FOREWORD

During the months we have spent with this dissertation, we have gained much knowledge not only about difficulties that arise when a company would like to enter a foreign market, but also about the mail-order business and public administrations in general.

This dissertation has required a lot of time, energy and knowledge. However, lots of persons have assisted us through the process and we would like to thank these persons. Mr. Bengt Ferlenius, our tutor, has provided us with ideas about our model and where to find information about the topic. Mrs. Viveca Fjelkner has taken the time to support and guide us in the English language. Mr. Patrik Salomonsson, the marketing director of Orderinvest OPAB AB, has provided us with information about the mail-order industry. Moreover he has assisted us during our interviews and financed our journeys to Denmark. The interviewees, both in Sweden and in Denmark, have taken the time to answer our questions and to explain complicated areas.

------------------------  ------------------------  ------------------------
Stefan Olsson           Renée Petersen           Snjezana Vlahov
ABSTRACT

There is not much research about the mail-order business concerning mail-order businesses that are focusing on supplying public administrations with office equipment. Most literature is based on studies within the business-to-consumer market, which become a negative aspect since we have focused our study on the business-to-business market. Consequently, the secondary data has been complemented by an exploratory research in Sweden to gain more knowledge about organizational structure within the field of public administrations and about the mail-order companies focusing on the business-to-business market. The knowledge gained has contributed to the development of our initial adaptation model, which tries to explain what adaptations might be required when entering a foreign market. After our qualitative study in Denmark some modifications of the initial model were required since two essential aspects were missing. The modified adaptation model consists of three parts, factors a company cannot influence, variables a company can influence and a semi-influencable variable. By testing the model in practice we found that it is applicable and that it gives a concrete result which a company can use in its decision-making process. In addition we found that this model, without further modifications, is only applicable when testing it on an adjacent country similar to the company’s country of origin. Certain variables in the model are without relevance when testing it on a country at a further distance and with fewer similarities.
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1. INTRODUCTION

First there will be a discussion of the background and the problems will be analyzed. Second the purpose, definitions and the limitations will be described. Finally an outline of the dissertation is presented.

1.1 Background

Denmark represents an interesting and expanding market for foreign companies. The bridge between Malmö and Copenhagen has increased the focus on the Danish market and made it even more interesting for Swedish companies. Since Denmark is one of our neighbor countries it is easily forgotten, that although our many similarities there are still some aspects in our cultural differences that separate us.

The idea to this dissertation came up after a discussion with one of the owners of a Swedish company called Orderinvest OPAB AB. Orderinvest is a small company within the mail-order business of workshops, offices and public administrations and the managers are now thinking of entering the Danish market. The question in this case is not if to enter the market, but how the company can manage to do it?

Mail-order companies in Sweden use the mail-order catalogue as a substitute for stores, show-rooms and the like with the purpose to reduce costs. Mail-order catalogues are seen as an ordinary practice of supplying the market with goods. All people in Sweden are probably aware of the tradition of the mail-order business within the business-to-consumer market. The mail-order business has also been generally accepted among public administrations within the business-to-business market. By this general acceptance in Sweden it might be possible to think that the situation is equivalent in adjacent countries. Within the mail-order business, more
specifically in the market of office equipment, a huge number of companies have been established which resulted in a high degree of competition. Another aspect to consider within the mail-order business is the increased competition due to the extension of information technology. Moreover, when focusing on public administration there are unique characteristics to consider (Kotler et al, 2001).

The company’s intention to enter the Danish market of public administrations brings out an interesting subject, which this dissertation is based upon. The problem of this dissertation is formulated in the next section.

1.2 Problem
- Are any adaptations required when a company is expanding its business to an adjacent country that is similar to the company’s country of origin?
- Is there a need for adaptations? What adaptations are then required?

1.3 Purpose
The aim of this dissertation is to study the relation between business-to-business within the market of public administrations and mail-order. Moreover, this dissertation will analyze if a mail-order company has to make any adaptations when expanding its business to an adjacent country similar to the company’s country of origin. If there is a need for adaptations, the question arises to what parts and to what degree the adaptations must be made.

1.4 Limitation
The dissertation will be limited to the area of public administrations, such as schools. Due to a close co-operation with a mail-order company this dissertation will be limited to the market segment of mail-order business. We made the choice to exclude two aspects within the marketing mix,
product and price. These aspects were not relevant to include in our study since our dissertation is focused on companies’ establishment, with existing products and price level, in a foreign country.

1.5 Definitions

Public administration: All public authorities, including governmental institutions, municipal authorities and public schools.

Framework agreements: Agreements concluded between a municipality and its suppliers.

Threshold value: A certain purchasing limit where public administrations must make a public announcement.

Adjacent country: A neighboring country.

1.6 Outline

Chapter 2: The methodology is presented. The choice of a positivistic research philosophy and a deductive research approach is argued for. A short description of the data collection is also presented.

Chapter 3: The theoretical framework is presented. Relevant theories are presented and divided into six different parts, cultural differences, public administrations, business buying behavior, public procurement, adaptation versus standardization and the mail-order business. The hypotheses are formulated at the end of the chapter.
Chapter 4: The empirical methodology is presented. The choice of research strategy, data collection, the sample, response rate, validity and reliability and how to analyze the material are included.

Chapter 5: The analysis is presented. Our modified adaptation model is presented and is a base for our analysis. The analysis is divided into three parts; factors a company cannot influence, variables a company can influence and a factor that can be partly influenced.

Chapter 6: First a summary of the dissertation is presented followed by our theoretical framework. Further, criticism of research implications and practical implications are described. At the end of the chapter the final conclusions are presented.

Chapter 7: This chapter starts with a presentation of the mail-order company Orderinvest OPAB AB. Further, our adaptation model is implemented and tested on the company.
2. METHODOLOGY

Chosen research philosophy and research approach are described and argued for in the following chapter. A brief explanation of the data collection is also included.

2.1 Research philosophy

There are three alternatives that could be used to determine the research philosophy, the interpretivistic research philosophy, the realistic research philosophy and the positivistic research philosophy.

In the interpretivistic research philosophy the strongest argument is the necessity to discover the details of the situation to understand the reality or perhaps a reality working behind them. An interpretivist sees business situations as very complex and also unique. Furthermore they are a function of a particular set of circumstances and individuals (Saunders, Lewis & Thornhill, 2000). There is no objective reality, only a subjective reality where it is important to understand the participants’ motives, actions and intentions (www.hkr.se, lecture notes, by Christer Ekelund).

Realism is based on the belief that a reality exists, which is independent of human thoughts and beliefs. There are large-scale social forces and processes that affect people without them necessarily being aware of the existence of such influences on their interpretations and behaviors. Realism shares some philosophical aspects with positivism but it also recognizes that people themselves are not objects to be studied in the style of natural science. In this way, realism recognizes the importance of understanding people’s socially constructed interpretations, broader social forces and structures of processes that influence the nature of people’s views and behaviors (Saunders, Lewis & Thornhill, 2000).
In the *positivistic research philosophy*, which this dissertation is based on, the most important assumption is that there only exists one reality. This reality can be discovered and studied by reducing and separating it in different parts. The connection between these parts, and the logical, structural principles that control this connection can also be discovered and known through collection and analysis of data. This in turn leads to the possibility to predict the phenomenon with the starting point of what was already known (DePoy & Gitlin, 1999). After studying existing literature we have gained knowledge about cultural differences, public buying situations and standardization and adaptation. By using this knowledge and the positivistic research philosophy it is possible to analyze the decision process to find whether a company should standardize or make adaptations when entering a foreign country.

### 2.2 Research approach

There exist *two main research approaches*, the *inductive approach* and the *deductive approach*. *Inductive approach* means that general principles develop and progress from specific cases or observations of different phenomena. The inductive research approach seeks to reveal or uncover a truth based on individuals’ experience (DePoy & Gitlin, 1999). Inductive research approach is suitable to use when no theory exists within the research area. This approach is not suitable for us since we use already existing research as a starting point for this dissertation with the aim to gain more knowledge.

Deductive researchers apply accepted, general principles as a basis for their research. The accepted, general principles are further developed into new theories that are later tested and then used to explain a specific phenomenon (DePoy & Gitlin, 1999). Throughout the literature studies, we found that a company going abroad needs to make modifications. Even if the product is standardized there might be some modifications required to meet local tastes
and preferences. *A deductive approach* has been chosen in this dissertation since some research already exits within our field of investigation and this research is to be used as a basis to develop further knowledge.

### 2.3 Data Collection

Both primary and secondary data are used in the research. Secondary data has been gathered from different scientific articles together with books regarding cultural differences, required adaptations, public administrations and their buying processes and also the law of public procurement. Studying literature and articles did not provide all necessary information; we felt that more knowledge could be gained through the collection of primary data. This was carried out through face-to-face interviews with persons involved within the buying process at different schools. Eight schools across Sweden were chosen, four with a framework agreement and four without a framework agreement.

### 2.4 Summary

Different research philosophies are presented and the dissertation is based on the positivistic research philosophy. The research approach chosen is the deductive model. Furthermore face-to-face interviews together with literature and articles are used to construct the hypotheses.

The theoretical framework and the constructed hypotheses will be presented in the next chapter.
3. THEORETICAL FRAMEWORK

In this chapter the theoretical framework of this dissertation will be presented. Moreover the theoretical framework is divided into six parts namely, cultural differences, public administrations, business buying behavior, public procurement, adaptation versus standardization and the mail-order business. At the end of this chapter the hypotheses and our own adaptation model will be presented.

A number of different factors have been discussed in the past about the internationalization process. However, the main purpose of this dissertation is to find and analyze the differences in the public buying process, culture and the law of public procurement in different countries. Moreover, general information about adaptation versus standardization and the mail-order business will be presented. These areas of studies have been chosen and will be presented separately and constitute the foundation for this dissertation.

3.1 Cultural differences

Many persons have defined the meaning of culture in the past. Anthropologist Edward Tylor once stated culture as "that complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by a man as a member of society" (Hill, 2002). Hundreds of definitions have been offered over the years and one of the most famous experts, in the area of cross-cultural differences and management, Geert Hofstede, stated that culture distinguishes the members of a group from another by the collective programming of the mind (Hill, 2002).
3.1.1 Hofstede’s Model

Hofstede’s model is probably the most famous study made on how culture relates to values in the workplace (Hill, 2002). Hofstede worked as a psychologist for IBM when he accomplished this study during the years of 1967 to 1973 by the collection of data on employees’ attitudes and values for over 100,000 individuals. With the help of collected data he was enabled to compare dimensions of cultures across 40 countries. Hofstede (2001) claimed that there are four dimensions summarizing different cultures namely, power distance, uncertainty avoidance, individualism versus collectivism and masculinity versus femininity.

The power distance focuses on how a society deals with the fact that people are unequal in physical and intellectual capabilities. High power distance cultures were found in countries that let inequalities grow over time into inequality of power and wealth. Low power cultures on the other hand are found in countries that made an effort to reduce inequalities as much as possible (Hill, 2002).

Individualism versus collectivism is focused on the relationship between the individual and his or her fellows. In individualistic societies there are loose ties between individuals and in a collectivistic society, the ties between individuals are tight (Hill, 2002).

Uncertainty avoidance has the meaning of to what extent the members of a society accept ambiguous situations and tolerate uncertainty. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to. They try to have as few rules as possible (Hill, 2002).

Masculinity versus femininity refers to the distribution of roles between the genders. In masculine cultures the sex roles are very sharply distinguished
while in feminine cultures the sex roles are less sharply distinguished (Hill, 2002).

Hofstede created an index series for the four dimensions. The score ranged from 0-100, where high scores reflect high power distance, high uncertainty avoidance, high masculinity and high individualism. Table 3.1 summarizes the average score of all employees from 20 selected countries (Hill, 2002).
Table 3.1 Work-Related Values for 20 Selected Countries

<table>
<thead>
<tr>
<th></th>
<th>Power Distance</th>
<th>Uncertainty Distance</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>49</td>
<td>86</td>
<td>46</td>
<td>56</td>
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<tr>
<td>Australia</td>
<td>36</td>
<td>51</td>
<td>90</td>
<td>61</td>
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<tr>
<td>Brazil</td>
<td>69</td>
<td>76</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td>Canada</td>
<td>39</td>
<td>48</td>
<td>80</td>
<td>52</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td><strong>18</strong></td>
<td><strong>23</strong></td>
<td><strong>74</strong></td>
<td><strong>16</strong></td>
</tr>
<tr>
<td>France</td>
<td>68</td>
<td>86</td>
<td>71</td>
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<td>Germany</td>
<td>35</td>
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<tr>
<td>Great Britain</td>
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<td>89</td>
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<td>Indonesia</td>
<td>78</td>
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<tr>
<td>India</td>
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<td>Israel</td>
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<td>Japan</td>
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<td>Mexico</td>
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<td>Netherlands</td>
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<td>Panama</td>
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<td>Spain</td>
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<tr>
<td><strong>Sweden</strong></td>
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<tr>
<td>Thailand</td>
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<td>Turkey</td>
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<td>85</td>
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<td>45</td>
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<tr>
<td>United States</td>
<td>40</td>
<td>46</td>
<td>91</td>
<td>62</td>
</tr>
</tbody>
</table>

*Source: Hill, 2002, p 109*

3.1.2 Cultural differences between Sweden and Denmark

In studying Hofstede and table 3.1 about work-related values it becomes clear that differences between Sweden and Denmark exist, but they are small. Of special interest regarding the dissimilarities between Sweden and Denmark are the variables related to power distance and masculinity versus
femininity. The scores of uncertainty avoidance and individualism versus collectivism do not differ in a way that differences can be distinguished.

Sweden and Denmark are often described as similar countries. Although the cultural differences may seem small, Swedes and Danes see each other in different ways. The Danes see Swedes as "boring, humorless, gloomy, uptight party-poopers" (Gesteland, 2002, p 305) while the Swedes see the Danes as being “relaxed, casual, cheerful and fun-loving” (Gesteland, 2002, p 305). But, is this the way that all people see Swedes and Danes? According to Gesteland (2002) his Italian and Greek friends characterize both Swedes and Danes as being boring and uptight.

Moreover, even when discussing business culture and how managers see their colleagues on the opposite side of the Öresund the outcome is the same. The Danes see the Swedes as stiff, formal, structured and disciplined and the Swedes see the Danes as informal, humorous, easy going and impulsive. In addition, Swedish managers are described as being flexible while Danish managers require more order, structure, control and working discipline. At the same time Danish managers are more likely to take risks (Havaleschka, 2002).

There are differences in the management when it comes to negotiating situations. Swedish managers sticks to an agreed deal while Danish managers is open for renegotiating, which means that an agreement could be changed at any time in the future (Gesteland, 2002). The Dane could also be seen as more direct while the Swede is more likely to avoid conflicts (Havaleschka, 2002). Another aspect to consider is the time, which is of importance to both the Swedish and the Danish negotiator although it tends to be more important in Sweden. (Gesteland, 2002). These differences may not be seen as substantial, but they are there and they must be taken into consideration. To be able to identify cultural differences between two countries Root (1994) describes different levels of congruence.
The greater the congruence, as shown by the crosshatched overlaps in figure 3.1, the lower the probability of cultural distortions in communication. The congruence is complete when the sender and the receiver belong to the same culture, which means that there is *no cultural distance*. When the congruence is substantial there is a *small cultural distance*, but the language is the same. Congruence shrinks noticeably when the sender and the receiver speak different languages even if only a *medium cultural distance* separates them. When it comes to *large cultural distance*, congruence becomes marginal (Root, 1994). The language is different in Sweden and Denmark and therefore should, according to Root (1994), medium cultural distance occur as shown in figure 3.1.

### 3.2 Public administrations

#### 3.2.1 Unique characteristics of governmental markets

One unique aspect to be considered is that government buying is carefully watched by outside public, within the range of elected representatives to ordinary people, because they want to know where and how the tax revenue
is spent. The result of this public review is that the public organizations are buried in paperwork with a high level of bureaucracy and political sensitivity. Consequently this is something to be aware of when doing business within this market segment. Other aspects to be aware of are that government buyers are obliged, in many situations, to favor depressed business firms and areas and small business firms. The governments also tend to favor domestic suppliers over foreign suppliers, even if the foreign suppliers make a superior offer compared to the domestic ones (Kotler et al, 2001). Despite these above mentioned aspects, which call for a lot of awareness, the governmental market stands for great market opportunities. The reason is that this market segment includes positive characteristics such as potentially large orders, multiple units and active relationships with great sales potential (Eckles, 1990).

3.2.2 Institutional markets

The institutional market consists of schools, hospitals and other institutions that provide goods and services to people in their care. The institutional markets are very much characterized by low budgets and regulations regarding framework agreements (Kotler et al, 2001).

3.2.3 Governmental markets

The governmental market involves a lot of potential for many companies and it has a lot of similarities when compared to the private sector and its business-buying behavior. To be able to succeed within this segment, the selling company has to locate the key decision-makers. Further, the company must be able to identify the factors, which affect the buying behavior within the organization, and it must also have the ability to understand the buying decision process involved. These government-buying organizations are found on both national and local levels. The organization on the national level is the largest and this central buying unit sometimes helps to centralize the buying of commonly used items in the public sector such as office furniture and equipment (Kotler et al, 2001).
3.2.4 The governmental buying decisions
The governmental buying process gives the impression of a complex and frustrating situation from the suppliers’ point of view. This is based on the suppliers’ experience of all the paperwork and bureaucracy and regulations involved in the buying process. Many suppliers have complained that the governments put too much emphasis on low bid prices and that the process often involves decision delays, frequent shifts in the personnel participating and too many policy changes. Despite all the negative aspects experienced by suppliers concentrating within this niche, there are also some very positive impressions. The governments are in many situations very helpful in providing information, both regarding their buying needs and procedures and they are also as eager to attract new suppliers, as the suppliers are to find new potential customers (Kotler et al, 2001)

3.3 Business buying
3.3.1 Business buying behavior in general
When trying to analyze the buying situation within the segment of business-to-business there are four questions, which can give a hint about how this procedure works (Kotler et al, 2001).

1. What buying decisions do business buyers make?
2. Who participate in the buying process?
3. What are the strongest influences on buyers?
4. How do business buyers make their buying decisions?

3.3.2 Buying decisions that business buyers make
There are three main types of buying situations. First there is the straight rebuy, the decision makers neither seek nor seriously consider new alternative solutions. Second, there is the modified rebuy, a new evaluation is made of vendors’ offerings, the decision makers speculate that gains to be derived from re-evaluating alternatives may be significant relative to the
effort involved. Thirdly, there is the new task, where the buyer purchases a product or a service for the first time. (Robinson, 1967).

3.3.3 Participants within the business buying process
A buying center, the decision-making unit of a buying organization, includes all individuals and units that participate in the buying procedure. These members of the organization can be divided into five different groups depending on the influence they have during the purchase decision process. (Kotler et al, 2001).

1. Users are the members of the organization who will use the product or service. In most cases also the users initiate the buying proposal and help defining the product specification.
2. Influencers are the ones who affect the buying decision, for instance the technical personnel. They often assist with definition of specifications and provide information related to the evaluation of alternatives.
3. Buyers are the personnel authorized to select the suppliers and arrange the terms connected to a purchase. At some occasions, these so-called buyers also assist in the work of shaping the product specification but their most important obligation is to select the vendors and participate in the negotiation that follows. The more complex the purchase is the more high-level officers are involved in the negotiation.
4. Deciders are the members of the organization who have either formal or informal power to select or approve the final suppliers.
5. Gatekeepers are the people within the organization who control the flow of information to others, for instance purchasing agents, technical employees and personal secretaries. (Kotler et al, 2001).

Within the organization, the buying center is not a fixed and formally identified unit. Instead it is a set of buying rules assumed by different people for different situations and where both the size and make-up can vary for both different products and different buying situations. (Kotler et al, 2001).
3.3.4 Influences on the buyer

There are four main categories of factors that affect the business buyers. The first is the *environmental factor* and the main influence here is the economic environment, where the level of primary demand, the economic outlook and the cost of money is discussed by Kotler et al (2001). Business buyers are heavily influenced by these items. When economic uncertainty rises, less investment and greater rationalization seem to be a course of action. Other items affecting the buying behavior are technological, political and competitive developments in the environment. Culture and customs are two other aspects, which are of substantial importance. This is due to the fact that international marketing has a heavy impact on the people involved in the purchasing situation, when it comes to their reaction towards the behavior and strategy of the marketer or the supplier (Kotler et al, 2001).

Secondly there is the category of different *organizational factors* which influence the business-buying behavior. The important issues here are to find how many and who the people are in this process. Further, it is of importance to identify what criteria the organization follows when purchasing. Moreover, one has to consider whether the buying is centralized or decentralized, since the latter can take the final buying decision without interference of a higher authority (Kotler et al, 2001).

A common aspect to take into consideration when dealing with organizations is that the buying center often has a large number of participants who have a great influence on each other. It is just as important to find how this connection between the members work, as it is difficult to determine what kind of *interpersonal factors* and group dynamics that have an influence in the buying process (Kotler et al, 2001).

Every single member participating brings personal motives, perceptions and preferences into the buying-decision process. These factors differ depending
on personal characteristics such as age, income, education, professional identification, personality and attitudes towards risk. Another *individual factor* that influences the buying process is the different buying styles. All buyers have their own way of buying (Kotler et al, 2001).

3.3.5 How business buyers make their buying decisions

There are *eight stages* of the business buying process to consider when the buyer is facing a new-task buying situation. Buyers making modified or straight rebuys may skip some of the stages. The *problem recognition* is the first stage in the process and is followed by a *general need description* and a *product specification*. When these stages are accomplished a business buyer starts to *search for potential suppliers*. These suppliers are then, if qualified, invited to submit proposals. This stage is called the *proposal solicitation* and is followed by a buyer’s *selection of a supplier*. The two final stages are the *order-routine specification* and the *performance review*. In the latter the buyer rates its satisfaction with the supplier and decides whether to continue the co-operation (Kotler et al, 2001).

3.4 Public Procurement

Public administrations such as schools are often financed with tax revenues. Consequently they have to carefully consider where the money is spent (Kotler et al, 2001). The Swedish Act on Public Procurement states general conditions and rules for public administrations to follow. The law must be applied by the public administrations regarding all public procurement of goods and services. The law also covers the provisions to fulfill the commitments entitled by the Swedish membership of the European Community. As long as the amount that is spent, does not exceed the limits, so-called threshold values, set up within the European Community, national rules are applicable. The threshold value on public supply contracts for government agencies is, according to the law of public procurement, 130 000 special drawing rights. For other contracting entities the threshold value is €200 000 or 200 000 special drawing rights, whichever is lower (Act
2000:87, public procurement law). The value in Swedish kronor is
determined at a two-year basis. (www.nou.se, 2003). According to 4§, Act
1992:1528, no contract for a given quantity of supplies may be split up with
the intention of avoiding application of the threshold value. This rule is also
applicable within the European Union (www.nou.se, 2003). Denmark as a
member of the European Community is obligated to follow the European
Community laws on public procurement (www.unv.dk, 2003).

When public administrations purchase the same or similar products on a
regular basis they look for the best bidder and enter into framework
agreements with these suppliers. Just because a supplier has entered into a
framework agreement, there is no guarantee to make sales. Normally, public
administrations enter into several framework agreements within the same
business area, such as the furniture retail market (Ms X, personal
communication, 17 Nov, 2003). The agreement can be concluded not only
within a country, but also across borders due to the free market of the
European community. A conclusion of a framework agreement creates
opportunities to accomplish great sales within a municipality (Eckles,
1990).

3.5 Adaptation versus standardization
Many companies go international and have the same dilemma when
deciding either to use the same marketing mix worldwide, with no or very
small changes, or to adapt the marketing mix to new markets (Kotler et al,
2001).

Several worldwide companies choose to standardize their marketing mix
throughout the world. By doing this people, who travel more than before,
know what to expect about the product and the service provided wherever in
the world they get in contact with it. In the world today, a whole new
market has developed, the so-called “global MTV generation”. This global
market exists due to an almost instant spread of information through TV and
Internet chat groups (Donegan, 1997). This has created large global market segments for standardized products, particularly among the young middle class (Kotler et al, 2001).

The people who are in favor of global standardization say that adaptation of the marketing mix should be used only when local needs cannot be changed or avoided. It will cost less compared to all the work needed when adapting the marketing mix. The adaptation process results in higher costs of production, distribution, marketing and management. In locally adjusting the marketing mix the seller has hopes for a larger market share and profit (Kotler et al, 2001).

3.5.1 Choosing the right strategy

When choosing the right strategy it is important for an organization to focus on a long period of time and not just focus on financial thinking in a short period of time. Even if organizations can save money in the short-run it is important to provide the products demanded in each country. Multinational companies that use a standardized strategy throughout the world are adapting certain parts of their marketing mix to meet specific tastes and preferences related to different markets. When companies go international some adaptations are required. The case is often to what degree the adaptation should be made, and which parts of the marketing mix require adaptation, rather than if adaptations are required (Kotler et al, 2001).

**Figure 3.2 Five international product and promotion strategies**
Keegan (1999) describes five different outcomes of the marketing mix decision in his model (Figure 3.2) that includes the product and promotion adaptation to a foreign market. The first one is *straight product extension*, which means, marketing a product in a foreign market without any modifications. This strategy does not require any manufacturing changes, no additional product-development costs or new promotion, but it can be a bad thing to do, if it fails to offer what is really demanded by foreign consumers. Secondly, comes *communication adaptation* which is a strategy companies use to fully adapt their advertising messages or techniques to local markets. The Media availability is different all over the world. Many countries do not have TV-commercials at all, while other countries have commercials all day long. *Product adaptation* is the third strategy that Keegan (1999) discusses. This involves changing the product to meet local conditions or wants. Fourthly, there is the *dual adaptation* where both product and promotion must be adapted to the market. Finally, there is the *product invention*, which consists of creating something new for the foreign market (Keegan, 1999).

### 3.6 Mail Order Business

#### 3.6.1 Mail-order business

In Sweden sales through mail-order is an ordinary practice of supplying the market with goods no matter the type of product. The oldest tradition within the mail-order business is found within the business-to-consumer market with the supply of clothing and tools (Salomonsson, 2003).

The mail-order catalogue, irrespective of which industry, is in many cases seen as a substitute for stores, show-rooms and the like. The main advantage for a mail-order company is the possibility to reduce costs related to personnel. The main advantage for customers is that they are able to choose among an assortment larger than the one that is found in a store. Moreover, the cost structure, connected to the product, becomes more effective and the
improved logistics are other advantages gained when using this marketing channel. There are also some negative aspects to be aware of when operating a mail-order business. The customers have only the picture in the catalogue to rely on. Further, the customers have no other choice than to trust the supplier’s words regarding the quality. There are also less or no possibilities to satisfy the customers’ request regarding personal service (Salomonsson, 2003).

3.6.2 The business in general
Within the market of office equipment there is a huge number of companies established and the degree of competition is high. The companies’ ability to compete and how they are positioning themselves in the market differs depending on the organizations’ marketing strategy. Most companies have established show-rooms and as a complement a sales personnel visits the customer, to find a solution and to give proposals on how to decorate. Other companies use wholesale stores and use a mail-order catalogue as a complement. In addition to the above mentioned categories of companies there are companies that, within this industry, have concentrated on distributing the products solely by using a mail-order catalogue. Within this niche, in Sweden, there are nine companies only focusing on office equipment (Salomonsson, 2003).

As of today, no companies are established that only focus on marketing office equipment through the Internet, but this marketing channel is often used as a complement to the mail-order catalogue. There are no limitations considering the assortment since the electronic catalogue has no limits. Further, changes are more easily made and less costly when using the Internet compared to the traditional catalogue. If the electronic development continues at the same rate in the future the Internet might become a central distribution channel, which companies’ survival will depend upon (Salomonsson, 2003).
3.7 The hypotheses

In the beginning of the dissertation we had some ideas about what might be needed for a Swedish mail-order company when entering the Danish market. The issue discussed was; are any adaptations required before a Swedish mail-order company could enter a similar market such as the Danish market? During the literature studies, the hypotheses have developed step by step over time.

3.7.1 Limitation because of framework agreements

When a municipality in Sweden has entered into framework agreements with several companies, the schools within that community are obligated to purchase from the companies chosen. The schools cannot freely choose the supplier that has the best deal to offer.

Hypothesis 1: The existence of framework agreements creates limitations related to the schools’ choice of suppliers.

3.7.2 Local Priority

Kotler et al (2001) argues that governments, both on national and local level, tend to favor domestic suppliers over foreign ones. Therefore, there is a risk that foreign suppliers will be discriminated. Another aspect that tends to increase the risk of discrimination is that governmental buyers, according to Kotler et al, have an obligation towards the community, to favor not only depressed business firms and areas, but also small business firms.

Hypothesis 2: Public administrations tend to favor local suppliers.

3.7.3 Change of language

Already at the start of the dissertation we discussed with a representative from Orderinvest and our tutor about the catalogue language and its understanding difficulties. This has not changed after studying literature regarding the topic. We think that the receiver will just throw away the
catalogue because of the language and rather choose a domestic supplier to avoid any language difficulties. Further, this opinion creates a demand for changing the language in the catalogue into the native language of the country, where the market is located.

Hypothesis 3: There is a need for adaptation of the language when entering a foreign country.

3.7.4 Change of currency
The currency of the price setting used in a catalogue can be very important regarding the buyers’ choice of suppliers. Based on interviews with Swedish buyers, the impression was that, despite no unwillingness regarding doing business with a foreign supplier, they still prefer to have the pricing in their own currency.

Hypothesis 4: There is a need to change the pricing in the catalogue into the currency of the country.

3.7.5 Local representative
There might be a need for a local representative, even if it is a mail-order business where personal contact is not an ordinary practice. The need is not only to satisfy a potential demand for personal meetings, it also gives the opportunity of handling the communication in the native language. In addition, it might give the impression of a greater security, due to the closeness, when it comes to difficulties regarding the service.

Hypothesis 5: A local representative is required in the country of the new market.
Figure 3.3 The adaptation model

This model has been created based on the five hypotheses stated and is a visualization of the main feature of the dissertation.

Figure 3.3 The adaptation model shows different variables that could have an influence on a company's need for adaptation.

The model shows the five hypotheses and how these can have an impact on a company. The five hypotheses together with the existing marketing mix will show whether there is a need for adaptations when creating a marketing mix for the new market.
3.8 Summary

The aim with this dissertation is to find if any adaptations are needed for a mail-order company when entering a foreign country. Different existing theories are presented in the areas of cultural differences, public administrations, business buying, public procurement, adaptation versus standardization and the mail-order business. We have developed five hypotheses with variables that we think have to be considered by a company in the adaptation versus standardization process. The five hypotheses that we have developed are:

Hypothesis 1: The existence of framework agreements creates limitations related to the schools’ choice of suppliers.

Hypothesis 2: Public administrations tend to favor domestic suppliers.

Hypothesis 3: There is a need for adaptation of the language when entering a foreign market.

Hypothesis 4: There is a need to change the pricing in the catalogue into the currency of the country.

Hypothesis 5: A local representative is required in the country of the new market.
4. EMPIRICAL METHODOLOGY

This chapter contains information about the empirical methodology chosen for this dissertation. First, the research strategy will be presented followed by the data collection procedure. After that, there will be a description of how the interviews were carried out. Further, a discussion about the sample and the response rate are presented. Finally the validity, reliability and the analysis of the material will be described.

4.1 Research Strategy

Kumar (1999) states that research can be classified as qualitative or quantitative. Both qualitative and quantitative approaches have advantages and disadvantages. The measurement and analysis of the variables in a research study are dependent upon the purpose of the study (Kumar, 1999). Further he states that if the purpose of the study is to describe a situation, phenomenon, problem or event a qualitative method should be used. The purpose of our dissertation were to investigate if there are potential problems that a mail-order company can come across when dealing with public administrations in a foreign country. Consequently, a qualitative method has been used.

As stated above, a research can be qualitative or quantitative. According to Kumar (1999), a research can also be classified as descriptive, correlational, explanatory or exploratory. A descriptive research attempts to systematically describe a situation, problem, phenomenon or attitudes towards an issue. In a correlational research strategy the main emphasis is to discover the existence of a relationship between two or more aspects of a situation. Explanatory research attempts to clarify why and how there is a relationship between two aspects of a situation or phenomenon. The fourth type of research, exploratory research, investigates the possibilities of
undertaking a particular research study (Kumar, 1999). Most studies are a combination of the first three categories, which is not the case in this dissertation since the fourth category has been added. This dissertation can be seen as descriptive research due to the attempt of describing the business-buying situation within the field of public administration. Further, the dissertation can also be classified as a correlational research approach as we try to discover the existence of relationships between different characteristics within a market and required marketing adaptations when entering a foreign market. Moreover, it can be seen as an explanatory research because of our aim to clarify the necessity of marketing adaptations when entering a foreign market. Finally, the exploratory research can be explained by the initial study made at Swedish schools.

### 4.2 Data Collection

Data is distinguished as primary or secondary data. Primary data is information that has to be gathered for the research in question and can be collected in several ways depending on the research approach. According to Kumar (1999), the different alternatives to gather information are structured or unstructured interviews, observations and questionnaires. After analyzing and discussing advantages and disadvantages of the different data collecting methods the conclusion was to test the five hypotheses, stated in chapter three, by using a combination of unstructured and structured interviews. Unstructured interviews are known as in-depth interviews, where the interviewer develops a framework, called an interview guide, which is used during the interview. Structured interviews include a pre-determined set of questions, specified in an interview schedule to increase the ability of using the same wording and order of questions to gain the advantage of uniform information. The interviews were carried out by face-to-face interviews.

Secondary data is data already gathered and analyzed by others. Secondary data has been collected through sources on the Internet, through literature studies, through articles and other relevant documents.
4.3 The interviews

Interviews have been conducted both in Sweden and in Denmark. The interview guides, both the one used in Sweden and the one used in Denmark, contained mostly open questions and the latter is attached in appendix two. The purpose of the interviews in Sweden was mainly a foundation for gaining more knowledge about how to design the interview guide and to test the interview guide before further proceeding with the research in Denmark. The interviews in Sweden resulted in two important advantages. First, there was the risk reduction regarding essential questions missing and second, it gave an increased possibility to discover and exclude questions without validity for further proceedings. Consequently, some modifications were required before conducting the interviews in Denmark. After first being in contact with the sample over the phone, the interview guide was sent in advance to the interviewees through fax or e-mail respectively. Together with the interview guide a covering letter was attached where we introduced ourselves and gave a short description of the main objects of this study (Appendix three and four). We also informed the interviewees that they were to be kept anonymous both as individuals and as institutions. The aim of sending the interview guide in advance was to give the interviewees an opportunity to prepare the answers before the interview, thus increasing the possibility for us to gain a more in-depth information. The Swedish language was used, both in the interview guides and during the face-to-face interviews, mainly to facilitate for the interviewees. The interview guide has been translated from Swedish to English and both versions are attached in the appendix.

There are a lot of advantages and disadvantages related to the usage of interviews. According to Kumar (1999), face-to-face interviews are suitable in situations, which are characterized by a high degree of complexity. Further it is also appropriate to use this method where there is a need of collecting in-depth information and also in situations where an explanation of the questions is required. Moreover, the interview has a wider application
among the population and it also gives the possibility for the interviewer to combine the interviewee’s verbal information with his or her body language. On the other hand, there are also some disadvantages connected to the usage of face-to-face interviews. Interviews are time-consuming and expensive. Moreover, the result is very dependent upon the personal interaction between the interviewer and the interviewee and the experience, skills and commitment of the interviewer often affect the quality of the data generated by this type of method. This method might involve a risk of personal bias influencing the interviewees and therefore give information with less validity and reliability (Kumar, 1999).

After considering the above mentioned advantages and disadvantages the conclusion was that a combination of structured and unstructured interviews was necessary. We have based our interviews on a pre-determined set of questions, since it gives the possibility to use the same wording and order of questions at the different interviews. On the other hand, the interviews are seen as unstructured since the pre-determined set of questions were used as a base for the interviews complemented by spontaneous questions during the interviews. The time schedule and budget limitation did not provide any other option than to split up our group and carry out the interviews parallel to one another. Further, the choice was based on the facts that the research approach chosen in the dissertation is qualitative. Other aspects, which the choice was based upon, were the lack of knowledge within the field of foreign public administration, the need of in-depth information and the lack of experiences in conducting interviews.

4.4 Case studies

The sample is limited to public schools in the Copenhagen and Elsinore areas on the island of Sealand in Denmark. The sample also includes representatives from each purchasing department respectively within the municipalities of Copenhagen and Elsinore. When including the purchasing units as well as the schools, the sample covers the purchasing decisions on
different levels. The municipalities are in the position of deciding what framework agreements to enter while the schools, which are on a lower level in the hierarchy, have to follow existing agreements or decide on their own what suppliers to do business with, when there do not exist any framework agreements.

The geographical area has been chosen since it is easily accessible. The region chosen has also a great potential because of the growing market, and its closeness to the southern part of Sweden where the mail-order company is located.

Only public schools are considered in this dissertation. There is a great potential in this market and the schools are more or less always under construction and renovation of classrooms, offices or other facilities. Most schools are public and influenced by the municipalities and have therefore been distinguished from private schools in this dissertation.

To find schools relevant for the interviews a contact was established with the Swedish Export Council, located in Copenhagen. This institution guided us into the right direction by explaining the school system in Denmark and supplied us with information where to find the most suitable persons for the interviews.

During the first phase of the dissertation it was decided that eight schools in Denmark would be selected for the interviews. After studying literature and having accomplished seven interviews in Swedish schools, about the buying procedure, we decided to make interviews with people responsible for the conclusion of framework agreements in two different municipalities in Denmark. Unfortunately the interview in Copenhagen could not be carried out since the municipal authority was unwilling to reveal information about the relationship to its suppliers. Six schools were asked to participate, three in Elsinore and three in Copenhagen. Five allowed us to come and visit
them and conduct the interviews, while one in Copenhagen did not have the time for a face-to-face interview, and then promised us to answer by e-mail. The person asked did not answer, even after being reminded to answer by e-mail.

4.5 Operationalization
The reason for using operationalization is to determine the existence of a phenomena, which cannot be justified without being measured (Kumar, 1999). Our aim with the interview guide was to test the five hypotheses formulated in chapter three. The first step in this process was to write one essential question, in a general way, for each factor or variable that seemed important when analyzing potential marketing adaptations required. Next step in the process was to operationalize these general questions into more specific questions with the aim of getting more detailed information about the different factors and variables chosen.

4.5.1 Interview guide
In the section “Interviews” there is an explanation of how we have designed the interview guide and conducted the interviews. We have divided the interview guide into four different sections, namely the buying process, laws and regulations, selecting a supplier and the Swedish supplier, based on the essential aspects, which can influence or determine what adaptations might be required.

- Section one: Buying process
  This section concerns the importance of understanding the buying process within the organization to be able to find what persons who are involved and on what levels the decisions are to be made. The essential thing with this procedure is to gain knowledge about where and to whom the marketing should be directed. Important issues here are to find if the purchasing is centralized or decentralized and who has authority to take the buying decision. Another issue that had to be
considered was the information flow within the organization, from the point where the need is discovered until the decision is made.

- **Section two: Laws and regulations**
  This section concerns laws and regulations that have important influences on the business buying process, since they give an indication of potential informal entry barriers that might be implemented in different municipalities. We would like to find if there are rules regarding framework agreements and limitations on the amounts spent without requirements of public announcement. Moreover, we would like to find if these have to be strictly followed or if they are seen only as recommendations.

- **Section three: Selecting a supplier**
  This section concerns the selection of a supplier. Question four and five in the interview guide are of importance to find how the contact is established between the seller and the buyer and what factors that are of importance when choosing a supplier. This cause of action gave the interviewees an opportunity to point out the different factors within the range of common practice in question four and importance in question five. The aim of this was to find which marketing tool that is the most appropriate to use and how to positioning the company.

- **Section four: The Swedish supplier**
  This section concerns the Swedish supplier. The reason for including this section, about Swedish suppliers, is the necessity to identify what adaptations and obligations that might be required if a Swedish supplier shall have the possibility to succeed in the Danish market. This section includes two general questions. Question six is about already existing Swedish suppliers and their qualities and question seven is about what demands the Danish customers have, on a potential relationship with a
Swedish supplier, if they are about to establish a contact with the supplier in question.

4.6 Validity and reliability

When transferring theory to empirical observations, validity and reliability are used to reduce the risk of bias in the answers (Saunders, Lewis & Thornhill, 2000).

4.6.1 Validity

Validity is the ability of an instrument to measure what it is designed to measure (Körner & Wahlgren, 1996). There is a potential risk that a study could be seen differently depending on the interviewees, therefor there is a need for operationalization. It is a way of translating the abstract and non-measurable concepts into something more concrete and measurable. Moreover it is to ensure that the correct procedures have been applied to find the right answers to a question.

To increase the validity, the interview guide was divided into four main sections based on those factors and variables relevant for testing the hypotheses chosen. These four parts were then broken down into more specific questions. By calling the potential schools, we made sure to get in contact with the responsible persons involved within the buying process. We conducted interviews either with the head master, the director of studies or a janitor at the different schools. Face-to-face interviews were accomplished in purpose to gain more in-depth and relevant information about the subject in question. Moreover, in the covering letter attached, the interviewees were assured confidentiality, it also included a short description of the purpose with our study together with a presentation of us as a group. This was made in an attempt to get more honest answers form the interviewees (Burns, 2000) and to reduce any unwillingness that might arise among the interviewees to participate in the study (Körner & Wahlgren, 1996).
A threat to the validity in our research is the possible risk that the survey cannot be generalized to all populations and all geographical areas due to the limitations related to the sample chosen. Another aspect to consider is that this research was based on a discussion with a Swedish mail-order company, and therefore includes a risk that we have been influenced into a certain direction which results in that the theory is not applicable to all industries.

4.6.2 Reliability

If a research tool is consistent and stable, and hence, predictable and accurate, it is said to be reliable. The greater the degree of consistency and stability in an instrument, the greater is its reliability (Kumar, 1999). According to what is stated above, personal interviews in combination with an interview guide seemed to be the correct method of collecting accurate data. The interviews minimized the risk of questions being misunderstood due to the ability of explaining the questions to the interviewees. Further, by structuring the interview guide the reliability and uniformity were increased, because of the risk related to misinterpretation were reduced by this cause of action. To increase the reliability of collected information we sent the interview guides to the interviewees in advance, this was made in an attempt to reduce the risk of uncertainty during the interview proceedings, but also to make the interviewees more comfortable in answering the questions truthfully. Since no sensitive or personal questions were asked to the interviewees about the topic we increased the probability of receiving truthful answers.

Körner & Wahlgren (1996) argues for the importance of professional interviewers to increase the possibility of gaining as reliable information as possible and to reduce the risk related to bias, which might be a threat due to our lack of interview skills. In purpose to gain more interview skills and to improve the results from the interviews together with reducing the risk of
affecting the interviewees into answering in a certain direction, we have prepared ourselves by accomplishing an exploratory study in Sweden. By this we gained more knowledge about how to handle this specific situation before the actual interviews were to be carried out in Denmark. In addition, this exploratory study within Sweden gave us feedback, which resulted in some modifications of the interview guide.

4.7 Analysis of the material
The analysis of the material, based on an interview guide, is divided into three different parts based on important factors and variables influencing a company’s strategy when entering a foreign country. The argument for structuring the analysis in this way is that the factors and variables chosen are influencing and affecting the expanding company in different ways. Further, because of the choice of using interviews based on an interview guide with open answers we have not received any statistic measurable figures. Therefore the material will be discussed and interpreted based on our impressions and assumptions from the interviews. Due to certain fall off within the sample we chose to make some assumptions regarding general practice within the municipality of Copenhagen based on the similarities between the municipalities in Sweden.

The purpose of the dissertation is to find what adaptations that might be required when a mail-order company is entering a foreign country. It is of importance to find how the different factors might influence and how the variables can be influenced by the company’s choice of strategy. The first part of the analysis includes factors that a mail-order company cannot influence and therefore they are defined as fixed. The second part consists of a set of variables, which can be influenced by a company. Part three consists of a factor that can be defined as fixed but in purpose to find a solution around potential difficulties related to this part, the variables included in part two can be applied.
By dividing the analysis into three parts we found it possible to identify different factors and variables influencing a company about to enter a foreign country. Moreover, the analysis was divided in purpose to simplify it in a logical manner.

4.8 Summary
The theory is evaluated by using a qualitative survey. The study can also be classified as descriptive, correlational, explanatory and exploratory. Primary data is collected through face-to-face interviews, while secondary data is collected through articles and literature studies. The interview guide was tested by an exploratory study on seven schools in Sweden before the interviews were carried out in Denmark. Some modifications of our interview guide were made after this test. The sample is limited to public schools within the areas of Elsinore and Copenhagen. The interview guide was divided into four sections, namely the buying process, laws and regulations, selecting a supplier and the Swedish supplier. We have tried to achieve high validity and reliability through different methods. Finally, the material is analyzed and interpreted.


5. ANALYSIS

In this chapter the analysis of the dissertation will be presented. We start this chapter with an explanation of why and how our model has been modified. Then the analysis will be divided into three main parts. The first part contains a discussion about the organizational structure and laws and regulations. The second part concerns the marketing strategy adaptations. The final part is based on the two first parts and is about local priority.

The original model, described in chapter three, based on our five hypotheses is the foundation of our interview guide, which is presented in chapter four. During the process of structuring the analysis we noted one important factor and one important variable missing in the original model, namely organizational structure and marketing channel. These variables have been seen as basic knowledge during the discussion of this dissertation and have therefore not been questioned when formulating the hypotheses. Already from the beginning we have been well aware of the importance to find how the organization is structured related to the purchase situation and which marketing channel is the most suitable to use. Despite the fact that we were well aware of the importance of the organizational structure and the marketing channel, they were not included in the original model. This became a problem in our further proceedings of the analysis and hence, a modification of the model was required.

The structure of the model has the purpose of explaining different factors and variables and their different impact on a company when entering a foreign country. The structure is based on three categories of factors and variables, depending on which level they are taken into consideration and to what degree a company can influence them. The first category includes factors that a company cannot influence, namely laws and regulations and
characteristics of the organization. The second category includes variables a company can influence namely, currency, language, local representative and marketing channel. The last category concerns local priority, which is placed in between the first two categories since it has some characteristics similar to the first part because a company cannot influence it. Although by applying the variables included in the second category it might be possible to find a solution around the potential difficulties related to local priority. By combining the three parts introduced above with the existing marketing mix the company would be able to create a new modified marketing mix in purpose to find the most suitable strategy when entering a new country.
Figure 5.1 The adaptation model

The analysis will be divided into three parts concerning the modification of our model. The first part concerns the organizational structure and laws and regulations. The factors included in this part are factors that a company cannot influence when it enters a foreign country. A company cannot influence the organizational structure of its potential business partners within a foreign country. If there is a centralized buying unit within a municipality, a company cannot turn directly to the school since the
personnel at the school has no authority to make the buying decisions. Neither, can a company influence a country’s laws and regulations. Moreover, a company is not only obligated to follow a foreign country’s laws and regulations, it is also obligated to follow the laws and regulations within the European Community.

The second part concerns the variables that a company, when entering a foreign country, can influence. Variables that can easily be adapted to a foreign country are the currency, the language, the marketing channel and the need for a local representative.

The third part concerns the favorable position of being a domestic supplier, since local priority by public administrations might occur. This factor is based on the two other parts mentioned above. Local priority is connected to both the organizational structure and a country’s laws and regulations and is therefore a factor that is difficult to influence. Although the existence of difficulties, companies can find alternative ways around the difficulties by using variables such as currency, language, local representative and marketing channel included in the second part of our analysis. This might give them the possibility to appear like a domestic company in a foreign country by, for example, using a different company name. Due to the above mentioned, we have chosen to put local priority somewhere in between the two other parts in our modified model, a so called “grey zone”.

5.1 Analysis part one

5.1.1 Centralized versus decentralized
The first factor concerns whether the buying process is centralized or decentralized. We believe that this is important to be aware of since it shows the selling company where and to whom the marketing should be directed. The answers to this question were different depending on the location of the interviewees. All the interviewees in Elsinore answered that the buying process is decentralized and the buying decisions are to be made at the
schools, within the limitations of their budget. In contrast to Elsinore the interviewees in Copenhagen answered that the buying decisions are centralized, except when it comes to small complementary purchases.

In chapter 3.3.3 we described the structure of the buying unit which is characterized as “a set of buying rules assumed by different people for different situations”. Commonly for all the interviewees, in both municipalities, is that the buying unit is structured in the same way. The janitor holds the most central position within the buying unit and can thus be seen as a user, an influencer, a buyer, a decider and as a gatekeeper. In other words, the janitor is seen as a person who is much involved in the buying process. After the recognition of the need, the analysis will be handled by a collaboration of the so-called users. These users include all staff members who are affected by the purchase. Further, the janitor is involved in, and also authorized to take, the final buying decision up to a certain predetermined amount. Above this predetermined amount the janitor is obligated to co-operate and inform the headmaster or the director of studies depending on whom has the main responsibility of taking the final buying decision. In Elsinore the process ends here, while in Copenhagen the process continues to the next level, hence, the headmaster must bring the matter further to the purchasing agent authorized in the municipality due to the centralization of the final buying decision.

➢ Our conclusion

Considering the outcome of the decentralized buying process in Elsinore there are fewer obstacles for the schools to choose freely among the suppliers within the market than it is in the more centralized municipality of Copenhagen. When the buying process is centralized, the schools cannot act by themselves, without interference by the municipality.
5.1.2 Laws and Regulations

Laws and regulations concern whether there are national laws or directives within the European Community that schools must follow when it comes to public procurement.

During our theoretical studies about national laws we found that there is a particular law in Sweden concerning public procurement and we assumed that all countries have a similar law, Denmark included. The outcome of the interviews in Denmark showed a difference in the national laws between Sweden and Denmark. The general answer from the interviewees was that there is no particular law of public procurement in Denmark. However, there could be local regulations that differ between the municipalities. One interviewee in Elsinore answered that the school is obligated to make a public announcement to at least two suppliers when the purchase exceeds a certain amount. We received a similar answer from one interviewee in Copenhagen about the national regulations but with a difference, the school has to make a public announcement when the purchase exceeds DKK 15,000. The other interviewees did not have any obligations concerning public announcement when purchasing. The interviewee at the municipal purchase authority in Elsinore was not aware of any particular law of public procurement in Denmark. The different answers about a national law concerning public procurement can be due to different local regulations about the selection of suppliers.

As mentioned earlier in 3.4, the laws and directives within the European Community have to be followed. Commonly for the interviewees are that the European Community directives do not affect them, since the schools never reach the limits of the determined threshold values.
Our conclusion

Based on the interviews, there is no particular national law concerning public procurement in Denmark comparable to the Swedish law of public procurement. Due to non-congruous information from the interviewees there might be local regulations. Further, according to the interviewees, the schools never exceed the limits of the threshold values and thus, not affected by the directives set up within the European Community.

5.1.3 Framework agreements

A factor that is of importance in this part is the existence of framework agreements. If a school is included in a framework agreement, hypothesis one predicts that, it creates limitations related to a school’s choice of suppliers, since concluded framework agreements within a municipality could force a school to choose suppliers within the agreement. Further, it is of importance, to the selling company in its search for potential customers, to know whether they follow the agreements or not in the buying decisions.

Once again we could identify a difference between the interviewees in Elsinore and Copenhagen. Unfortunately the interview with the municipal authority in Copenhagen could not be carried out. Due to this we made the assumption that, before the interviews were carried out in Copenhagen, the basic principles of framework agreements might be similar between the two municipalities.

According to the information received from the interview in Elsinore, the basic principles regarding framework agreements are seen as a recommendation and not as a regulation that the schools are obligated to follow in a strict manner. These agreements are published in a database, which can be defined as a pool of suppliers, available to all schools within the municipality. The municipal purchasing authority defined itself as an institution that assists schools with general information about suitable
suppliers and guidance in a buying situation. Further, the schools in Elsinore described the municipal purchasing authority as a place to turn when guidance in the buying situation is needed. The interviewees stated that they can freely decide on what supplier to buy from and therefore not obligated to use the suppliers published within the database of framework agreements. The schools tend to find their own suppliers, due to different aspects. One aspect, commonly for the schools in Elsinore, is that they received better contract terms if they carried out the negotiation directly with the suppliers themselves, instead of relying on already existing framework agreements. Another aspect is that schools are usually limited within their budget which, leads to the need of an increased awareness of costs. Due to their involvement during the buying process and their budget responsibility the outcome is a more cost efficient unit. Last aspect, only mentioned by one of the interviewees, is that there might be a cost related to the usage of the database of framework agreements. Our impression from the interviews in Elsinore is that the issues concerning the municipal authority and framework agreements are seen as a resource that can be used, if it is required, by the schools.

After the accomplished interviews in Copenhagen our assumption about the general similarities between the municipalities of Elsinore and Copenhagen is to be questioned. The answers we received in Copenhagen differ from the answers in Elsinore in the manner that the framework agreements are to be followed strictly rather than seen as a recommendation. Both interviewees answered that they were required to choose suppliers within the framework agreement. Although the possibility of choosing suppliers themselves was limited, they did not experience this negatively. Instead they experienced the framework agreements as less time and money consuming.
Our conclusion

The outcome from the interviews differs between the two municipalities. In Elsinore, the schools were not required to follow the framework agreements while in Copenhagen they were required to follow them strictly. Although the different outcome the interviewees were satisfied with the current situation. The existence of framework agreements can be seen as an obstacle to a foreign company since the schools cannot always freely choose suppliers outside the agreement.

✓ Hypothesis one is partly accepted.

5.2 Analysis part two

5.2.1 Currency

This variable concerns whether there is a need to change the pricing into the native currency of the foreign country. This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. Hypothesis four predicts that the company has to change its price setting into the native currency. The general answer to this question was that there was no need to change the pricing. Although two of the interviewees, one in Elsinore and one in Copenhagen, said that it would simplify the procedure, since no calculation is needed. Moreover the interviewees were well aware of the low valuation of the Swedish currency and thus saw the opportunity in buying from a Swedish company.

Our conclusion

There seems to be no need for a company to change its pricing into the native currency when entering the Danish market.

✓ Hypothesis four is not accepted.
5.2.2 Language
This variable concerns whether there is a need to change the language printed in the catalogues and if communication is preferred in the native language. This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. Hypothesis three predicts that the company has to change the language into the native language of the foreign country. The general answer, in both Elsinore and Copenhagen, was that there is no need for changing the language of the printed material and written communication, since the two languages are similar to each other. Although all the interviewees answered that there is no problem in using the Swedish language there was one exception namely, telephone communication. This is a situation where the interviewees prefer the Danish language to avoid misunderstandings, which could easily occur during a telephone conversation.

➢ Our conclusion
There is no need to change the language in the printed material and written communication. Moreover, using two different languages even if they are similar can result in problems due to misunderstandings during telephone conversations.

✓ Hypothesis three is partly accepted.

5.2.3 Local representative
Hypothesis five predicts that a local representative is required in the foreign country. This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. Through the interviews we found that there were no need for a local representative, instead the interviewees valued personal contact, which means that one single sales person is responsible for one particular school. Personal contact with the company is important to the interviewees to create a relationship with their suppliers. This personal relationship builds up trust and
commitment between the buyer and the seller. Moreover the buyer knows what to expect concerning service, terms of delivery and quality. With a personal relationship the buying process is less time consuming due to the already established contact. Moreover, face-to-face contact is seen as a service that the interviewees would appreciate especially concerning large purchasing or in finding individual solutions concerning decoration and product modifications.

➢ Our conclusion

Among the interviewees there were no tendency that a local representative was required. Although, there are two aspects that are appreciated by all the interviewees, namely personal contact and face-to-face communication and should therefore be taken into consideration.

✓ Hypothesis five is not accepted.

5.2.4 Marketing channel

This variable concerns the buyer’s way of finding potential suppliers. By including this variable we wanted to know what marketing channels that were preferred among the interviewees. Commonly for the municipalities of Elsinore and Copenhagen are that, in general, the Internet is the most used media complemented by different mail-order catalogues. Even though both municipalities use the Internet the answers differed between Elsinore and Copenhagen, due to the regulations determined within each municipality.

The interviewees in Elsinore used the Internet as the main source in the process of finding new suppliers. According to the answers there where no regulations that limited the freedom of using the entire range of suppliers on the Internet. The difference between Elsinore and Copenhagen was that the schools in Copenhagen were limited to choose their suppliers within the framework agreements. These municipal regulations restrict the range of
potential suppliers available and hence, the usage of the Internet is not as favorable in Copenhagen as in Elsinore. In general, there was a negative attitude towards mail-order catalogues. All the interviewees answered that the choice of whether the catalogue is to be kept or thrown away was randomly decided whence one interviewee stated that flyers, including an Internet address, were more preferred than thick catalogues.

Commonly in the municipalities, concerning the selection of suppliers were to engage earlier contracted suppliers. All the interviewees pointed out that the relationship between the school and its suppliers is of great importance and therefore are these suppliers the primary choice when services or products are required.

➢ *Our conclusion*

Our impression was that there is a tendency towards strong established relationships between the schools and their suppliers while the Internet is seen as the main source of finding new potential suppliers. The main difference between the two municipalities is that the schools in Copenhagen are more restricted when selecting suppliers, due to the existing framework agreements, while the schools located in Elsinore can act more freely.

### 5.3 Analysis part three

#### 5.3.1 Local priority

This variable concerns whether there is a local priority in the process of selecting suppliers. During our theoretical studies we found information about that there might be local priority regarding public procurement (Kotler et al, 2001). Although this would be in breach of European Community law, it could be of interest to a foreign company to be aware of. Hypothesis two predicts that the public administrations tend to favor local suppliers.
Commonly for the interviewees in Elsinore were that the schools do not tend to favor local suppliers. The importance in the selection of suppliers is product quality and price rather than local priority. Local suppliers can be provided an extra service due to additional advertisement in local newspapers, but all suppliers are at the end treated equally no matter their country of origin.

The answers we received in Copenhagen were that the schools do not tend to prioritize local suppliers. Partly because it is in breach of European Community law, but the main reason was due to the economic situation within the municipality. Tightened budget limitations demands a more cost efficient way of thinking. Therefore the municipality has a duty towards its local inhabitants to find the best possible solution to cut the spending instead of focusing on supporting local suppliers.

All the interviewees answered that there is no local priority but during further discussions we became aware of some contradictions. Unofficially, the schools tend to favor local suppliers in the manner of contacting suppliers earlier contracted and those already known within the region. Another impression we received was a tendency of consulting informal contacts such as individuals known from personal relations.

➢ **Our Conclusion**

Hypothesis two is not valid in the sense of formal practice of the schools priority of local suppliers. On the other hand, there is an informal aspect that must be taken into consideration namely, a tendency among the individuals that contradicts the above mentioned statement.

✓ Hypothesis two is not accepted.
5.4 Summary

The analysis has been based on six face-to-face interviews at the schools in Elsinore and Copenhagen and at the municipal purchase authority in Elsinore. Initially, our modified model is described and explained. The analysis is divided into three parts depending on a company’s possibility to influence different factors and variables when entering a foreign country. The first part include factors a company cannot influence, the second part consist of variables that can be influenced and the last part concerns a factor that can be partly influenced by the usage of the variables included in part two. The analysis shows that the buying process differs between the municipalities. The degree of centralization and the impact of framework agreements together with laws and regulations restrict the choice of suppliers. Moreover, after analyzing the variables such as currency, language, local representative and the marketing channel the outcome was that all, except the marketing channel, showed little significance when a company enters a foreign country. The exception shows that some adaptations are required because of the emergence of information technology. Further, local priority concerns formal and informal aspects for a company to consider. Officially, there is no local priority since it is against the European Community law. Although our impression during the interviews was that there is a tendency of local priority.
6. CONCLUSIONS

This chapter contains a summary of the dissertation. Then, conclusions of our dissertation are presented, including our modified adaptation model. Moreover, practical implications and implications for further research are being suggested.

6.1 Summary of the dissertation

The aim with this dissertation was to find if there is a need for a Swedish mail-order company to make any adaptations when entering an adjacent country similar to the company’s country of origin. Our theoretical framework contains already existing information about cultural differences, public administrations, business buying behavior, public procurement, adaptation versus standardization and the mail-order business. A development of five hypotheses has been made, based on the theoretical framework and an exploratory study in Sweden. Face-to-face interviews have been conducted at different schools, within the municipalities of Elsinore and Copenhagen. After the interviews we noticed that some modifications of our original model were required to better explain how the different factors and variables influence a company when entering a foreign country. The model shows three different categories of factors and variables that influence the company, which together with the existing marketing mix, will create a new marketing mix suitable for the country.

6.2 Theoretical framework

We have divided the theoretical framework into six parts, cultural differences, the organizational buying process, public administrations, public procurement, adaptations versus standardization and the mail-order business. These six parts have contributed to our modified model, which
describes different levels of influence on a company, whether to standardize or make adaptations, when entering a foreign country.

**Figure 6.1 The adaptation model**

![Figure 6.1 The adaptation model diagram]

Figure 6.1: The modified adaptation model shows three different categories that influence a company in its need for adaptations to succeed in the new country. The three parts in combination with the existing marketing mix will create a new marketing mix for the company.

Our model explains three categories of factors and variables, which might influence a company that enters a foreign country. The factors and variables concern whether a company shall standardize or if adaptations of its marketing mix are required.
6.2.1 Factors a company cannot influence

- **Characteristics of the organization**

  The importance of this factor is related to the significance for a company to know to whom and where the marketing effort should be directed. The main issues within this field are to find if the purchasing process is centralized or decentralized and what persons are authorized to make the final buying decision. Our conclusion supports Kotler's et al (2001) theory about business buying behavior, explained in chapter 3.3, which suggests four essential questions to consider when establishing a new business contact.

- **Laws and regulations**

  This factor influences a company’s decision regarding the expansion to a foreign country. It is the legal system, which constitutes the economic environment and controls the market mechanism within the country. The main issue within this field is to find if there are any laws and regulations that create limitations for a company about to enter a foreign country. Our conclusion is that there is a risk with framework agreements since a national law system can create obstacles for a foreign company. Hence, this conclusion supports the theoretical background, explained in chapter 3.4, which indicates that laws and regulations might constitute restrictions for a company doing business with public administrations.

6.2.2 Variables a company can influence

The aim with our dissertation was to find if marketing adaptations are required within a region with a high degree of cultural congruence. These variables are of great importance when a company is about to enter a foreign country and create the most appropriate marketing mix.
- **Currency**
  This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. The variable shows if there is a need to change the pricing into the domestic currency to reduce possible misunderstandings. The variable is not of great importance for the interviewees and therefore there is no need to change the currency.

- **Language**
  This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. The variable shows if there is a need to change the language into the native language to reduce possible misunderstandings between the parties involved. The variable is not of great importance for the interviewees in written communication, but it is of importance in oral communication. Therefore there is no need to adapt the language in the printed material and in the written communication but there is a need for adaptation of the oral communication, especially when communicating over the telephone. Our conclusion partly supports Root’s (1994) model of congruence, shown in figure 3.1. According to Root (1994) medium cultural distance should occur when the sender and receiver speak different languages. We are of another opinion since, the study has shown that there are many similarities between the Swedish and Danish language and people can, to a high degree, understand each other. Consequently, we believe that the definition of a small cultural distance better explain the congruence between Sweden and Denmark.

- **Local representative**
  This variable is of importance when a company is about to enter an adjacent country similar to a company’s country of origin. The variable shows if there is a need for a local representative within the foreign country, to reduce possible misunderstandings between the parties
involved. The interviewees do not require a local representative but they are in favor of a close relationship with the company. Our conclusion partly supports Root’s theory of congruence due to the similarities between the Swedish and the Danish language as stated above in the section “language”.

- **Marketing channel**

  This variable is of importance when a company is about to enter a foreign country. The variable shows if there is a need to change the marketing channel, to better meet the schools’ preferences when finding potential suppliers. The interviewees preferred to use the Internet rather than catalogues. Therefore there is a need to change the marketing channel. Our conclusion supports the expected extension of information technology discussed in chapter 3.6.2. Moreover, it supports Keegan's (1989) theory about choosing the right promotion strategy where this variable can be identified as a communication adaptation.

6.2.3 A semi influencable variable

- **Local priority**

  This variable is of importance when a company is about to enter a foreign country and the focus is on public administrations, since there is a risk that local or domestic suppliers are being favored. The variable shows if there is a need for a company to appear like a domestic company by adapting the variables that can be influenced by the company. The interviewees did not favor local or domestic suppliers. Therefore there is no need to make adaptations to appear like a domestic company. Our conclusion does not support Kotler et al (2001) that public administrations tend to favor domestic suppliers, presented in chapter 3.2.1. Although, there is an informal aspect, discussed in chapter 5.3.1 that individuals tend to favor local suppliers.
6.3 Criticism of the dissertation

We chose to limit the interviews to the municipalities of Elsinore and Copenhagen because of restrictions in time and funds. We conducted six interviews within the municipalities and are well aware that a larger sample including a larger area would result in a greater credibility.

Our dissertation is limited to the island of Sealand in Denmark. The closeness to the southern part of Sweden might have a positive influence on the interviewees’ attitude towards Swedish suppliers. Moreover, the short geographical distance might increase the cultural congruence between the countries. The result of this dissertation could be different if the study was based on a sample further away.

Due to our close co-operation with Orderinvest it might be possible that we have been influenced to write this dissertation from the seller’s point of view.

We conducted face-to-face interviews to gain more in depth information from the interviewees. As of today, after having accomplished the investigation, it might have been more appropriate for us to conduct a survey by using questionnaires and send them to the respondents. By using this method instead, we would have been able to reduce the possible risk of influencing the interviewees. The validity could be questioned when we, as Swedish students, ask the interviewees, face-to-face, about their attitudes toward Swedish companies. By using questionnaires we would reach a larger number of interviewees and therefore increase the credibility of the information gained. Although, face-to-face interviews were necessary and gave essential information about the topic it could have been better to use these interviews as a complement to the questionnaires instead of using them as a base for our dissertation. Due to the time limit this would have been difficult to accomplish.
Another aspect to consider is the different backgrounds of the interviewees. The sample included persons at different positions at the schools, such as head masters, directors of studies and janitors and a person responsible of the municipal purchase authority in Elsinore. Due to different backgrounds and different positions within the organization the interviewees’ individual attitudes and personality could influence their answers.

A company can only use the adaptation model that we have developed when entering an adjacent country with a high degree of congruence with the company’s country of origin.

The secondary data available in the area of mail-order companies have been of limited quantity. Literature found within the area of mail-order and business-to-business were of no relevance for our dissertation since most of the information was out of date. Other sources of information included practical information about how to succeed within the mail-order business and information regarding the business-to-consumer market. Due to the limited data, Salomonsson (2003) provided most of the information about the mail-order business.

We have included Hofstede's model, about how culture relates to values in the workplace, in our theoretical background without really connecting his study in the further proceeding of this dissertation. Hofstede's model was included to show that there are small cultural differences, which are of importance for our dissertation, between Sweden and Denmark.

We have used Kotler et al (2001) as a reference and based hypothesis two on his statement about local priority. Hence, we believe that the research presented concerning the area of local priority was accomplished within the United States of America. Consequently, this research might not be applicable in Europe.
6.4 Implications for further research

Further research of interest would be to compare a greater number of municipalities, both the ones that include big cities and the ones that include small cities. We found differences between the municipalities of Elsinore, which is a small municipality, and Copenhagen, which is a big municipality. It would be of interest to find if the differences between the municipalities exist due to the different size of the municipalities.

Another example for further research that would be of interest is to modify our model and test it on public administrations within other countries than the adjacent ones. The variables included in our model, which can be changed, are then of little interest since it becomes obvious to adapt these variables when entering a foreign country with a low degree of congruence.

6.5 Practical implications

Our model could be of interest for managers of companies that are planning to enter an adjacent country similar to the country where the company is located. The first part of the model, which concerns the organizational structure and laws and regulations, can be used as a starting point for the company. If there are no major obstacles, the company can proceed in investigating the other variables included in the model to find if certain adaptations of the marketing mix are required.

6.6 Final conclusions

Our adaptation model is created to identify if adaptations of the marketing mix are required when a company is entering a foreign country. The model has been tested and can be accepted if tested in certain circumstances. The country has to be adjacent and similar to the company’s country of origin. The contribution of our model is that a company in its practical decision-making can use it when entering a foreign country. The practical implication of the model is presented in the following chapter.
This chapter contains information about Orderinvest. The company’s business concept and its existing marketing mix are presented. Further, our adaptation model is implemented and tested on the company.

Orderinvest OPAB AB is a family owned company, which has been in business since 1985. The company is located in the southern part of Sweden, in the region of Skåne, where its 15 employees are stationed. The field of business activity is based on sales of equipment to offices, industrial enterprises and public administrations. Orderinvest has no manufacturing of the products. The company is supplied by a number of manufacturers both in Sweden and abroad. The sales are made through own designed mail-order catalogues that are distributed regularly throughout Sweden. The owners of the company are now thinking of entering the Danish market. The owners think that they are required to make several adaptations to be able to succeed in the new market.

- **Business concept**

Orderinvest shall regularly provide companies and public administrations with product catalogues containing functional equipment, of high quality and at the “right” price, to offices, school buildings, conference halls, staff rooms and workshops. The company shall “simplify the situation for customers by offering complete solutions at a FAIR PRICE by fulfilling the obligation of their three keywords, Quality, Security and Service” (P. Salomonsson 22 Dec 2003, Marketing director).

- **Existing marketing mix**
To reach potential customers and to maintain already existing ones, Orderinvest has focused on establishing a show room as a complement to the main marketing tool, the mail-order catalogue. Further, the company has begun to design a new way of marketing, by publishing a catalogue on the Internet. The owners’ of the company feel that they have to follow the development toward a more Internet based industry without abandoning the original business idea. The Internet catalogue will be used as a complement to the traditional mail-order catalogue, containing a wider range of products.

7.1 Implementation of the modified adaptation model

Through our interviews in Sweden we gained basic knowledge about factors and variables included in our model. This information was then used in our further studies in Denmark to find what adaptations are required when entering the Danish market.

When analyzing the possibility if Orderinvest can succeed on the Danish market, we first needed to consider aspects such as the organizational structure and laws and regulations. The knowledge we gained in Sweden was about general laws and regulations that have to be considered in a purchase situation. This information was then used to identify possible differences between the Danish and Swedish law systems. Another aspect of importance is whether the organizational structure is centralized or decentralized. This might increase the possibility for Orderinvest to direct the marketing to the persons involved in the buying process and to the persons authorized to take the final buying decision. These factors are defined as fixed and are included in the first step for Orderinvest to consider if entering the Danish market.

When comparing The Swedish and the Danish market situation we found that there is no major difference which can be identified. Both the organizations and the law systems are structured in a similar way in the two
countries. There are no indications of visible entry barriers, neither is there any indication that specific marketing adaptations are required. On the other hand, it might be of importance to be aware of possible differences between the municipalities within the country. Despite the fact that our study showed no significant differences between Sweden and Denmark, we identified some differences between the municipalities within Denmark.

The next step in our study was to find if there are some variables seen as more important when expanding the business to Denmark. After the interviews in Sweden we came to the conclusion that there is a category of variables, which seem to be of importance if Orderinvest enters the Danish market. The variables, currency, language, local representative and marketing channel, can easily be adapted by Orderinvest. When applying these variables to Orderinvest, we found that no adaptations were required except for the marketing channel. Moreover, the marketing channel might not be significant only for the Danish market, instead it might be more dependent on the development of the information technology. Consequently, the aspect of adapting the marketing channel and to put more focus on marketing over the Internet is of great importance. This is an aspect that needs to be considered by Orderinvest if the company shall be able to compete with already established suppliers on the Danish market.

The last aspect to consider is the possible risk of foreign companies being discriminated because public administrations tend to prioritize local suppliers. Formally, this is in breach of European Community law and therefor is local priority not existent, according to the interviewees in Denmark. Hence, this aspect does not constitute an entry barrier for Orderinvest. Although, the interviewees claimed that there was no local priority we noticed a tendency of choosing local suppliers. The persons involved within the buying process tend to use local suppliers or informal contacts within their surroundings. This in addition to already strong established relations between the schools and their suppliers might create an
informal entry barrier that Orderinvest has to take into consideration. By adapting the variables included in our model Orderinvest can appear like a Danish company and avoid the possible problem related to local priority.

7.2 Summary
Orderinvest is a family owned mail-order company within the industry of sales of equipment to offices, industrial enterprises and public administrations. Orderinvest is a Swedish mail-order company about to enter the Danish market. The main marketing channel is the mail-order catalogues complemented by a show room and product specifications published on the Internet. Through our interviews in Denmark we found that Orderinvest does not need to make any major adaptations but some aspects have to be considered, namely, the spread of Internet technology and the possible risk of discrimination related to local priority in the manner of an informal entry barrier.
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APPENDIX
Appendix 1

Interview guide, regarding purchase of furniture and equipment for schools

1. How does the buying process function?

Authority
- Centralized versus decentralized
- Limitations for decentralized buying
- Authority at the workplace (janitor, headmaster etc.)

Process
- Analysis of the need
- Information flow during the decision process
- Decision-maker

2. Are you included in a framework agreement?

If yes:
2.1 Do you follow the agreement?
2.2 Are you allowed to purchase outside the framework agreements?
2.3 Are you satisfied with existing suppliers?
2.4 Do you have an adequate number of suppliers?
2.5 Are local suppliers prioritized?

If no:
2.6 Are there any suppliers recommended?
2.7 Is there any “municipal pool of suppliers” where you can get references from?
2.8 Are local suppliers prioritized?

3. How do Danish and European Community laws respectively regarding public procurement affect you?

- Possible directives
- Possible threshold value
4. How is the contact with the supplier established?

- By receiving advertisement, a mail-order catalogue?
- Advertisement in technical magazines?
- Outreach work by the supplier?
- Through your own outreach work, i.e. Internet etc.?
- Through trade fairs
- By references
- The principle of free access to public records?
- Framework agreements?
- Other?

5. What factors are decisive when choosing a supplier, priority?

- Price
- Product quality
- Guarantee
- Service (personal service)
- Time of delivery
- References
- Other

6. Do you have any Swedish suppliers as of today?

*If yes:*
6.1 Where is the supplier situated, Sweden or Denmark?
6.2 Is the selling company Swedish or Danish?
6.3 On what distances are the suppliers located?
6.4 What language is used during communications?
6.5 What language is used in the product catalogue?
6.6 In what currency is the price setting?

*If no:*
6.7 Can you see yourselves cooperating with a Swedish company?

7. What requirements do you have on a Swedish company regarding a possible cooperation?

7.1 Does the language need to be changed?
7.2 Does the currency need to be changed from Swedish kronor to Danish kroner?
7.3 Is it of any importance if the supplier is located nearby?
7.4 Is there a need for a local representative in Denmark?
7.5 Is the closeness to show rooms important?
Appendix 2

Intervjuguide, avseende inköp av möbler och inredning av skollokalers

1. Hur går inköpsprocessen till?

*Befogenheter*
- Centraliserat/decentraliserat
- Gränser för decentraliserade inköp
- Befogenheter på arbetsplatsen, (vaktmästare, rektor osv.)

*Processen*
- Analys av behov
- Informationsflöde under beslutsprocessen
- Beslutsfattare

2. Har Ni något ramavtal?

*Om ja:*
2.1 Följer Ni avtalet?
2.2 Tillåts Ni handla utanför ramavtalens?
2.3 Är Ni nöjda med nuvarande leverantörer?
2.4 Har Ni tillräckligt antal leverantörer?
2.5 Prioriteras lokala leverantörer?

*Om nej:*
2.6 Finns det rekommenderade leverantörer?
2.7 Finns det någon ”kommunal inköpspool” att hämta referenser från?
2.8 Prioriteras lokala leverantörer?

3. Hur påverkas Ni av dansk lagstiftning respektive EU-lagstiftning angående offentlig upphandling?

- Eventuella direktiv
- Eventuella tröskelvärden
4. Hur uppstår kontakten med leverantören?

- Erhållande av reklam i form av katalogutskick
- Annonser i facktidsskrifter
- Uppsökande verksamhet från leverantör
- Egen uppsökande verksamhet, typ Internet m.m.
- Mässor
- Referenser
- Offentlighetsprincipen
- Ramavtal
- Annat

5. Vilka faktorer är avgörande vid valet av leverantör, prioritering?

- Pris
- Produktkvalitet
- Garanti
- Service (personlig service)
- Leveranstiden
- Referenser
- Annat

6. Har Ni några Svenska leverantörer i dagsläget?

*Om ja:*

6.1 Var är leverantören stationerad, Sverige eller Danmark?
6.2 År det såljande bolaget svenskt eller danskt?
6.3 På vilket avstånd finns leverantören?
6.4 Vilket språk används vid kommunikation?
6.5 På vilket språk visas produktinformationen?
6.6 I vilken valuta anges priset?

*Om nej:*

6.7 Kan Ni tänka Er ett samarbete med ett svenskt företag?

7. Vilka krav ställer Ni på Svenska företag vid ett eventuellt samarbete?

7.1 Behöver språket anpassas?
7.2 Behöver valutan ändras från Svenska kronor till Danska kroner?
7.3 Har det någon betydelse om leverantören finns i närheten?
7.4 Behövs det en lokal representant i Danmark?
7.5 Är närheten till utställning (show-room) viktig?
Appendix 3

Dear,

We are students from the University of Kristianstad where we study International Business. We are at the present working with our Bachelor dissertation concerning Swedish mail-order companies’ possibility of entering the Danish market. The purpose with our dissertation is to study and analyze potential differences concerning the culture among adjacent countries. Moreover, our aim is to identify attitudes, which might affect the possibility of expanding the business to a foreign country. We have chosen to focus on public administrations, such as schools. Due to this it would be interesting to visit you and take part of your buying process regarding office equipment and furniture. The information collected during the interview will be presented in our dissertation, but your name and the name of the school will be kept anonymous.

To give you the possibility to prepare yourself before the interview, please find the interview guide including general questions attached as agreed during earlier phone conversation.

Thanks in advance,
Stefan Olsson
Renée Petersen
Snjezana Vlahov
Hej!


Enligt överenskommelse vid tidigare telefonsamtal bifogar vi härmed ett formulär med övergripande frågor, så att Ni har möjligheten att förbereda Er inför intervjun.

Tack på förhand.

Med vänlig hälsning
Stefan Olsson
Renée Petersen
Snjezana Vlahov