

Internationalization

Degree programme in International Business

2015

Amanda Cunningham

BARRIERS TO INTERNATIONALIZATION FOR FINNISH COMPANIES

– Case study: Sweden vs. Nigeria



TURUN AMMATTIKORKEAKOULU
TURKU UNIVERSITY OF APPLIED SCIENCES

BACHELOR'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Degree programme in International Business

2015 | Total number of pages

González, Alberto

Amanda Cunningham

ABSTRACT

Internationalization is an increasingly current topic in the area of business. Companies have increasing needs to go abroad in order to stay competitive, yet many Finnish companies have not taken this step. Out of those that have taken this action, many stay within the EU and Sweden for example. What are the reasons that Finnish companies do not explore the developing markets more? For example Nigeria is a growing market with plenty of opportunities.

There are several internationalization theories that attempt to explain the process and the reasons and considerations in the process. The Uppsala model suggests that companies tend to first explore the nearby markets and as the internationalization deepens, the company may then explore the further markets. The network theory states that companies are reliant on other companies' resources and thus need to engage in networks. As the network expands, the company may internationalize to the markets that the network has connections to. Then again, the resource based view states that companies should first look for a promising market and then see how to use their resources to exploit it, instead of the opposite. Lastly, the non-availability and availability approach states that a country should import the goods that are not readily available in the country and exports those goods that are present in abundance.

Nigeria is a challenging market with various development issues at hand. Nevertheless, it is a booming consumer market with rapid economic growth providing plenty of opportunities in several sectors including construction, health care, education, agriculture etc. Sweden on the other hand is a well-developed and organized market with slow economic growth. Nevertheless, there are several lucrative markets due to the aging population and the electronic dependence. Such sectors include cyber security, e-health and green construction, automotive and power sectors.

The data collection was challenging due to the lack of commitment from the companies as well as the amount of potential companies that could be used for the study. The data collection form of structured email interviews was finally chosen due to the failure to engage companies in face to face interviews. The data limitations included the amount of collected data, interviewer as a collection instrument, the interview questions as well as the quality of the data collected. The most interesting findings were the lack of engagement from companies to consults expert services when considering internationalization as well as the underestimation of cultural barriers as challenges in the internationalization process. For further investigation and research the controlling of variables is recommended e.g. using companies that are directly comparable in sector. Also the research design could use more closed questions.

KEYWORDS:

Internationalization, Nigeria, Sweden, Barriers,

Amanda Cunningham

SUOMALAISTEN YRITYSTEN KANSAINVÄLISTYMISHAASTEET: RUOTSI VS. NIGERIA

Kansainvälistyminen on yhä ajankohtaisempi aihe liiketaloudessa. Yritykset kokevat kasvavia tarpeita lähteä ulkomaille, kilpailukykyä säilyttämiseksi. Silti monet suomalaiset yritykset eivät ole ottaneet tätä askelta. Ne, jotka ovat toteuttaneet tämän toimen, toimivat EU:ssa ja Ruotsissa esimerkiksi. Mitkä ovat syyt, joiden takia suomalaiset yritykset eivät tutustu kehitysmaiden markkinoihin enemmän? Esimerkiksi Nigeria tarjoaa runsaasti mahdollisuuksia.

On olemassa useita kansainvälistymisen teorioita, jotka pyrkivät selittämään kansainvälistymisprosessia ja päätöksen teko malleja. Uppsala-mallin mukaan yritykset pyrkivät ensin tutustumaan lähimarkkinoihin ja kansainvälistymisen syvetessä, yritys voi tutkia kaukaisempia markkinoita. Verkostoitumisteorian mukaan yritykset ovat riippuvaisia muiden yritysten voimavaroista ja siksi verkostoituminen on pakollista. Kun verkosto laajenee, yritys voi kansainvälistyä markkinoille joille verkosto on kantaa. Resurssiteorian mukaan yritysten pitäisi ensin etsiä lupaavia markkinoita ja sitten tutkia miten käyttää resurssejaan sitä hyödyntääkseen, eikä päinvastoin. Lopuksi, saatavuusteoria toteaa, että maan pitäisi tuoda tuotteita, jotka eivät ole helposti saatavilla maassa ja viedä niitä tuotteita, joita maassa on runsaasti.

Nigeria on haastava markkina erilaisten kehitysongelmien vuoksi. Kuitenkin kasvava kuluttajamarkkina ja nopea talouskasvu tarjoavat runsaasti mahdollisuuksia useilla aloilla kuten rakentaminen, terveydenhuolto, koulutus, maatalous jne. Ruotsi sen sijaan on hyvin kehittynyt ja järjestäytynyt markkina. Maassa on silti hidas talouskasvu. On kuitenkin olemassa useita tuottoisia markkinoita väestön ikääntymisestä ja sähköisten palveluiden riippuvuuden lisääntymisen johdosta. Tällaisia aloja ovat tietoturva, sähköinen terveydenhuolto ja vihreä rakennus-, auto- ja energiantuotantoalat.

Tiedonkeruu oli haastavaa, koska yritykset moni yritys ei sitoutunut tutkimukseen. Lisäksi haasteena oli käytettävien yritysten määrä. Mielenkiintoisimmat havainnot olivat, etteivät yritykset käyttäneet asiantuntijapalveluja harkitessaan kansainvälistymistä sekä kulttuuristen haasteiden aliarviointi. Tulevaisuutta varten suositellaan käyttämään yrityksiä, jotka ovat suoraan vertailukelpoisia mm. standardisoimalla yritysten toimiala. Myös tutkimuksen suunnittelussa voisi käyttää enemmän suljettuja kysymyksiä.

ASIASANAT: Kansainvälistyminen, Esteet, Nigeria, Ruotsi

Contents

Abbreviations.....	
Tables and figures.....	
1 Introduction.....	
1. 1 Research objectives and questions	
1.2 Structure of the document	
2 Literature review.....	
2.1 Internationalization process and barriers to internationalization	
2.2 Internationalization theories.....	
2.2.1 The Uppsala model.....	
2.2.2 The Network theory.....	
2.2.3 Dunning's eclectic paradigm.....	
2.2.4 Resource based view.....	
2.2.5 The availability and non-availability approach	
2.3 Developed markets.....	
2.4 Developing markets.....	
3 Economic environment and market situation in Nigeria.....	
3.1 Nigeria: country facts.....	
3.2 Economic overview of Nigeria.....	
3.4 Regulatory challenges and opportunities.....	
3.3 Market situation and booming industries.....	

3.4 Summary.....	
4 Economic environment and market situation in Sweden.....	
4.1 Sweden: country facts.....	
4.2 Economic overview of Sweden.....	
4.3 Regulatory Challenges and Opportunities.....	
4.4 Market situation and sectors of opportunity.....	
4.5 Summary.....	
5 Research methodologies.....	
5.1 Research design.....	
5.2 Data collection.....	
5.2.1 Primary data.....	
5.2.2 Secondary data.....	
5.2.3 Limitations to data collection.....	
6 Analysis of results.....	
7 Conclusion and implications.....	
Bibliography.....	

Abbreviations

AIDS = Acquired immune deficiency syndrome

BBC = British Broadcasting Corporation

BRIC = Brazil, Russia, India, China

CET = Common external tariff

EU = European Union

FDI = Foreign Direct Investment

GDP = Gross Domestic Product

GNI = Gross National Income

HIV = Human Immuno- deficiency Virus

LDC = Less Developed Country

MINT = Mexico, Indonesia, Nigeria, Turkey

OLI = Ownership, Location, Internationalization

PPP = Purchasing Power Parity

US = United States

USA = United States of America

USD = United States Dollar

VAT = Value Added Tax

VRIO = Value, Rarity, Imitability, Organization

TABLES AND FIGURES

Table 1.1 Research questions and objectives.....

Table 6.0 Barriers: Sweden.....

Table 6.1 Barriers: Nigeria.....

1 Introduction

In the recent years, internationalization and globalization have been and continue to be current issues in the world of business. An increasing amount of companies are taking the steps towards international operations. However, Finland still has a long way to go to increase competitiveness by internationalizing. According to the Statistics Finland, there were approximately 322 000 companies operating in Finland in 2012 (Statistics Finland, 2014). Another report states that 4900 Finnish companies had operations abroad in 2012 (Statistics Finland, 2014). This suggests that only 1, 5 % of Finnish companies operate abroad. Over 60% of the 4900 companies' international operations take place within the EU and Europe and over 24 % in Asia, while Africa only counts for 0,9% of international operations (Statistics Finland, 2014). Furthermore, the statistics kept by the Finnish Customs appear to suggest that most of Finnish exports end up in Sweden, representing over 11% of total Finnish exports and Russia, representing 10% of total Finnish exports (Finnish Customs Statistics, 2012).

On the 6th of April 2014 BBC news announced that Nigeria had become the largest economy in Africa with a GDP of almost \$510 billion, yet many still criticize the positivity of this announcement and want to remind the world of the problems in the country (BBC news, 2014). Nevertheless, Nigeria is emerging as a significant potential market. With a population of about 158 million, Nigeria presents a vast amount of opportunities for various types of companies. In addition, many economists have started to pay attention to the country, for example Jim O'Neill has brought up a concept of the "MINT" countries as the next "big thing" just as the BRIC countries have been during the past few years. The MINT countries comprehend Mexico, Indonesia, Nigeria and Turkey and the estimated growth in average income in all these countries is projected to "boom". Nigeria is projected to grow from (USD thousands) 1,4 in 2012 to 12,6 in 2050. The country has been experiencing growth reaching 6-7% over the past few years (BBC News Magazine, 2014).

The Nigerian economy is emerging, which is visible in practice as well as theory. In fact, having visited Nigeria several times in the past few years I have taken note of the various business opportunities in the country. I also noted that there appears to be an increasing demand for quality goods as the consumers are becoming more educated. Furthermore, the top exports of the country include; machinery, pipes, welding equipment, wood, ships etc. which are all products that Finnish companies have

succeeded with worldwide. In addition, there is a market for smaller goods e.g. luxury clothing, jewelry etc. Despite the above mentioned facts, I made a startling discovery that there is as little as 2-4 Finnish companies exporting to/ operating in the country.

These facts mentioned previously about the importance of globalization, potential in the Nigerian market and the lack of Finnish presence in the country have led to the questions of why this is the case, if there is a good and fact based reason for this and whether anything can or even should be done about it.

1.1 Research objectives and questions

The foremost objective of this study is to investigate what are the reasons behind the lack of Finnish presence in Nigeria and abundance of presence in Sweden, i.e. to identify the barriers to internationalization. The research will put emphasis on separating the barriers that companies have in reality, i.e. the fact based barriers and the ones they perceive to have, i.e. the perceived barriers and to investigate the validity of these perceptions. A comparison shall be drawn between the barriers to Sweden as opposed to barriers to Nigeria.

The main goal of this research is to find out whether Finnish companies are lacking presence in Nigeria due to valid reasons and whether there is undiscovered potential for the Finnish companies to enter the Nigerian market if the perceived barriers can be demolished or at least lowered. This research should help companies that are looking into internationalization to recognize the basis on which they do their decisions. This recognition should in turn help companies identify alternative options in their internationalization process.

The research questions are divided into primary and secondary research questions. The primary research questions are ones that the study aims to answer foremost and the secondary research questions are ones that may be answered once the answers to the primary research questions have been unveiled.

The research questions and their objectives are presented in Table 1.1.

	Research question	Objective
PRIMARY RESEARCH QUESTION	What are the main barriers that Finnish companies perceive or face in the process of internationalization to Nigeria as opposed to Sweden?	To identify the barriers that the Finnish companies perceive to have as well as have faced in the process of internationalization to Nigeria as opposed to Sweden.
PRIMARY RESEARCH QUESTION	To what extent if any, do the perceived barriers differ from the barriers faced?	To recognize and identify the differences in the barriers that the Finnish companies face as opposed to those they perceive to have.

Table 1.1. Research questions and objectives

In addition to the primary research questions and objectives, a secondary research objective emerges: To investigate whether or not the barriers that are existing in the minds of the companies or in the reality of the internationalization process, can be lowered and to what extent.

1.2 Structure of the document

This work is divided into chapters: the literature review, the economic and market overview of Nigeria and that of Sweden, research methodology, analysis of the research results and implications and conclusions.

The literature review focuses on reviewing, elaborating on and evaluating existing theories of internationalization and their applicability and value to this study.

The literature review is followed by chapters about the economic situation and market situation in Nigeria and then Sweden. These parts focus on overview

and evaluation of the situation and conditions in these countries in relevance to this study.

The research methodologies are then presented, explaining the research more in detail. This includes the methods used and the reasons behind the decisions and methods chosen. This is followed by the analysis of results where the results of the research are analyzed.

Finally the implications and conclusions of the study are pondered.

2 LITERATURE REVIEW

In order to understand the barriers of internationalization it is essential to comprehend internationalization itself. It is of importance to have an understanding of the decisions and factors that are involved in the complex process of internationalization as the barriers are most likely to develop while going through these stages. Consequently, this chapter focuses on introducing the concept and considerations involved in the process through the introduction of the most important internationalization theories. In addition, the concepts of developed and developing markets shall be presented in order to create bases for arguments in regard the case study countries, Nigeria and Sweden. Lastly, the situation of Finnish foreign trade shall be discussed.

2.1 Internationalization process and barriers to internationalization

The term *internationalization* has various definitions and applications. In business it usually refers to expansion of operations such as production, R&D, selling buying etc. -outside of its home country (Hollensen, 2011). Though the process of internationalization is different depending on the theory and author, there is one thing that is common to them all: internationalization begins with the pressure to internationalize. According to an example by Jylhä and Viitala, the next stage is to assess the companies' resources and competences to internationalize as well as the information available on possible target markets (Viitala & Jylhä, 2006).

These initial considerations are critical to the decision of whether to internationalize and where to internationalize. During these stages the companies will be looking at information available to them about what is needed from them and where they may consider going to.

2.2 Internationalization theories

There are several theories that have been developed to help explain internationalization. The most famous of them is the Uppsala model that has

become a standard theory in the discussions and studies around the topic of internationalization, despite being arguably out of date.

2.2.1 The Uppsala model

The Uppsala model is important especially for this thesis as it explains the companies' tendencies to internationalize to close-by markets instead of overseas markets.

The Uppsala model, also called the stage model, is a model that attempts to explain internationalization theoretically. The model suggests that internationalization happens in stages and that each stage represents a deepening involvement and commitment to the international operations (Hollensen, 2011).

The Uppsala model was developed by Johanson and Wiedersheim-Paul and Vahlne in the Swedish University of Uppsala between the years 1975 and 1977. The model was developed based on observation of Swedish companies that extended operations abroad.

The model presents internationalization in stages that each deepens the level of knowledge, commitment and internationalization. It makes two important notes of the initial stages of internationalization: that companies tend to enter the process of internationalization through exports (which is often considered the simplest form of international operations) and that the target market tends to initially be a nearby country with low psychic distance. Psychic distance refers to the perceived distance between the foreign and domestic market caused by differences in business and cultural perceptions (Evans, 2010). It suggests that as the knowledge of a market increases, so does the level of market commitment (Johanson & Vahlne, *The Internationalization Process Of The Firm - A Model Of Knowledge Development And Increasing Foreign Market Commitments*, 1977) .

This theory would thus attempt to explain the apparent situation of Finnish companies internationalizing primarily to nearby markets e.g. Sweden instead

exploring the overseas markets such as Nigeria where the psychic distance is greater. The theory would also then suggest that to enter such distant markets; the company would/should already have a high level of internationalization as it would go stage by stage to further markets, exploiting the close- by markets first.

As a result one may deduct that the further away from home a company internationalizes, the bigger and more multinational it is. In other words, the distance between the furthest country a firm has internationalized to and its home country is a measure of the level of internationalization and geographic diversification of the company. This then to some extent reflect the size of the company.

Having said that, it could be suggested that there is a shortage of Finnish companies big or international enough, to have reached the level of internationalization that would allow them to internationalize to a market with a psychic distance as large as Nigeria.

On the other hand, it is not unknown, but perhaps less common, for a company to start its internationalization process in a country with larger psychic distance. For example, the German company Bilfinger Berger expanded to Nigeria with a daughter company Julius Berger (Julius Berger, 2015). Finnish companies have gone to China and USA instead of Russia or Sweden, for example and with more complex entry modes like local manufacturing plants. An example is Nordic Wear Int'l Oy, who internationalized to Bangladesh by outsourcing manufacturing. This presents holes in the model. Although, one must remember that no theory exists without exceptions to the rule.

Conversely it could be argued that China and USA have become more accessible, familiar and knowledge-wise available and this has in some ways lowered the psychic distance, which would keep the model valid.

Should it be accepted that companies do indeed have a preference to internationalize to countries psychically close to their home country, the question then becomes how to lower that psychic distance.

The Uppsala model also fails to explain the trend seen amongst the born global. Born global has many different definitions, but according to one, it is companies that from the get go focus their strategy and resources to international operations (AMD Law, 2013). The model does not help towards explaining this phenomenon where a company would go abroad before its home market, situation seen in e.g. the music industry (Zohari, Tony, n/a).

2.2.2 The Network theory

Much like the Uppsala model, the Network theory also attempts to explain the process of internationalization through stages that each progress or deepen the process. It suggests that the networks a company is involved in have an effect on their internationalization process and that the networks deepen and expand as they go along (Hollensen, 2011).

The theory assumes that a company is reliant on other companies' products and activities i.e. resources that the company can only access through the network. Due to this, the company must establish these positions in the network.

The firms would often start off in a network that is primarily domestic. The domestic network would then act as a passage to other networks in other countries which can be considered essential in the beginning of the internationalization process as these connections can speed up and ease the process.

Apart from the deepening stages or phases, the Network model also indirectly suggests that with more knowledge and involvement (i.e. as the network extends) the level of internationalization deepens and expands, much like the Uppsala model (Johansson & Vahlne, 1977).

This theory is widely accepted and plays an important role in the field of international business, but whenever discussing a theoretical model with stages of some sort, one needs to question its functioning in practice. Thus, to what extent do companies involve in networks, especially in the fashion that it

expands gradually. Like in the Uppsala model, one must argue that companies these days, especially due to the phenomenon of globalization, have more opportunities to skip the domestic networking and get directly involved in overseas networks. In fact, it should be evaluated to what extent are domestic companies reliant on each other, thus the need for the networking at home grounds (Johansson & Vahlne, 1977).

On the other hand one might argue that companies are indeed reliant on each other in order to co-exist, but this is debatably dependent on the type of company. For example, a manufacturing company is to some extent more reliant on others than a service provider (Johanson & Vahlne, 2009).

2.2.3 Dunning's eclectic paradigm

Dunning's eclectic paradigm follows along the same lines as the Uppsala and the Network theory as it presents a framework that have deepening effects as the levels advance. The eclectic paradigm is a theory composed by John H. Dunning to explain internationalization. It composes of several economic theories. The idea is that there are three conditions and filling each condition increases the tendency for a company to go international. These are the ownership advantages, locational advantages, internationalization advantages. This framework is often referred to as the OLI- framework.

The ownership advantage refers to the ownership of (production) facilities abroad and the advantage this presents in internationalization as opposed to those companies that do not have it. This argument bases not only on ownership of physical capital but knowledge as well.

The locational advantage then again refers to the profitability for the firm to "pump" more resources into these assets. Meaning that should this criterion be filled, it increases the encouragement for the company to expand operations abroad as it means that it is profitable for them to have entire facilities abroad. If not, then exporting is the appropriate form of international operations.

Lastly, the internationalization advantage refers to the profitability for the firm to use all these advantages by itself instead of selling them to another company. In other words, it must be weighed whether or not the company would make the most of their advantages by creating operations by themselves or whether it would be more profitable to e.g. license.

These criteria create bases not only for internationalization but for the form of internationalization a company should take based on whether or not they fill each of the criterions, which differentiates it from the previously discussed theories. It acts as a guideline to whether exports, FDI or perhaps licensing would be the appropriate form of internationalization which in turn gives general direction so as to how big the capabilities and resources of a company to go

abroad are. For example, licensing is a less resource intensive mode of entry which would be a reflection of the company's resources and readiness.

This theory also differs from the Uppsala and Network theory in the aspect that it puts emphasis on evaluating a company's current resources and abilities instead of focusing on a process and its going forward.

Nevertheless, the question then becomes whether or not companies always make their decisions based on using their full capacity. It could be argued that there are companies that would fill all the Dunning's criteria and still choose to enter with a mode like licensing or choose not to enter at all. In other words the model does not seem to take the management or strategic decisions into consideration.

Each company has a strategy and a managerial view on the company activities. When considering internationalization the company considers many things other than available resources and capabilities. These things include the image of the company, current modes of operation and opinion related preferences on the mode of entry in internationalization strategy (Dunning, 1980).

2.2.4 Resource based view

The resource based view presents a rather different approach to internationalization than any of the three previously discussed theories as it places focus on the resources a company possesses rather than presenting stages that a company goes through.

The resource based theory suggests that instead of external factors creating a competitive advantage for a company, it should be found within the company itself. In this theory the company's resources are in key role and are argued to be the fundamental basis for the competitive advantage. In other words, a company should look for ways to use and exploit their own resources for the different external opportunities instead of exploiting different external opportunities through acquisition of new internal resources.

The resource based view differentiates tangible and intangible assets as well as heterogeneous and immobile resources. The tangible assets are ones that the company can purchase and ones the competitors can purchase alike. These include physical capital, land etc. The intangible assets on the other hand are ones that cannot be bought or acquired through purchase and often cannot be directly measured. Such assets include: brand image, intellectual property etc.

The heterogeneous resources refer to the difference in resources between companies. This means that each company differs in the resources they possess and how they use them and as a result in the competitive advantage they derive from these resources.

Lastly, the immobility of the resources which is an assumption that the resources of each company are immobile i.e. they cannot be transferred across companies, at least in the short run. This means that companies cannot simply imitate or obtain each other's resources which allow companies to keep their competitive advantage.

The theory further explains the competitive advantage of the firm by categorizing it according to its sustainability by using the VRIO framework. The VRIO framework questions the resources' value, rarity, imitability and organization. The question of value is about whether or not the resource adds value to the company's customer, rarity refers to the attainability of the resource, and organization refers to the company's ability and ways to exploit the resource effectively. The question of imitability is somewhat self-explanatory (Jurevicius, 2013).

As mentioned earlier, this theory differs from the previously discussed theories in the sense that it lacks stages and process, the VRIO- framework nevertheless is a similarity that connects the theory with the eclectic paradigm by Dunning. The VRIO- framework similarly to the OLI-framework presents categories or steps that work as evaluation criteria for companies. The difference is that the OLI- framework is more specifically oriented towards the decision to internationalize and the form of internationalization.

The resource based view is an interesting theory to consider when discussing internationalization as it can to some extent help explain the decisions taken in the internationalization process. The questions that arise from applying this theory to internationalization are whether companies measure their competitive advantage according to their internal resources and then try to see how to use them to their best ability in different target countries or whether they look at the country first and simply conclude whether they have or don't have the necessary resources and methods of applying those resources for a certain market opportunity.

Consider the example of a Finnish electric generator manufacturer wanting to internationalize. How likely they are to first look at their brand image, their product, financial resources and market knowledge and then choose a possible target market accordingly as opposed to checking target markets and then looking at how to use their resources to exploit the opportunities in that very target market?

Looking at opportunities and then considering the company's resources and making an attempt to match the two, sounds like a more open minded and possibly more profitable road as more opportunities could be identified, and in best case scenario, also exploited. In addition, using this method would possibly open up options and prospects in countries that would maybe be cut out if the company was to first look at their resources and then the matching opportunities.

Going back to the above example of the Finnish electric generator manufacturer, should they first look at their resources they may conclude that their resources as are sufficient and appropriate for them to internationalize to Sweden perhaps. Should they first start investigating the prospects and where there is demand for generators they could come up with for example, the energy project in Nigeria by Finpro. They could then start looking at their resources and investigating how to use those resources to exploit the opportunity. In the first alternative the company would not have even considered

Nigeria due to its location, little market knowledge and nobody there knowing their brand (Wernerfelt, 1984).

2.2.5 The availability and non-availability approach

Another way to approach internationalization is by looking at the markets instead of the companies, like the formally presented theories have done. The availability and non-availability approach is a trade theory which in essence states that a country imports goods that are non-available to them and exports goods that are available in bundles. There are four factors affecting the availability: natural resources, technological progress, product differentiation and government policies (Kravis, Heston, & Summers, 1986).

The non-availability of certain natural resources would be considered an absolute availability factor as natural resources either are or are not available in a region/country. Technological progress and product differentiation in terms of availability refer to the fact that some markets are less technologically progressed than others and some products are differentiated in a way that makes them unavailable in other countries unless significant resources and costs are imposed to acquire them. In such cases the country would rather import those products than go through such costs. In addition, such products are relatively rarely subject to strict government regulations when it comes to importing (Cherunilam, *International Trade Theories: Availability and Non-Availability*, 2010).

According to this theory, it would be somewhat natural for a company with expertise products, such as many Finnish companies have (e.g. software, forestry equipment etc.), to internationalize to countries where such products or technology is not readily available. This would suggest that less developed countries (LDC) would be an attractive and theoretically correct choice for a target market.

However, product differentiation has to do with a company's uniqueness and resources and does not necessarily reflect a country's or market's development level at all. Instead it refers to a well differentiated product that is not available in

another country. This is the case with several companies and products. For example, Abloy Oy has invented unique and safe locking systems and patented key technologies. Exporting their products to e.g. Sweden does not reflect Sweden's level of development but simply the successful differentiation of the product.

The LDC's readiness for technology and products that are not available in the country needs to be considered as well. It cannot simply be concluded that because the product is not available, it would be a sustainable product to export to the country in question as at times non-availability can also reflect the lack of demand.

The theory does however bring about the question of to what extent do Finnish companies actually consider the non-availability of their products when internationalizing and how, if at all, it weighs in their decision of the target market.

2.3 Developed markets

Developed markets can be referred to with several terms: developed country, more developed country, industrialized country etc. While there appears to be no accurate definition for the term "developed market", a certain type of a common understanding does exist of what the term means. Mostly countries in the US and Europe would meet the unclear criteria. The United Kingdom, Luxembourg, Denmark, Canada etc. are all considered developed countries or first world economies according to their PPP. The GNI of these countries is relatively high, ranging from over 30 000 to over 60 000 USD per annum (Nations Online, 2005).

One could argue that due to this above mentioned general wealth and high living standards in these countries they are attractive target markets for expansion for many companies. The high wealth level does indicate a certain level of education among consumers making them ready as well as capable to purchase goods that another developed country would produce. For example, a gourmet berry jam produced in Finland could, according to this reasoning, do

well in e.g. Sweden or Denmark as the country has people that are willing and able to purchase such a luxury good that is categorized more as a want than a need.

This approach could be linked with the hierarchy of needs where self-actualization comes after all other basic needs including security, housing, clothing, respect and so forth (Maslow, 1943). It can be to some extent argued that the majority of people living high income countries are able to satisfy their needs and reach the top of the pyramid: self-actualization. The previously mentioned gourmet jam would most probably be bought or demanded for, by individuals who can afford to spend money on something that is essentially a want, a luxury: a product for self-actualization. This could be one reason that the often “sophisticated” products that Finnish companies would be willing to export are thought to do better in high income countries.

On the other hand, from an economist point of view one must question the attractiveness of developed markets as targets for internationalizing companies. First of all, while countries like Sweden and Denmark are on top of many economic indicators including GNI, the economic growth in these markets is often a less favorable indicator as for example Denmark experienced only 0,4% growth in 2013 (Trading Economies, 2014).

Apart from the slow economic growth of many of the developed markets, they are also thought to be relatively saturated markets for most products requiring more specific marketing efforts to differentiate products in order to stand out presenting a challenge of a different kind for companies with products other than brand new “ground breaking” inventions.

2.4 Developing markets

The definition for a developing market or emerging market, or more widely LDC (less developed country) is significantly clearer and the definition for a developed market or developed country. Lexicon defines an emerging market as a term used by investors to describe a developing country where investment risks are high but possible rates of return are high as well (Financial Times

Lexicon, n.d.). The International Statistical Institute then again defines a developing country numerically by its GNI. For 2014 the breaking point for whether or not a country is defined as developing was a GNI of less than 11,905 USD (The International Statistical Institute, 2014). A more specific definition for a less developed country states that it is one that has high levels of unemployment, low gross national income, high population growth and dependence on commodity export and thus the deficit in the balance of payments.

As can be deduced so some extent from the above mentioned, the developing markets can be challenging environments due to the various obstacles often present with infrastructure, level of education of consumers, safety and health concerns etc. For example in Burkina Faso the literacy rate is 21,8% (Ayyaantuu, 2013), while in Uganda the percentage of population living with HIV/AIDS is 7,2% (Avert, 2012) . In addition, security problems with terrorist organizations, piracy and torture etc. human rights issues and lack of proper road networks and other infrastructures make many developing markets unattractive to investors.

However, most of these countries are relatively attractive from the point of view of economic figures. For example, the economic growth rate of Benin has increased from 2,6% to 5,6% in a period of 3 years (The World Bank Group, 2014). In addition, in Chad the amount of inwards FDI has increased from under 300 million USD to over 500 million USD in 3 years. Various developing countries have come to the realization that instead of aid, they need to concentrate on attractive economic activity from abroad in order to fix the issues present from the root (Ted Talk , 2007). This means that many foreign investors enjoy tax alleviations and other incentives put to place to attract FDI.

Having said that, developing markets are interesting consumer markets as they are somewhat of a, “blank page”, with space and demand for a variety of products. In growing economies, there is also need for different industrial equipment such as raw material extraction equipment, manufacturing

equipment etc. but also specialty services and knowledge on the above mentioned.

Many monetary advisors and financial as well as governmental institutes are encouraging investment to the developing nations and offer support structures to help companies overcome the many challenges present in order to lower the barriers for companies to invest and internationalize. Examples of such institutes are chambers of commerce and for example Finpro.

3 Economic environment and market situation in Nigeria

While Nigeria as a market is challenging, there are also various opportunities to consider. This section attempts to shed an objective light on the market and consider the economic environment and market situation in the country.

3.1 Nigeria: country facts

Nigeria is a large democratic country with an area of over 900,000 square kilometers (CIA, 2014); this equals almost three times the size of Finland (this is Finland, 1995-2014). Nigeria is the largest country in Africa and the 7th largest country in the world with a population of over 177 million (World Atlas, 2012-2014). Nigeria also has one of the world's most populated cities with a population of over 25 million; Lagos (Campbell, 2012). As in 2014 The president is Jonathan Goodluck.

Located in West-Africa, the sub-Saharan region, Nigeria has busy sea ports and airports with plenty freight arriving daily. In 2014 the volume of freight in Nigerian seaports reached close to 20mm tons on the first quarter representing an increase of 14% from the first quarter of 2013 (Editor, 2014). In addition, the Nigerian port authority reports show that the amount of containers arriving to the country has experienced incremental growth from around 400,000 containers in 2007 to over 530,000 containers in 2012 (Nigerian Port Authority, 2014).

Nigeria is a culturally diverse and vibrant country. The official language in the country is English, but due to the 250 different ethnic groups in the country, there are numerous languages spoken around the country. The biggest tribes are the Igbo, the Yoruba and the Hausa tribes (CIA, 2014). This diversity brings both challenges and opportunities for companies wishing to internationalize to Nigeria.

3.2 Economic overview of Nigeria

Nigerian economy has experienced substantial growth over the last few years. In 2008 the Nigerian GDP was reported at just over 200 billion USD while in 2013 the number was already at about 530 billion. This represents an average 7% yearly growth. In addition the GNI has increased from 4,500 USD to about 5,600 USD. This GDP growth has provided and continues to provide numerous business opportunities in the country (World Bank, 2013). Nigeria ranks 35th in real GDP growth rate (Central Intelligence Agency, 2014). The overall trend of FDI flow to the country has been increasing, despite the considerable fluctuation at times. Furthermore, the amount of imports has experienced clear growth, which contributes to the thought of a growing economy. In addition, the amount of registered companies in the country has increased steadily (The World Bank Group, 2014).

Despite the many positive economic statistics available of Nigeria, one should not and cannot look past the challenges present in the country. The largely populated country continues to suffer with energy, namely electricity, supply. The latest estimate from the Minister of Power in 2014 is that over 60% of Nigerians lack access to electricity (Ejiofor, 2014). The lack of access to electricity is a major obstacle for businesses and FDI. On the other hand, this presents certain opportunities in the energy sector.

Apart from challenges in the energy sector, Nigeria's development level also presents a notable challenge that ought to be noted. Between 2008 and 2012 the literacy rate on adults was just over 50%. In addition, the enrolment for primary education was about 58% while the enrolment for upper secondary education was only about 40% (Unicef, 2013). This communicated the challenges of both finding educated work force but also of finding educated consumers.

Poverty and health issues also present their own obstacles in the country. According to Nigeria National Bureau of Statistics the amount of people living under the poverty line (\$1/day) was over 110 million in 2010, representing

above 60% of the population (BBC News, 2012). In addition, diseases like Malaria, Tuberculosis, Typhoid fever and HIV/AIDS are somewhat abundant in the country.

In addition there are governmental challenges with especially corruption. Transparency International reports the perception of corruption rank to be 144th out of 177 countries (Transparency International, 2014), communicating high level corruption. However, the World Bank reports the corruption to be 3 out of 6 (World Bank, 2013). This would suggest that the perceived corruption is relatively much higher than the real rate of corruption.

The high Inflation of as high as 13% (Doya, 2014) is another challenge in the market as it somewhat directly decreases purchasing power for both consumers and companies, resulting in worst case scenario, the a decrease in demand and decrease in attractiveness of investment.

Nevertheless, there are few more positive facts to be considered. For example, the young population presents opportunities as workforce. In addition, most of the previously mentioned challenges present opportunities within them. It also ought to be remembered that Nigeria is a large and young country in development stages.

3.4 Regulatory challenges and opportunities

Although Nigeria has increased the flow of FDI into the country and there have been various efforts from the government to increase the attractiveness of the country for foreign investors, there still much bureaucracy and other regulatory challenges that companies looking to internationalize to Nigeria will face (Mufutau, 2014).

For example, foreign companies cannot operate a branch office in Nigeria without registering local presence (U.S. Commercial Services, 2012). Registration and other “paper work” can be rather lengthy and troublesome to deal with. The latest World Bank “Doing Business”- report for Nigeria is from 2008. The report outlines a few notable points. Firstly, Nigeria ranks at 108th out

of 178 countries for the ease of doing business. This comprehends getting licenses, dealing with registration, taxes etc. However, within Nigeria some states rank relatively well at certain areas. For example, in Sokoto it takes 46 days to build a warehouse which ranks 4th out of the 178 and in Abuja it takes 5 procedures to register a business ranking 11th . On the other hand, procedures to register property ranks at 159th, at best. While there are areas where doing business is relatively easy, fast and affordable, there are various areas like Lagos where enforcing a contract can take as long as 350 days (The International Bank for Reconstruction and Development, 2008).

The lengthy bureaucratic process continues to other areas like exporting and importing as well. According to Mr. Shonubi, a native Nigerian familiar with the importing and exporting business and procedures, it can be a complex and costly procedures due to the lack of clear rules and tariffs and corruption, i.e. often needed bribery of port officials (Shonubi, 2014). The tariffs, levies and custom duties change greatly depending on the product in question. In addition, the government uses these trade barriers as major mediums for controlling the economy. E.g. it prohibits or makes it expensive to import products that it wants to encourage the nation to produce on it its own. This includes for example brewery products. There is also a prohibition list for exports e.g. endangered wildlife animals and products deriving from them, in order to protect the culture, heritage and nature (Nigeria Customs Service, 2014).

However, the biggest problem with almost all regulatory legislation appears to be the lack of clarity and transparency. It is firstly somewhat challenging to find clear written information on different laws and regulations and processes needed for businesses. Secondly, it is relatively demanding to trust the little information available. In fact, the U.S. Commercial Service recommends that any paper work, especially registration issues, be handled by an experienced local lawyer (U.S. Commercial Services, 2012).

In addition, the corporate tax and value added tax (VAT) related paper work, like taxation paper work in general, is complex and unclear. The VAT is at 5%

while the corporate tax is at 30%. The Corporate tax is among the highest in the world (KPMG International Cooperative, 2014).

Despite the previously mentioned, the Government of Nigeria has made efforts in order to increase transparency and make the climate friendlier for investors. The implementation of a CET tariff list, a common external tariff, harmonized with the other West African countries, is an example of such efforts. In addition, there are industries like agriculture whose development the government wishes to encourage. Thus, companies that go into these industries enjoy tariff decreases or abolishment and other trade facilitating efforts.

3.3 Market situation and booming industries

The Nigerian markets envelope plenty of opportunities as mentioned previously. The U.S. Commercial Services' report on Doing Business in Nigeria, mentions the following industries and sectors as ones rich in prospects: the construction industry, agricultural sector, automotive industry, services, computer hardware and software, energy sector, security and safety, healthcare and educational sector, oil and gas and telecommunications industry (U.S. Commercial Services, 2012).

With an average population growth of 3% per annum Nigeria has a constant need for more food supplies (World Population Review, 2014). Due to this, the government of Nigeria is making efforts to encourage domestic agriculture. Poultry and fisheries industries have grown substantially. This means machinery, feeds and other supplies are high in demand. The government is removing all tariffs related to agricultural importing.

From Finnish companies' perspective perhaps the most prospective industry of opportunities is the computing, software and technology industry. Nigeria has been seeing significant technological advancements over the past few years. The increase in Nigeria's internet and mobile users has opened new market opportunities. In addition, the central bank of Nigeria has started a "Cashless Nigeria"- project which aims to decrease the cash usage among individuals as well as companies. This is done in order to decrease cash related crimes and to

have better track of transactions (Central Bank of Nigeria, 2006-2011). This presents opportunities in cyber security, e-payments, online shopping, apps and many other businesses.

The sector of construction and construction equipment is booming in Nigeria as more accommodations are needed and as the middle class can afford increasingly pricey housing solutions. Apart from building, different types of machinery and expertise are needed, which opens further windows for sophisticated solutions.

Another relevant sector is the educational sector. There is an increasing amount of students applying for university education, for example. There are various educational institutions provided by the private sector who charge vast amounts of money for admission fees, but whose quality differs little from that of the public institution. This presents opportunity not only in educational institutions but equipment like desks, classroom technology, lab equipment etc.

Nigerian market also demonstrates growth in the telecommunications industry, which is still relatively young. As Finland is known for many telecommunications products, opportunity certainly lies within the industry.

In addition, wheat, maritime, energy and power production and medical industries are booming in Nigeria (U.S. Commercial Services, 2012).

Apart from these industries, there is a constantly growing middle class that has increasing purchasing power (Gambrell, 2013) which is increasing the market for consumer products and luxury products presenting opportunities for a vast variety of products. Some estimates have speculated that the Nigerian consumer market could reach a value of 1,4 trillion USD by 2030 (Atuanya & Anudu, 2014).

3.4 Summary

To sum up the above, Nigeria is the largest country in Africa by population and the 7th largest in the world. As a culturally diverse country, it presents a population with vast differences in consumer needs thus presenting plenty of

opportunities. On the other hand this diversity also brings about a challenge and a need for market knowledge. The Nigerian economy has experienced economic growth of about 7% annually and an increase in GNI as well as the amount of registered companies. However, the country continues to struggle with power supply, education, poverty and inflation. Keeping in mind the regional differences, the situation differs greatly across the country.

The country ranks 108th in ease of doing business, and lacks transparency and availability of trustworthy and accurate information. The government has also presented various protective measures to encourage domestic production on certain industries.

Nevertheless, there are several industries that withhold significant growth and investment opportunities. Such sectors include the construction, automotive, services, computer hardware and software, energy, security and safety, health care and education, oil and gas and telecommunication industries. In addition, the Nigerian consumer market is estimated to have a potential to reach 1,4 trillion USD by 2030. ot

4 Economic environment and market situation in Sweden

Sweden is a well-organized developed market with somewhat favorable investment environment and solid infrastructure. It is also known for its innovativeness, acceptance and large enterprises such as Ikea and H&M.

4.1 Sweden: country facts

Sweden is a relatively small country with a population of just over 9 million, which is spread over an area of almost 450,000 square kilometers (European Union, 2014). Over 10% of the Swedish population lives in the capital Stockholm (City of Stockholm, 2014). Sweden is located in North Europe and is one of the Scandinavian countries, sharing borders with Finland and Norway. The official language is Swedish.

Sweden is a constitutional monarchy with King Carl XIV Gustaf, Queen Silvia, Princess Madeleine, Crown Princess Victoria, Prince Daniel, Prince Carl Phillip, Princess Estelle and Princess Leonore (Swedish Royal Court, 2014). In 2012 Princess Victoria got her child, not long after their wedding and the country was mesmerized. The wedding and the growth of the child have been highly followed events throughout the country.

The Swedish culture is simple and sophisticated. Various famous and awarded designers, writers, architects, directors, musicians etc. are from Sweden. For example ABBA and Roxette are both Swedish bands. In addition, the Noble Prize was started in Sweden and Swedish scientists have won it on various occasions (Sverige Tourism, 2014).

Furthermore, there are a number of Swedish companies that have become worldwide such as Ikea, H&M, Brio, Ericsson, Husqvarna, Securitas AB, Volvo and Spotify. These Companies have turnovers of 100million – 250 million (Content Media Partner Nordic AB, 2014) and have established themselves on international markets successfully as brands.

4.2 Economic overview of Sweden

Sweden reported a GDP of 557,9 billion USD in 2013. This ranks 22nd (Nigeria 23rd) out of 191 which is an impressive achievement for a small country (World Bank, 2013). However, the economic growth rate is reported at only 0,6% in 2013, ranking Sweden at only 177th (Central Intelligence Agency, 2014). The significance of this finding is arguable and one can look at it from various perspectives. On one hand, it means that the country's need and demand for certain types of products such as raw materials and the primary sector, is likely to be low. On the other opportunities in sectors involving "sophisticated" solutions such as technology are likely to be on the rise.

The GNI of the country has increased from just over 32,000 USD in 2004 to over 44,000 USD in 2013 per annum (The World Bank Group, 2014). This means that the purchasing power and wealth of the consumer is likely to be of the higher end opening opportunity for higher end goods.

Sweden is a developed country with good living conditions. The literacy rate in Sweden is 99% (Central Intelligence Agency, 2014) and the human development index ranks at top 12 countries (United Nations, 2013). This translates to educated consumers and healthy labor force. In a wider spectrum it also reflects a relatively healthy environment, infrastructure wise, for business.

4.3 Regulatory Challenges and Opportunities

Sweden is part of the EU ever since 1995 when it joined (European Union, 2014). The membership in the EU means that there is plenty of information available on different policies, regulations, processes and requirements for businesses and their activity. In addition, the information found is most of the time somewhat specific and accurate instead of vague guidelines. The EU regulations are also uniform within the members which facilitates doing business in the country especially from other membership countries.

Furthermore, there is a number of institutions and offices designed to help businesses with the variety of requirements and laws related to business

activity. The EU also provides grants and business programs designed to enhance different sector activity which businesses can apply for.

However, the above mentioned facts also mean that there are plenty of regulations in place. Furthermore, they are closely monitored and sometimes can be challenging and expensive to comply to. This can make business complicated to some extent, but due to the transparency of these regulations it is clear how a business can and should operate in order to meet the requirements set by the country and the EU.

In addition the taxing system is somewhat easy and corporate taxes are low. This transparency of tax systems is a favorable factor when considering investment and business opportunities in the country (The World Bank Group, 2014).

4.4 Market situation and sectors of opportunity

Despite Sweden's high development and somewhat saturated markets and slow economic growth, there are several sectors that offer opportunities to businesses. According to the U.S. Commercial Service report the following sectors are worth noting: power generation, travel and tourism, cyber security, e- health, sustainable construction, medical and automotive sectors.

The power generation sector offers opportunity as the Swedish government has set a goal of being free from fossil fuels by 2030 and is investing into renewable energy. Currently more than 50% of the country's energy supply comes from renewable sources. This opens opportunity for innovative and green energy production technology.

Matching Sweden's renewable energy targets, also the automotive industry has a demand for low consumption vehicles and vehicles running on alternative fuels. In fact, approximately 70% of clean fuel vehicles came from hybrid cars (Intelligent Energy Europe, 2014). The National Electric vehicle Sweden, building on SAAB is dedicated to building electric vehicles (National Electric Vehicle Sweden, 2014).

Still on the same line of action with the sustainable and green choices is the construction industry. Sustainable construction is in increasing demand as for example Stockholm has a somewhat severe housing shortage (SvD Näringsliv, 2014) has increased the need for housing solutions. Finnish companies have expertise in energy effective housing solutions which means they have a plausible opportunity in the market.

Sweden has a high rate of internet users, with almost 90% of the population with access to the internet it is a technologically advanced country. This has led to the increasing issue of cyber security, not only in Sweden, but globally as well. With the amount of technology in Sweden, the cyber security presents significant opportunities for companies with such expertise.

In addition, the e-health services are gaining ground and the demand for them is increasing constantly as the population is aging and the new generation is becoming more and more dependent and educated in electronic services.

4.5 Summary

Sweden is a small country of Scandinavia in North Europe, with a population of about 9 million and a governmental form of constitutional monarchy. The culture of Sweden is rather simple and sophisticated and their products known for elegance, innovativeness and quality. The most famous Swedish companies include Volvo, Eriksson, Brio, H&M and of course Ikea.

Due to Sweden's membership in the EU, many of the regulatory frameworks are similar to that of the other member states. Furthermore, they are rather transparent and clear and plenty of information regarding them is readily available from various sources.

While the economic growth has slowed down to a close null, there are various market opportunities in the power generation, cyber security, e-health, sustainable construction and automotive sectors. Most opportunities present relate with Sweden's continuous efforts to become more energy efficient and ecofriendly with green energy production.

5 Research methodologies

When considering the appropriate research method one must take into account not only the methods, but naturally the topic at hand as well. There are several articles, even theses focusing on the mere debate of qualitative versus quantitative research and what is better to use when. Qualitative research is most commonly recommended when one wants to explore a broad topic and search for explanations or for an early study as opposed to quantitative research that seeks to get data in numerical and conclusive for (Saunders et al, 2012).

Considering the topic of internationalization, it is challenging and questionably less valuable to make an attempt to quantify the study related to it due to its broadness and lack of one track definitions. Furthermore, this study has focused on exploring and identifying, to some extent, the barriers to internationalization. Due to this, the decision to choose qualitative research was somewhat natural in order to obtain the desired outcome of the research.

5.1 Research design

The design of this research started with the consideration of how to optimize the results. The idea was to collect data from companies that have internationalized about the barriers they faced in the process as opposed to the barriers they perceived. In other words, as opposed to the barriers they thought they would face. In order to do this the primary thought was to use the qualitative case study method and interview, in face to face, interviews the key people of a few Finnish companies. The companies were to be divided in to two categories:

- Finnish companies that have internationalized to Sweden
- Finnish companies that have internationalized to Nigeria

This was done in order to make comparisons between the barriers faced and perceived in the internationalization process and perceptions between the two target countries. Thus the requirements for the case study companies were:

1. They are Finnish
2. They have internationalized
3. One of their internationalization target markets has been a) Sweden or b) Nigeria

A structured interview was designed and some 346 companies contacted in regards their possibilities to engage in an interview for the study. The limitations to be faced for the data collection soon became clear and the circumstances left no choice but to alter the data collection method from face to face interviews to email interviews. It thus followed that the interview was altered to suit the email interviewing method.

Methods and methods' limitations

The qualitative case study methodology allows the researcher to study a phenomenon or a theory within context (Baxter & Jack, 2008). Thus, it allows the comparison of theoretical frameworks and literature available on a topic or substance with what is happening in practice. The “case” can refer to anything from a person to an event, but in this study it refers to the particular companies in the scope of the study.

The limitation to case study in general is most obviously the often limited sample size, despite the fact that its purpose is not to cover large populations or to generalize. Nevertheless, it must be noted as a limitation while making deductions based on the research. More importantly, in case studies the researcher is the main instrument of data collection and subject to various limitations including interpretation, personal engagement and integrity (Reis).

Interviewing is a data collection method where interaction between the researcher and the subject of interview happens in some form (Davies, 2006). For this study a structured email interview was selected as the means of data collection (see Appendix). A structured interview is a form of interview where the set of interview questions is fixed and it is considered appropriate for studying patterns or relationships. Interviews can be conducted telephonically, electronically or personally (González, 2014). These means of conduction differ

significantly, mainly due to the level of personal interaction between the parties. Personal interview has the highest personal interaction level and thus allows the researcher to adapt to the situation as well as read body language which often indicates various factors especially regarding the validity of the information gathered.

The limitations to interviews are first of all, that the information gathered depends on the subject and his or her willingness to share the information. In email interviews the risk of the subject not wanting to share is the highest as it will all be in writing and “leaves a trace”. Secondly, interviewing is vulnerable to the very design of the interview questions. Should the questions be leading, misleading or vague it will affect the results critically. In addition, as mentioned earlier, the interviewer’s ability to extract, collect and interpret the data presents a notable limitation (Saunders et al, 2012).

5.2 Data collection

This writing required the collection of both primary and secondary data. As mentioned above, the means of primary data collection for this study was email interviews. The secondary data focused on the collection of information regarding former research and theoretical frameworks.

5.2.1 Primary data

In order to collect the primary data through the emails it was necessary to first find the companies and then their contact information. This process was first started by internet searching. However, this yielded little results and the few companies found were not available for interviews. The Finpro representatives in Nigeria and Sweden were then contacted for help as to where the information of companies present there could be found. Both representatives were able to provide me with their database lists of companies. This is how the companies and then their contact information was gathered.

The discovered companies were then contacted for interviews. Unfortunately though, all 346 companies lacked resources to attend a face to face interview.

Nonetheless, 4 companies were able to agree for an email interview at their convenience which was then designed and conducted.

A sampling method is a method of choosing samples from a population for research. For this research the stratified sampling method was used. In a stratified sampling method the population is divided into groups, strata, and then a random sample is then taken from the groups (Saunders et al, 2012). The companies were divided to those that have internationalized to Sweden and to those that have internationalized to Nigeria random companies were then taken from those.

5.2.2 Secondary data

The main sources of secondary data for this study were books, journals and websites. In addition, some conference footage and speeches were studied. The secondary data collection was essential to the creation of the bases of this research.

5.2.3 Limitations to data collection

The foremost limitation to the data collection for this study was the failure to secure face to face interviews with companies. The necessary need to change the interview conduction method inevitably led to the increase of limitation to the study. This was due to the previously mentioned restrictions to the electronically conducted interviews.

Secondly, due to the small amount of companies, there were variables that could not be kept constant such as the industry the company operates in. Thus, it is possible that industrial differences have affected the study. Another variable left to variation was the order in which the countries internationalized to the case countries.

Thirdly, the obvious limitation with the data collection instrument i.e. the interviewer cannot be overlooked. It was not possible for the researcher to get thorough information on the people being interviewed and thus the limitations to the information gathered and the interpretation of what was collected.

In addition, the questions asked in the interview are potentially a crucial limitation factor as they essentially formulate and define the data gathered. Limitations to their validity and functionality thus rather fundamentally mold the data. This was visible for example when asking between the perceived and encountered barriers, which did not seem to be properly understood by interviewees despite a successful test run of the questions and instructions attached.

6 Analysis of results

The study included the interviewing of 4 case companies. These companies shall be referred to as A, B, C and D. Companies A and B have internationalized to Sweden, whilst companies C and D have internationalized to Nigeria. The companies work in the construction, information technology, robotics and services sectors. The amount of employees in company A is not available but companies B, C and D employ over 300, 60 and 100 people. Their revenues for 2013 were at 20, 42, 17 and 31 million euros, respectively and they were all profitable.

Company A has internationalized to 8 countries, company B to 20 countries, company C to 5 countries and company D to 70 countries. Their first target markets for internationalization were Lithuania, Sweden, Morocco and the USA, respectively. This means that half of the companies interviewed actually internationalized to countries with high psychic distance and with little knowledge or experience of internationalization.

This means that the Uppsala model is not applicable in 50% of the cases as Morocco and USA are not of low psychic distance to Finland at least geographically and most commonly not culturally or economically either. However, USA and Morocco are both somewhat developed and exposed countries which might lower the psychic distance.

All companies reasoned their internationalization with the need or willingness to grow and expand operations. Companies B,C and D chose their mode of entry as exports which somewhat cooperates with the Uppsala theory discussed earlier. Company A internationalized through the acquisition of a local company. Companies B, C and D reasoned these choices as fitting to the company strategy and vision, while company A reasoned the choice as the “easiest”. It was vague as it did not specify in which way “easiest”.

This finding contradicts the Dunning’s eclectic paradigm as it appears that the decision of how to enter a market was mostly done on the strategically most fitting way as opposed to evaluating the OLI- framework. However, this is when

considering what the conscious answer was as one must question how the process actually went.

One of the interview questions stated: "Did you have existing connections to the country?" Companies A,C and D stated they had existing connections of one form or the other. These included a foreign investor and owner of the company from the target market, personal acquaintances and supplier relationships. The reasons as to why or how the target markets were chosen varied somewhat greatly from connections, to market size and similarity.

This finding cooperates with one of the most significant theories of internationalization, the network theory. While it does not appear from the data collected, how much or deep networks the companies' have or had domestically, the fact that most companies had connections in the target market fits with the network theory's argument that having these connections correlates with internationalization.

Companies A and B have internationalized to Sweden as established earlier. Company A perceived the barriers to internationalization to Sweden to be mainly cultural issues. They then encountered barriers of cultural issues between two companies acquired within the country. As for company B, they perceived the barriers to be mostly language related whereas what they encountered were more complex difficulties with market, culture and decision processes. Company B also mentions that Finnish companies appear to rather oblivious of the real difference between the Swedish and Finnish cultures and business world. Neither A or B mentioned sources of information other than perception as sources of the information they had on the barriers to internationalization to Sweden.

Company C and D have internationalized to Nigeria. Company C perceived to encounter barriers in the form of high costs, bad infrastructure and lack of education and reliability issues. What they said to have encountered in reality were cultural differences as well as reliability issues but they mention that the barriers were more overwhelming as to the cultural issues than others.

Company D did not differentiate between what they thought they would encounter as opposed to what they then actually ended up encountering. The barriers mentioned were price levels, poor maintenance and support and the need for careful financing in advance (before manufacturing and shipment). Company C mentions the source of the information to their thought barriers to be mostly their own research and general perception of Nigeria, while company D mentions their international sales experience.

Perceived Barrier	Actual Barrier
Cultural Issues	Cultural Issues
Language Barrier	Cultural difficulties
	Decision making differences
	Market related challenges

Table 6.0 Barriers: Sweden

Perceived Barrier	Actual Barrier
Lack of infrastructure	Reliability issues
High costs	Cultural differences
Reliability issues	
Lack of education	

Table 6.1 Barriers: Nigeria

It thus appears that all companies lacked a reliable source or consultation specialist for the target markets they were entering and the barriers and difficulties they were prepared to face were mostly perception and general knowledge based. This finding is rather intriguing as it raises questions as to why companies do not seek more accurate information in regards internationalizing and the markets they are considering. Generally, businesses tend to make only informed and consulted decisions so why is the area of internationalization different?

When being asked about the barriers to internationalization to Nigeria from companies A and B who have not internationalized there, company B considered themselves as not in the position to respond while company A

mentioned bad infrastructure, bureaucracy and corruption. The company did not differentiate the barriers to internationalization to Nigeria with those to other developing countries. The source of their information was noted as common and general knowledge and legal databases. The most significant barrier was mentioned as the infrastructure issues. Company A also did not express interest in internationalizing to Nigeria, even if the said barriers could be lowered.

On the other hand, company C and D recommend internationalization to Nigeria due to growth opportunities. Both companies also say that having a reliable local partner or other form of support is necessary for success.

The most interesting finding from the above mentioned is that corruption was the topmost concern for company A, while companies C and D did not mention it at all, nor did they mention to have encountered it (despite the fact they most likely did). Another concern was the lack of infrastructure, yet company C thought this was easier to overcome than the cultural challenges, which no other company mentioned.

Lastly, it is worth noting that the companies were asked about the barriers in form of open questions. This presents the risk that they did not think of some of the barriers that did in fact exist. However, should the barriers have been provided for them to choose from, it could have led to some being chosen simply because they were available. The open questions were chosen in order to get the most "honest" answers that were top most on their mind.

7 Conclusion and implications

While the data collected in this study was rather limited and inconclusive, deductions and suggestions of some extent can be made. The most important, and also most surprising information gathered from this research was that the companies relied on perceptive and general knowledge in arguably significant decisions rather than making consultancies with experts or institutes. However, this is subject to the limitedness of the data collected and the lack of possibility to know whether information through employees, employee backgrounds or other informal sources was collected and considered.

As an answer to research question 1: What are the main barriers that Finnish companies perceive or face in the process of internationalization to Nigeria as opposed to Sweden, the main barriers that the companies in appeared to face or perceive to have faced in the process of internationalization to Nigeria as opposed to Sweden were infrastructure, cultural differences and reliability of different systems (governmental, financial etc.). In addition, costs and lack of education were mentioned.

The second research question was: to what extent if any, do the perceived barriers differ from the barriers faced? The barriers that companies faced as opposed to what they thought they would face differed to some extent. There were many similarities between the thought and the actualized barriers, but the most overlooked barrier was without a doubt the cultural differences. It surprised most of the companies interviewed. It need be noted, nevertheless, that many perceived barriers were also correct.

Considering the information brought out during this study alone, it cannot be stated that any of the barriers that the companies mentioned were incorrect, invalid or unrealistic. Instead they are all commonly recognized challenges. For example infrastructure, education and reliability of systems are rather typical issues in developing countries. Infrastructure as is, is a rather wide concept and depending on the definition it comprehends everything from transportation networks and possibilities to schooling, hospitals and power supply.

Some of these barriers are certainly more relevant to businesses than others. In addition, the areal differences occurring in countries that are large, like Nigeria, need to be considered instead of considering the country as a whole. The most relevant infrastructural challenges in Nigeria are transportation, and more importantly power supply. In addition, the issue of safety that did not come up in the data collected. In most parts of the country people are rather well educated, especially the new generation; however there are places especially in the country side where educational problems may present challenges.

Lastly for the question of: to what extent if any can the perceived and faced barriers be lowered? The question of how to overcome or lower these barriers is a natural consideration after the recognition of the challenges. With developing countries, including Nigeria, the challenges comprise of larger scale underlying barriers that have to do with the challenges related to development for example. This means that one must consider on a smaller scale, what can be done. It need be noted that some types of companies, i.e. companies operating in certain fields may have better chances at overcoming issues than others.

Firstly, for the power supply, there are several solutions from generators to business gardens with continuous government independent power sources. The feasibility of this solution depends on the facilities in question. Secondly, the issue of security is rather dependent on the area within the country. There are certain areas in the country that are currently occupied by militants or terrorist organizations and simply need to be kept away from. However, a majority of areas have different well- guarded facilities for residence as well as businesses.

Thirdly, the issues with transportation are ones that can be eased with appropriate vehicles, escorts etc. Most importantly, the cultural issues are ones that companies ought to be familiarized with as Nigerians are rather patriotic and peculiar as people. This is the challenge that this study most importantly highlights. Having cultural knowledge automatically makes dealing with all the barriers faced much easier and helps in the creation of networks and connections.

Having networks is an essential asset, as one company also mentioned, when considering the internationalization to Nigeria. Since the country is to a far sought extent somewhat informal, connections are the way to get to places and to get information as well to avoid being cheated.

Nevertheless, should companies use more consulting services and should the investment opportunities be advertised and promoted more, the country could be seen in a positive light in terms of doing business. In addition, networking opportunities and events may create some bridges across the countries. It ought to be kept in mind though, that the extent to which companies have gone to seek professional services was not investigated.

7.1 Suggestions for further research

For research in the future, more companies or companies that are capable of offering more in-depth details and information i.e. a deeper form of cooperation would be recommended in order to fully explore the details of their internationalization process.

Furthermore, choosing to study companies that are directly comparable e.g. companies that work in the same industry, would increase the accuracy of the study.

Bibliography

- The International Bank for Reconstruction and Development. (2008). *Doing Business in Nigeria 2008*. Washington DC: Copublication of the World Bank and the International Finance Corporation.
- AMD Law. (2013, September 22nd). *AMD Law*. Retrieved December 26th, 2014, from <http://www.amdlawgroup.com/what-is-the-definition-of-a-born-global-firm-international-business-law-case-study-2/>
- Atuanya, P., & Anudu, O. (2014, July 24th). *Business Day Online: 2014: 07*. Retrieved August 2nd, 2014, from Business Day Online: http://businessdayonline.com/2014/07/nigeria-to-emerge-economic-force-on-1-4trn-consumer-market/#.U_rC__m1bPx
- Avert. (2012). *Avert*. Retrieved November 19th, 2014, from HIV/AIDS Uganda: <http://www.avert.org/hiv-aids-uganda.htm>
- Ayyaantuu. (2013, September 10th 2014). *Ayyaantuu News*. Retrieved November 19th, 2014, from Horn of Africa News: <http://ayyaantuu.com/horn-of-africa-news/ethiopia-is-among-10-countries-with-the-worst-literacy-rates-in-the-world/>
- Baxter, P., & Jack, S. (2008). *Qualitative Case Study Methodology: Study Design and*. West Hamilton: McMaster University.
- BBC. (2014, April 6th). *BBC news*. Retrieved April 20th, 2014, from Business: <http://www.bbc.com/news/business-26913497>
- BBC News. (2012, February 13th). *BBC: News: Africa*. Retrieved August 15th, 2014, from BBC News: <http://www.bbc.co.uk/news/world-africa-17015873>
- BBC news. (2014, April 6th). *News*. Retrieved April 27th, 2014, from Business: <http://www.bbc.com/news/business-26913497>
- BBC News Magazine. (2014, January 6th). *BBC News*. Retrieved April 27th, 2014, from Magazine: <http://www.bbc.com/news/magazine-25548060>
- Campbell, J. (2012, July 10th). *The Atlantic: Archive: 2012: 07*. Retrieved August 14th, 2014, from The Atlantic: <http://www.theatlantic.com/international/archive/2012/07/this-is-africas-new-biggest-city-lagos-nigeria-population-21-million/259611/>
- Central Bank of Nigeria. (2006-2011). *Central Bank of Nigeria: Cashless Nigeria*. Retrieved August 3rd, 2014, from Central Bank of Nigeria: <http://www.cenbank.org/cashless/>
- Central Intelligence Agency. (2014). *CIA Factbook*. Retrieved January 1st, 2015, from Sweden: <https://www.cia.gov/library/publications/the-world-factbook/fields/2103.html>

- Central Intelligence Agency. (2014). *CIA: Library: Publication: World Factbook*. Retrieved August 13th, 2014, from CIA: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2003rank.html>
- Cherunilam, F. (2006). *International Economics*. Tata Mc-Grawhill.
- Cherunilam, F. (2010). International Trade Theories: Availability and Non-Availability. In F. Cherunilam, *International Trade and Export Management* (pp. 40-52). Mumbai: Himalaya Publishing House.
- CIA. (2014, June 20th). *CIA: World Factbook: Nigeria*. Retrieved August 14th, 2014, from CIA: <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>
- City of Stockholm. (2014). *City of Stockholm*. Retrieved August 25th, 2014, from City of Stockholm: <http://international.stockholm.se/>
- Content Media Partner Nordic AB. (2014). *Largest Companies: Top lists: Sweden*. Retrieved August 25th, 2014, from Largest Companies: <http://www.largestcompanies.com/toplists/sweden/largest-companies-by-turnover>
- Davies, P. (2006). *The SAGE Dictionary of Social Research Methods*. Retrieved November 21st, 2014, from <http://srmo.sagepub.com/view/the-sage-dictionary-of-social-research-methods/n106.xml>
- Doya, M. D. (2014, August 18th). *Bloomberg*. Retrieved November 21st, 2014, from News: <http://www.bloomberg.com/news/2014-08-18/nigeria-inflation-rate-advances-for-fifth-straight-month-in-july.html>
- Dunning, J. H. (1980). Toward an eclectic theory of international production: Some empirical tests. *Journal of international business studies*.
- Editor. (2014, July 1st). *Business day online: Maritime*. Retrieved August 14th, 2014, from Business Day Online: <http://businessdayonline.com/2014/07/cargo-volume-in-nigerian-seaports-hits-19-66mm-tons-q1/#.U-yZQfmSyvg>
- Ejiofor, A. (2014, June 24th). *This Day Live: Articles*. Retrieved August 15th, 2014, from This Day Live: <http://www.thisdaylive.com/articles/60-nigerians-lacks-access-to-electricity-says-nebo/181729/>
- European Union. (2014). *European Union: About Eu: Member Countries: Sweden*. Retrieved August 25th, 2014, from European Union: http://europa.eu/about-eu/countries/member-countries/sweden/index_en.htm
- Evans, J. (2010). Part 6. International Marketing. In J. Evans, *Marketing Aspects of Psychic Distance*. Online: John Wiley & Sons Ltd. .

- Explorable.com. (2014). *Explorable.com*. Retrieved November 21st, 2014, from Quantitative and Qualitative Research: <https://explorable.com/quantitative-and-qualitative-research>
- Financial Times Lexicon. (n.d.). *Lexicon*. Retrieved November 19th, 2014, from Emerging markets: <http://lexicon.ft.com/Term?term=emerging-markets>
- Finnish Customs Statistics. (2012, n/a n/a). *Foreign Trade Statistics*. Retrieved April 27th, 2014, from Pocket Guide 2012: <http://www.tulli.fi/fi/tiedotteet/ulkomaankauppatilastot/katsaukset/tiedotteet/taskut-ilasto2012/liitteet/pocket2012.pdf>
- Gambrell, J. (2013, March 6th). *Big story*. Retrieved April 22nd, 2014, from news: <http://bigstory.ap.org/article/middle-class-grows-global-brands-hit-nigeria>
- González, A. (2014). Formulate your research design. Turku, Finland.
- Hollensen, S. (2011). *Global Marketing: A decision- oriented approach*. Edinburgh: Prentice Hall.
- Hollensen, S. (2011). *Global Marketing: A Decision Oriented Approach*. Edinburgh: Prentice Hall.
- Intelligent Energy Europe. (2014). *Clean Vehicle: Sweden*. Retrieved August 14th, 2014, from Clean Vehicle: <http://www.cleanvehicle.eu/info-per-country-and-eu-policy/member-states/sweden/national-level/>
- Johanson, J., & Vahlne, J.-E. (1977). *The Internationalization Process Of The Firm - A Model Of Knowledge Development And Increasing Foreign Market Commitments*. Uppsala: University of Uppsala.
- Johanson, J., & Vahlne, J.-E. (2009). *The Uppsala internationalization process model*. Uppsala: Uppsala University.
- Julius Berger*. (2015). Retrieved February 5th, 2015, from Our History: <http://www.julius-berger.com/about-us/our-history/?L=0>
- Jurevicius, O. (2013, October 14th). *Topics: Resource Based View*. Retrieved August 11th, 2014, from Strategic Resource Management Insight: <http://www.strategicmanagementinsight.com/topics/resource-based-view.html>
- KPMG International Cooperative. (2014). *Corporate tax table: kpmg.com*. Retrieved August 23rd, 2014, from KPMG.com: <http://www.kpmg.com/global/en/services/tax/tax-tools-and-resources/pages/corporate-tax-rates-table.aspx>
- Kravis, I. B., Heston, A. W., & Summers, R. (1986). *Measurement Issues and Behavior of Productivity Variables*.

- Maslow, A. (1943). *A Theory of Human Motivation*. Psychological Review.
- Mufutau, W. (2014, August 3rd). Nigeria in the eyes of a foreign investor. (A. Cunningham, Interviewer)
- National Electric Vehicle Sweden. (2014). *Saab Cars*. Retrieved August 25th, 2014, from <http://www.saabcars.com/>
- Nations Online. (2005). *One World: First World*. Retrieved August 14th, 2014, from Nations online: http://www.nationsonline.org/oneworld/first_world.htm
- Nigeria Customs Service. (2014). *Prohibition List: Nigeria Customs Service*. Retrieved August 23rd, 2014, from Nigeria Customs Service: <https://www.customs.gov.ng/ProhibitionList/>
- Nigerian Port Authority. (2014). *Nigerian Ports: Data*. Retrieved August 14th, 2014, from Nigerian Ports: <http://www.nigerianports.org/dynamicdata/uploads/ContainerTraffic%20Statistics-2007-2012.pdf>
- Reis, R. (n.d.). *Tomorrow's Professor*. Retrieved November 21st, 2014, from <http://cgi.stanford.edu/~dept-ctl/tomprof/posting.php?ID=1013>
- Saunders et al, M. N. (2012). *Research Methods for Business Students*. Financial Times Press.
- Shonubi, R. A. (2014, July 14th). Imports and Exports: Nigeria. (A. Cunningham, Interviewer)
- Statistics Finland. (2014, February 5th). *Companies*. Retrieved April 26th, 2014, from http://www.stat.fi/tup/suoluk/suoluk_yritykset.html
- Statistics Finland. (2014, April 17th). *Finnish Companies Abroad*. Retrieved April 26th, 2014, from https://www.stat.fi/til/stu/2012/stu_2012_2014-04-17_tie_001_fi.html
- SvD Näringsliv. (2014, May 8th). *Frontier*. Retrieved July 26th, 2014, from Frontier: http://www.frontier.fi/housing-shortage-in-stockholm-disables-startup-companies/#.U_sywfm1bPw
- Sverige Turism. (2014). *Sverige Turism: Smorgasbord: Smorgasbord: Culture: Lifestyle: Prizes*. Retrieved August 25th, 2014, from Sverige Turism: <http://www.sverigeturism.se/smorgasbord/smorgasbord/culture/lifestyle/prizes.html>
- Swedish Royal Court. (2014). *Swedish Royal Court: Royal Family*. Retrieved August 25th, 2014, from Swedish Royal Court: <http://www.kungahuset.se/royalcourt/royalfamily.4.396160511584257f21800060.html>
- Ted Talk . (2007, June). Ngozi Iweala - Aid Versus Trade. Arusha, Tanzania.

- The International Statistical Institute. (2014). *The International Statistical Institute*. Retrieved November 19th, 2014, from Developing Countries: <http://www.isi-web.org/component/content/article/5-root/root/81-developing>
- The World Bank Group. (2014). *Data World Bank*. Retrieved November 19th, 2014, from GDP growth: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- The World Bank Group. (2014). *Databank: Reports: Tableview*. Retrieved August 15th, 2014, from The World Bank: <http://databank.worldbank.org/data/views/reports/tableview.aspx>
- The World Bank Group. (2014). *Doing Business*. Retrieved December 26th, 2014, from Ease of doing business in Sweden: <http://www.doingbusiness.org/data/exploreeconomies/sweden/>
- The World Bank Group. (2014). *World Bank: Data*. Retrieved August 15th, 2014, from World Bank: <http://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?display=graph>
- The World Bank Group. (2014). *World Bank: Databank: Reports*. Retrieved August 24th, 2014, from World Bank: <http://databank.worldbank.org/data/views/reports/tableview.aspx>
- thisisFinland. (1995-2014). *Finland: Facts and stats*. Retrieved August 15th, 2014, from Finland.fi: <http://finland.fi/Public/default.aspx?contentid=160032&nodeid=41803&culture=>
- Trading Economics. (2014, November 18th). *Trading Economics*. Retrieved November 18th, 2014, from Country list - GDP annual growth rate: <http://www.tradingeconomics.com/country-list/gdp-annual-growth-rate>
- Transparency International. (2014). *Transparency International: Country*. Retrieved August 15th, 2014, from Transparency International: <http://www.transparency.org/country#idx99>
- U.S. Commercial Services. (2012). *Doing Business in Nigeria: 2012 Country Commercial Guide for U.S. Companies*. United States of America, Department of Commerce.
- U.S. Commercial Services. (2013). *Doing Business In Sweden: Country Commercial Guide for U.S. Companies*. U.S. Commercial Services.
- Unicef. (2013, December 13th). *Unicef: Info by country: Nigeria*. Retrieved August 15th, 2014, from Unicef: http://www.unicef.org/infobycountry/nigeria_statistics.html
- United Nations. (2013). *Human Development Report*. Retrieved December 28th, 2014, from Sweden: <http://hdr.undp.org/sites/default/files/Country-Profiles/SWE.pdf>
- Viitala, R., & Jylhä, E. (2006). *Liiketoimintaosaaminen: Menestyvän yritystoiminnan perusta*. Helsinki: Edita .

- Wernerfelt, B. (1984). A Resource-based view of the firm. *Strategic Management Journal*.
- World Atlas. (2012-2014). *World Atlas: Populations*. Retrieved August 14th, 2014, from World Atlas: <http://www.worldatlas.com/aatlas/populations/ctypopls.htm>
- World Bank. (2013). *Databank: Data: Download: GDP*. Retrieved August 25th, 2014, from World Bank Databank: <http://databank.worldbank.org/data/download/GDP.pdf>
- World Bank. (2013, October n/a). *World Bank*. Retrieved April 21st, 2014, from Nigeria : <http://www.worldbank.org/en/country/nigeria/overview>
- World Population Review. (2014). *World Population Review: Countries: Nigeria*. Retrieved August 21st, 2014, from World Population Review: <http://worldpopulationreview.com/countries/nigeria-population/>
- Zohari, Tony. (n/a). *The Uppsala Internationalization Model and its limitation in the new era*. Stockholm: Stockholm University School of Business.

APPENDIX

Appendix 1.0 – Survey for companies that internationalized to Nigeria

Bachelor thesis survey

Dear respondent,

This questionnaire is conducted as part of a bachelor thesis work. Its purpose is to investigate the motives and decisions behind internationalization processes of Finnish companies. In addition it makes an attempt to gain insight to the existing as well as perceived barriers in the process. This information will then be used to analyze the possible actions that could be taken to lower the said barriers.

The questionnaire consists of 14 questions that should take a maximum of 30 minutes to answer.

All answers to the survey shall be treated anonymous and confidential. All respondents are entitled to request for a report of the results of the survey.

Should you require any additional information do not hesitate to contact me:

Amanda Cunningham

+35850 594 8499

amandacunninghamfin@gmail.com

Instructions to answering the survey

Most questions in this survey are open end questions which mean that you may answer as elaborately as you please and are willing to.

Questions 4 and 6 have a list of answer options. Please circle, highlight or underline the option you find most suitable. Feel free to elaborate or further explain under the question.

There are words THINK, KNOW and ACTUALLY capitalized in questions 9, 10 and 12. The word THINK refers to perception, feeling or thoughts that were not necessarily fact based. The word KNOW, refers to facts acquired through sources. The word ACTUALLY refers to events that took place in reality.

1. Which country/countries has your company internationalized to?
2. Which country did you expand to first?
3. What made you take the decision to expand operations outside of Finland?
4. Which entry mode did you use?
 - a. Exporting
 - b. Licensing
 - c. Franchising
 - d. Joint Venture
 - e. Other, what?
5. Why did you choose this form of entry?
6. Did you have existing connections to the country?
 - a. Yes, which kind?
 - b. No, but established some in the process.
 - c. No.
7. How did you choose the target country?
8. You have operations in Nigeria
 - a. Yes
 - b. No
9. What barriers did you THINK you would encounter while entering Nigeria?
10. What barriers did you KNOW you would encounter?
11. Where did you get the information?
12. Which barriers did you ACTUALLY encounter?
13. Would you recommend international operations in Nigeria for other Finnish companies? Why? Why not?
14. On your opinion, what are the “must haves” for a company to internationalize to Nigeria?

Thank you for taking the time to answer!

Appendix 2.0 – Survey for companies that internationalized to Sweden

Bachelor thesis survey

Dear respondent,

This questionnaire is conducted as part of a bachelor thesis work. Its purpose is to investigate the motives and decisions behind internationalization processes of Finnish companies. In addition it makes an attempt to gain insight to the existing as well as perceived barriers in the process. This information will then be used to analyze the possible actions that could be taken to lower the said barriers.

The questionnaire consists of 22 relatively simple questions that should take a maximum of 30 minutes to answer.

All answers to the survey shall be treated anonymous and confidential. All respondents are entitled to request for a report of the results of the survey.

Should you require any additional information do not hesitate to contact me:

Amanda Cunningham

+35850 594 8499

amandacunninghamfin@gmail.com

Instructions to answering the survey

Most questions in this survey are open end questions which mean that you may answer as elaborately as you please and are willing to.

Questions 4, 6 and 8 have a list of answer options. Please circle, highlight or underline the option you find most suitable. Feel free to elaborate or further explain under the question.

There are words THINK, KNOW and ACTUALLY capitalized in some of the questions. The word THINK refers to perception, feeling or thoughts that were not necessarily fact based. The word KNOW, refers to facts acquired through sources. The word ACTUALLY refers to events that took place in reality.

1. Which country/countries has your company internationalized to?
2. Which country did you expand to first?
3. What made you take the decision to expand operations outside of Finland?
4. Which entry mode did you use?
 - a. Exporting
 - b. Licensing
 - c. Franchising
 - d. Joint Venture
 - e. Other, what?
5. Why did you choose this form of entry?
6. Did you have existing connections to the country?
 - a. Yes, which kind?
 - b. No, but established some in the process.
 - c. No.
7. How did you choose the target country?
8. You have operations in Sweden.
 - a. Yes, answer questions 9-13.
 - b. No
9. What barriers did you THINK you would encounter while entering Sweden?
10. What barriers did you KNOW you would encounter?
11. Where did you get the information?
12. Which barriers did you ACTUALLY encounter?
13. Have you thought about internationalizing to emerging/ developing markets? Which ones?
14. What barriers do you THINK you would face if you were to internationalize to a developing market?
15. What barriers do you KNOW you would face?
16. Where did you get this information?
17. Have you thought about internationalizing to Nigeria?
18. What barriers do you THINK you would face if you were to internationalize to Nigeria?
19. What barriers do you KNOW you would face?

20. Where did you get this information?
21. What would you consider the most significant barrier?
22. If this barrier could be lowered, would you consider Nigeria as a target market?

Thank you for taking the time to answer!