, 86–87). The research did not point out any barriers to use distributors as an entry strategy.

This market research has shown that the IT sector in general is really hard to define, because it includes so many service and product variations (Roberts 2009, 18–20). InfoBoard's product was hard to place into one category and this is why the reliability of the research may have suffered. The development in this sector is fast and product lifecycle can be very short. It is hard to predict how rapidly the changes are happening, because it is strongly bound to national economy and society's welfare. (Rusko 2005, 562–563.) As a consequence of the limited information on the customers, competitors and suppliers, this research does not cover all the areas which are necessary information for marketing plan. In order to develop the existing marketing the company needs more specific information about consumer's behavior (Hague & Jackson 1999, 11–16).

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